

Welcomeship

Building Inclusive Communities Through
Community-based Entrepreneurship

LEARNING KIT

GUIDEBOOK



In order to foster innovation in youth work, partners of the project “Welcomeship! Building Inclusive Communities through Community-Based Entrepreneurship” established the Learning Kit for youth workers and young people to develop their skills and competencies in the field of community-based entrepreneurship learning.

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Introduction

Goal of the project

The main goal of the project Welcomeship! Building Inclusive Communities through Community-Based Entrepreneurship is to develop, implement and test the "Welcomeship" model of inclusion which closes the gap in collaboration and dialogue among the local residents, local young people, as well as migrants and refugees. The project fosters community spirit and provides young people with specific skills through community-based entrepreneurship learning so that they become active contributors to the society and communities where they live.

Learning Kit: Guidebook and Exercises

The Learning Kit of the project has been produced for youth workers and young people with fewer opportunities, including young migrants and local youth, to foster their skills and competences in community-based entrepreneurship learning. It consists of two parts: 1) the Guidebook which outlines the essential pillars of community-based entrepreneurship, and 2) the Exercise Book with activities in the classroom, homework and tips for trainers. The exercises, unless indicated otherwise, have been taken from YEPP EUROPE training materials and adapted to the target group of the project: young migrants and refugees and local young people with fewer opportunities. In the course, they will develop their entrepreneurial ideas which address community issues and build partnerships with stakeholders to bring about positive change in the local communities.

Multi-dimensional learning

The Learning Kit is the theoretical and practical foundation for the Welcomeship course of 5 modules. Those are delivered in a form of workshops, homework assignments and online exchange among young people. It is based on non-formal learning methods and collaborative practice. The activities strengthen the interaction of locals and newcomers, address the fears and prejudices and foster community spirit. One element of the course is the Welcomeship Nights - regular meetings of community residents, local decision makers and young people to discuss community topics, learn from the experiences of each other and create an openness, tolerance and an atmosphere of togetherness in the community.

Benefits of the course

The Welcomeship Course is a blended course, which means that local learning is combined with online activities, e.g. homework assignments, online tutorials, coaching sessions, etc., as well as with international youth exchange. Peer learning is an important aspect of the course: sharing your results and giving and receiving feedback from peers makes learning more fun! The content of the Welcomeship Learning Kit will be piloted and evaluated by project partners in Germany, UK, Sweden, Finland, Portugal and Italy. Piloting will identify what works and what doesn't in different European settings and will lead to fine-tuning and optimising of the learning material by participants and trainers. By piloting and optimising this

Course and by making it accessible to a wider audience after the project is over, the future users will benefit from a well-tested model including best practice examples and recommendations from young people and trainers who have gone through the Course during the project.

How to use the Guidebook

The Guidebook is intended for young people and youth workers to learn about the essential pillars of community-based entrepreneurship split in 5 modules.

How to use the Exercise Book

The trainers select the activities for young people according to the level and various learning styles. Exercises are written in an easy language, but explaining it in an easy way is even more important. Debriefing of each exercise is an essential part of the learning process. At the end of each module, the trainer asks young people to evaluate the content, their motivation and their learning achievements.



Module 1. Opening Minds and Doors

“Exclusion is always dangerous. Inclusion is the only safety if we are to have a peaceful world.” — Pearl S. Buck

“We need to give each other the space to grow, to be ourselves, to exercise our diversity. We need to give each other space so that we may both give and receive such beautiful things as ideas, openness, dignity, joy, healing, and inclusion.”

— Max de Pree

Short Description

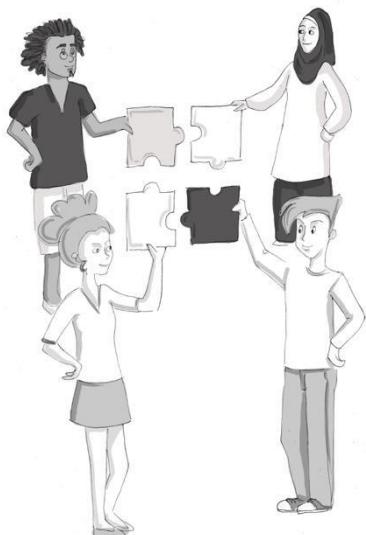
The overall objective of the Welcomeship project is to build inclusive communities through community-based entrepreneurship. We believe that collaboration among young people with diverse backgrounds e.g., young migrants, refugees and local young people, by learning, thinking, dreaming, planning and implementing ideas together, is a way which contributes to inclusion and positive social change. In this sense, individual learning process is connected to the collaboration with other young people and the learning process of the community. Successful collaboration starts with building a group identity and trust between the members, agreeing on the common rules and principles, and learning about each other's background, identity and culture to establish a working dialogue. Module 1 of the Welcomeship course is focussed on “Opening Minds & Doors” for that reason. The importance of team building, identity and intercultural dialogue, as well as the benefits and

challenges of diversity and community potential for community-based entrepreneurial ideas, will be covered in this module and will remain the underpinning topics throughout the whole course, and when we move further into entrepreneurship tools and techniques in Modules 2 through to 5.

Learning Objectives

- To get to know each other and build a group
- To understand how identities and cultures are built and expressed
- To learn the principles of dialogue as a way of listening, sharing and finding a common ground
- To learn about the key terms in inclusion work such as discrimination, prejudice, stereotypes, tolerance, etc.
- To become aware of how to promote diversity and social justice as a way of building inclusive communities
- To understand the concept of community, local and global interdependence, power and decision-making dynamics, and the value of networks

1. Team building



Team building activities are simple ways to get you talking and listening to one another, getting to know each other, and preparing you for working in a team. It is also the way to acknowledge the diversity of people in the group and gain knowledge and understanding about each other's background and to figure out how to move forward together.

Team building activities are a nice way to start the process of forming a group, be it three-day training or a one-year course. Examples are icebreakers and energizers. You can do these activities for different reasons and at any point: to warm up or relax as a group, after lunch to get the group back into the mindset of the meeting, to introduce the next part of the training, or to tackle a challenge that your team

(together or divided into smaller groups) must either overcome or address.

Team building activities are adaptable to your group and situation. When considering an activity, be sure you know the specifics of your group, such as age, cultural background and training focus. Make sure that you do an activity which allows all members of the group to participate. Icebreakers and team-building activities are suitable for people of all ages; there is no such thing as being “too old” for it. Many people, once they are aware that it is OK to relax and have fun, will enjoy the experience of “being able to let go” and learn with others in this way¹.

¹ Source: Diversity & Inclusion activities. West Virginia University:
https://www.uh.edu/cdi/diversity_education/resources/activities/pdf/Inclusion_Activities_Book.pdf

The methods employed in this Learning Kit are activities intended to foster non-formal learning and working together as a group. All the activities in Module 1 may be considered as team building activities, which serve the overall purpose of inclusion and valuing diversity. You can decide to select a specific diversity activity to shed light on problems you may want to discuss, potential problems other people may face, or as a refresher to help you get back on track as a group.

Everyone should be able to feel wanted and valued during the meeting, so make sure that you agree on the ground rules before conducting any activity, including icebreakers.

Rules and principles for working in a diverse group

- Use inclusive language to create and maintain the inclusive atmosphere: use first-person language (e.g., *a refugee child* vs. *a child with refugee status*), avoid using labels (e.g., *that Muslim guy*) and normative comparisons (e.g., *normal people* vs. *disabled people*, *normal eaters* vs. *people with dietary restrictions*, *sexual majority* vs. *sexual minority* etc.). Labels are debilitating and make people focus more on the difference
- Positively acknowledge differences – find ways to celebrate and include differences when appropriate and possible
- Promote openness and honesty in dialogue
- Promote non-judgmental behaviour and respect for diversity
- Reject discrimination and violence in accordance with the Universal Declaration of Human Rights
- Encourage everyone to support each other to fully participate in the course. Also, together, think about the barriers and how participants will overcome them
- Commit to disagree agreeably
- Stick to upholding the agreed principles. This will give strength to participants who might be feeling unable to participate fully and encourage others to share their concerns too. If there are dominant participants, discuss the issue with them in private
- Consider any potential participation issues in advance, for example around gender, language or participants from a minority group, or whether participants have any specific access needs, especially for people with disabilities that should be taken into account in advance.

2. Identity and culture

This section is intended to help you understand how identities and cultures form and get expressed, and how cultures are connected. You will develop an awareness of other cultures, learn to value different perspectives and challenge your assumptions.

In order to understand how identities and cultures form, are expressed, change and are connected, we have to become aware of what our own identity and culture is and how it is expressed.

Identity is our sense of self. It is made up of the beliefs, values and interests that define you as an individual. Our social identity includes the race, religion, language, gender roles and cultures we identify with, in wider society. Some elements of our identity are visible, others are invisible and some we (or other people) choose not to reveal. We should be cautious about making assumptions about individuals based on what we see.

Each of us has multiple social identities: a student, a son, a brother, a musician, a cook, a dog lover, a Muslim and an Iraqi. In certain stages of life, our identities might change or get expanded by new roles we take on e.g., as a wife/husband, a parent, a community leader, or an environmental activist.

Some influences create tensions if they occur at the same time and conflict with each other. For example, you may be influenced by traditional family values as much as you are affected by global popular culture. Certain social groups e.g., politicians, the media, the church, or nowadays vloggers and influencers, affect the way we see ourselves and others.



An important fact is that our perception of “otherness” or the identity of others has an impact on the level of equality and justice in society. Our assumptions about whether women have less ability than men or whether LGBTQ people deserve fewer rights can have a legal impact and long-term consequences for them to deal with.

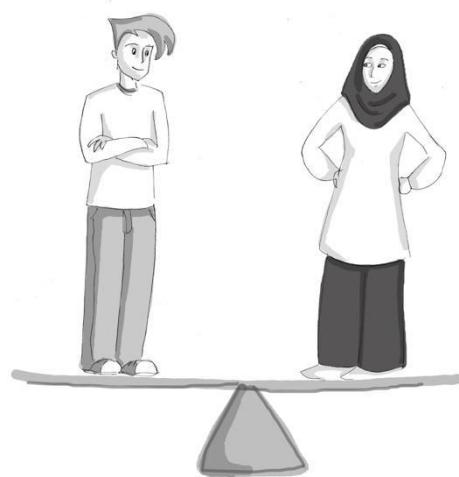
How we understand and value our own identity and the identity of others determines our choices. A firm sense of one's own identity may become a source of conflict and justification for the oppression of other individuals and communities with different identities. At the same time, a better understanding of the identity of others empowers us to understand the influences, opinions, attitudes and needs of different people and cultures. This, in turn, helps us develop critical thinking and enquiry skills.

Whereas identity is personal and not always a visible sense of self; culture is a set of values, beliefs, attitudes and behaviours that are learnt and shared in a community. Culture is often visible and identifiable through food, dress, music and dance. Culture also shapes the way identity is expressed or lived in our family or community, as a more internal expression of our attitude towards life. For example, in German culture, it is common for Christian Churches to celebrate *Konfirmation* (Confirmation) so that teenage girls and boys mark the transition to adulthood, whereas in some African countries, for some cultures within them, the coming-of-age for girls is celebrated through early marriage.

Communal cultural practice helps people to understand one another and gives them a sense of protection, belonging, pride and identity. At the same time, it might also create expectations of other cultures to live in the same way, with norms and measures created if others do not follow the same principles. These expectations may later become sources of judgment and prejudice².

If we want to build inclusive communities and societies, we must ensure that the residents respect the identity and culture of each other, and that differences are appropriate and possible.

3. Promoting diversity and social justice



Diversity has become an everyday reality in our globalised societies. We drink Italian coffee, go shopping in Turkish markets, buy clothes made in India and drive German cars. However, do we value diversity as much as we see its benefits, or do we sometimes deny it.

Diversity in practice means the experience of working with different groups in terms of race, educational background, religion, ethnicity, disability and gender. It is different from working with a heterogeneous group that shares a common identity and culture, and the challenge of inclusion is less. A shared identity

helps us to feel safe and secure in a group. As diversity increases, we might feel less secure and more disconnected from our social environment. Events around the world show that people can respond to this in many ways, either by vigorously defending their identities 'under pressure', or by valuing differences, building trust and understanding, and finding shared identities between different groups. For example, the Pegida movement promotes a traditional German identity, while rejecting and objecting to Islamic practices and Muslim people; by contrast, the European Union supports ongoing transnational youth exchanges aimed at learning how to recognize and correct stereotypes, how to find common ground and how to work with differences within a team.

To promote diversity, we need to commit to change, to the honest discussion of negative influences, such as cultural misunderstandings, stereotypes, prejudices and exclusionary practices, and use the evidence of good practice and innovation, such as community-based entrepreneurship initiatives for people with different backgrounds.

Diversity is not an issue that needs to be addressed only in the classroom. Diversity is a principle of social justice, which along with equality and a supportive

² Source: Active Citizens Facilitators' Toolkit. Globally Connected, Locally Engaged. British Council 2017.

environment, guarantees individuals equal opportunities for wealth, personal development and social privilege. It always needs to be cultivated, supported and reinforced. Understanding these principles and being able to spot inequalities strengthens our sense of social justice, so we can apply it in our environment. If we give credit to people's similarities and differences and support their participation, we become stronger leaders.

Unfortunately, not everybody is treated equally. We face the basic issues of fairness in our everyday life either directly or indirectly through friends, relatives and colleagues. Many groups in our society – ethnic minorities, women or people with disabilities – are exposed to prejudices, myths and conflict resolution through their relationships with other members of society. Through open discussion and structured activities, we can explore these issues in a safe environment and create awareness of what diversity is, what are its benefits for society and why people are against it³.

The activities in this section aim at creating an open and secure framework for looking at differences, removing cultural hierarchies and strengthening our abilities to develop informed ethical views of complex issues, including prejudices, discrimination, xenophobia, racism, etc. In the following modules, we will look at community-based entrepreneurship as one of the tools to become proactive and create more social goods in our communities.

4. Inclusion and intercultural dialogue

In this part, you will learn about the principles of dialogue, the approaches of dialogue and the use of dialogue for inclusion and community-based actions. Many vulnerable groups in the society do not have a voice, so building a constructive intercultural dialogue means using the techniques of listening and questioning to create spaces that are inclusive. The objective of the Welcomeship course is to provide such a space, where the values of tolerance, mutual understanding and respect are promoted and enhanced.

³ Source: Conclusion. In Europe in transition: Diversity, Identity and Youth Work. SALTO Cultural Diversity Resource Centre 2017, www.salto-youth.net/diversity.

Dialogue is a conversation in which people learn from and share with one another. Dialogue is different from other forms of conversation, such as debate, discussion, advocacy, talk or negotiation. The aim of dialogue is to understand different perspectives and find common ground. With global systems and issues that impact local communities, such as climate change, migration, etc., we need to enter into dialogue to effectively address them.



Dialogue puts the focus on learning. It makes you value different perspectives and contributes to a greater collective wisdom. The focus on sharing builds mutual trust and empathy for one another. In this way, we not only see the actions and words but the beliefs and motivations behind them. Learning and sharing are the principles of participation; this is how we build stronger and inclusive communities. A precondition to any successful dialogue is a genuine interest in another's perspective. However, a barrier to this is discrimination or the unequal social positions between the partners in dialogue, which creates disadvantage⁴.

There are many skills that support dialogue, for example, listening and questioning skills, as well as methods which organise conversations in a way that maximizes effective learning and sharing. These are the skills which you need as a leader, entrepreneur or activist working at any level of society. When you are involved in dialogue, you seek to question your assumptions, welcome new ideas, increase your empathy to differing views, understand the barriers that others face to meaningful participation, expand and possibly change someone's point of view, find common ground and keep the dialogue alive. Some activities and exercises are aimed at building these skills practically.

5. Community development and spirit



In this part, you will learn about the concept of community, local and global interdependence, power and decision-making, as well as the value of networks and conflict management in fragile communities. In the next modules, we will talk about how community-based entrepreneurship can help with the sustainable development of communities. You will learn how to do community mapping to find out about needs and how to develop community-based ideas.

A community is a group of people that share a geographic locality and have common interests in the quality and opportunities of that locality. Communities might also be created by a set of shared values and interests, for example:

- employment e.g., professional associations, unions, informal communities of practice
- shared religion and/or faith
- people of the same ethnic background
- people of the same sex and/or sexuality
- interest in the same leisure activities e.g., sport, music
- the pursuit of specific causes e.g., climate change, children's rights and gender equality.

Some communities are formed based on the conscious decision of people to be part of it ("musicians in dialogue"), and others are based on circumstance and history (refugee, expat or migrant community). An individual may identify with several communities, their values and choices. In this way, each community adds to a person's identity. Communities can be small or big, focused or vague, and sometimes they have conflicting interests.

In the Welcomeship project, when we talk about an inclusive community, it is necessary to define the boundaries where inclusion happens and all people can participate in the decision-making processes and have equal opportunities to access social services.

An inclusive community supports the empowerment of individuals, so that previously excluded groups get to participate in decision-making. It requires an understanding of decision powers, of practical obstacles to participation, and how networks and community-based entrepreneurship can foster inclusion⁵.

Further Resources & Learning

Team building

- [Ten quick and easy team building activities](#) a short description
- [Great icebreakers](#) a video of icebreakers

Identity and culture

- [Healthy conversations with young people](#) a guide for youth workers and trainers
- [We are not all that different: race and culture identity](#) Seconde Nimenya's TED Talk

⁵ Source: Active Citizens Facilitators' Toolkit. Globally Connected, Locally Engaged. British Council 2017.

Promoting diversity and social justice

- ['Fasian': Fake Asian - It's \(past\) time to appreciate cultural diversity](#) Hayley Yeates's TED Talk
- [TED Talks to help you understand social justice](#) a selection of nine TED Talk videos

Inclusion and intercultural dialogue

- [Dialogue guides](#) a collection of free resources on commonly discussed intercultural topics (from humour to racism) by the Sustained Dialogue Institute
- [In defense of dialogue](#) Jonas Gahr Støre's TED Talk

Community development and spirit

- [What makes a welcoming and inclusive community](#) a mental checklist video from the city of St. Albert, California
- [Building inclusive communities](#) a step by step guide and toolbox for community development
- [Introduction to power analysis](#) the Powercube method to community and power relationships



Entrepreneurship & Community

Module 2. Entrepreneurship and Community

“Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world.”

— Harriet Tubman

Short Description

The objective of this module is to understand the different types of entrepreneurship, as well as the role entrepreneurs play in our society for example, who are the (social) entrepreneurs you look up to, what ideas do you feel inspired by and who are your role models for bringing about social change. If you do not know yet, then this is where your discovery begins.

This module also helps you to understand where your interests, skills, experiences, aspirations and passions lie in order to identify yourself as a future (social) entrepreneur. If you want to be a successful entrepreneur, you need to match your

interests, skills and experience to a social issue or problem and with a combination of your heart and mind, it will nurture the seeds of success to grow.

Learning Objectives

- Recognize the role of entrepreneurs in society and your community
- Identify the areas of your economy/society where entrepreneurs work
- Discuss what community-based entrepreneurship is and how it differs from business and social entrepreneurship
- Identify your role models and who and what inspires you
- Understand how your own passion, interests, skills and experiences can align with your potential entrepreneurial aspiration

1. Definition and types of entrepreneurship



In the YEPP (Youth Empowerment Partnership Programme) definition, entrepreneurship is a tool of empowerment for individuals and communities to realize their potential and create sustainable business models that are based on the cooperation of local actors, are socially responsible and connect local needs with community resources.

The major types are business and social entrepreneurship. Business entrepreneurship is divided into small businesses relying on supply chains and scalable startups that attract venture capital to grow and expand, and large companies that grow through sustained innovation and offer new products built around their core ones.

Social entrepreneurship is a type of entrepreneurship where social entrepreneurs are innovators who focus on creating products and services that solve social needs and problems. Their primary goal is to make the world a better place, not to take market share or to create wealth for the founders. They may be nonprofit, for-profit, or a hybrid.

The difference between business and social entrepreneurship was clear-cut in the past. In today's world, even if your final goal is generating profit, as it is in business, you still need to take social and environmental aspects into account.

Community-based entrepreneurship is a type of social entrepreneurship with the aim of utilizing community resources and creating a new product or service that can respond to community needs (more in the next section).

Other types and forms of entrepreneurship are defined according to the target group or field of the entrepreneurial activities, for example, females, veterans, refugees, the environment etc., and impacts the way you reinvest the profits.

While the differences are often a question of definition, what is important is for you to identify what kind of entrepreneur you want to be and what your final objectives and goals are.

If your final goal is to create social change and become a social entrepreneur, using tools and methods from business entrepreneurship is crucial to ensure the sustainability of your project.

Sustainability is based on a simple principle, i.e., everything that we need for our survival and well-being depends either directly or indirectly on our natural environment. Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony and fulfils the social, economic and other requirements of present and future generations. It is important for making sure that we have and will continue to have, the water, materials, and resources to protect human health and our environment.

While this defines well the notion of sustainability in general, when we talk in entrepreneurship about a sustainable (social) business model, what we mean is a model that generates sufficient and durable income allowing the (social) business not only to survive but also to further develop and grow.

2. Community-based entrepreneurship

Community-based

entrepreneurship is considered to be an important instrument for the realization of potential especially amongst communities that are deprived of, and isolated and marginalised from the mainstream economy. It is a tool to increase social upliftment through shared cultural values, resources and trust nurtured through close personal relations to create functioning economic activities. As scholars, Parwez and Sazzad point out in the Journal of Innovation and Entrepreneurship 2017⁶, entrepreneurial activities creating local public goods for a community have a comparative advantage over market-oriented ones.



In the Welcomeship project, we use the following definition of community-based entrepreneurship:

Community-based entrepreneurship means that the entrepreneurial ideas of people are directly linked to the community they live in, belong to or feel connected to. These ideas arise from a situational analysis and reflect the needs and resources of the community. The ideas are implemented in collaboration with community stakeholders. Community-based entrepreneurship fosters an entrepreneurial spirit,

⁶ Source: https://www.researchgate.net/publication/318421056_Community-based_entrepreneurship_evidences_from_a_retail_case_study

skills and competencies, serves as a means of promoting active citizenship and inclusion, and increases social impact.

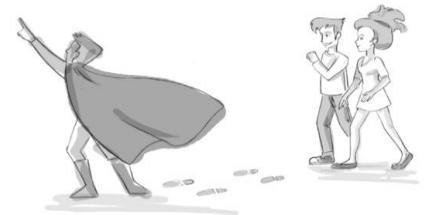
Examples of community-based entrepreneurship are:

- The [floating park made out of collected and recycled plastic in Rotterdam](#), the Netherlands
- In the YEPP Community a [butterfly house](#) in Odorheiu Secuiesc, Romania, to foster tourism in the region
- Twenty-two awesome social enterprise business ideas <https://www.thesedge.org/socent-spotlights/22-awesome-social-enterprise-business-ideas>

Brainstorm and discuss in your group your definition of entrepreneurship based on the activities in the Guidebook and the tutorial. Explore other definitions.

3. Role models and entrepreneurs in society / your community

The development of community-based entrepreneurship has helped society to tackle some of the most pressing issues. Understanding innovation and entrepreneurship across different domains is essential in order to see the bigger picture. It is important to understand the role different types of entrepreneurs play in society. Many are familiar with the achievements of entrepreneurs like Steve Jobs or Richard Branson, however, how familiar are you with social entrepreneurs such as Muhammad Yunus and work that earned him a Nobel Prize. How many entrepreneurs do you know and are inspired by in your own country or local community? What have these entrepreneurs been doing that you like or dislike? What is their story? How did they become successful entrepreneurs? What has been their contribution to the world or to your community? Think about fields such as economics, finance, science, technology, health or philanthropy where entrepreneurs have played an important role.



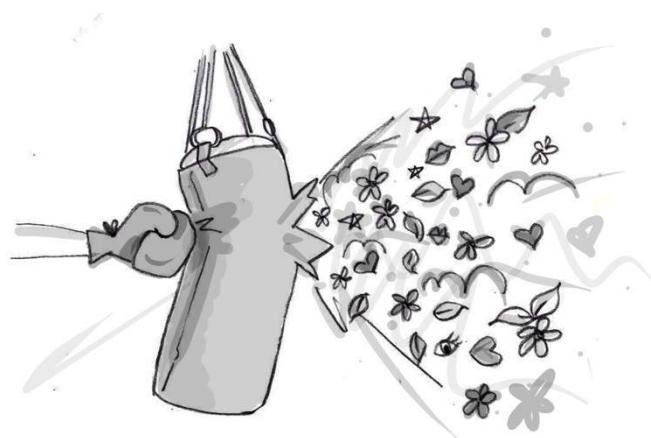
Ethics and social impact

When it comes to ethics, entrepreneurs face many dilemmas when working on their entrepreneurial idea and launching their (social) business. It is not always easy to draw the line and to make decisions that are both good to people and good for financial gain.

For example, when it comes to an idea, who should own it? Can you pursue an idea, even when it originally came from someone else? When it comes to resources, can you use your employer's computer or phone to pursue your idea? Is it fair to ask family and friends to finance your idea? When selling your idea, where is the line between exaggerating and presenting your idea? Is "fake it until you make it" ethically defensible? Who has a right to be in the team? What are your

responsibilities toward your employees? There will be many situations where you will have to make difficult choices around ethics⁷.

It is also important to reflect on the social impact your business will create on your team, your community, your customers and the environment, and to clearly define and communicate your social impact especially when you are working on a social entrepreneurial idea. Try to define clearly how you create social good, how exactly you are solving a social problem and how your business brings about positive social change. It should be authentic and be the main goal and core element of your business model. It is also important that your team fully believes in it before you start trying to convince the outside world and communicate it externally. It needs to connect to your mission and vision. If you fake it and do it just to generate income or to create a good image for your business, people will notice.



A good entrepreneur is a socially responsible citizen i.e., someone who is thoughtful, pays fair salaries, undertakes “ethical” sales and uses fair play techniques. Even if your company’s mission is not about social change, there are possibilities to be socially responsible without being a social enterprise, such as, treating your employees well or being involved in charitable activities⁸.

In the process of self-reflection as seeing yourself as an entrepreneur, you might want to study what other (social) entrepreneurs have achieved or contributed to society and to look up to the role models (people who inspire you) in order to define the qualities, traits, skills, methods or attitudes you want to develop for yourself.

4. Me, the Entrepreneur: my passions and talents



Now that you have learnt about your community and your environment, as well as about people who inspire you, the next step is to build a link to your idea, and this needs to be based on your identity, your interests, experiences, passion and likes.

In this step, you will identify what really motivates you, what you are passionate about, what you are good at and what you really enjoy doing.

⁷ Source: The Unavoidable Ethical Dilemmas That Entrepreneurs Face <http://www.scu.edu/ethics/practicing/focusareas/business/startup-dilemmas.html>

⁸ Source: 3 Ways to Make a Social Impact With Your Startup: <https://businesscollective.com/3-ways-to-make-a-social-impact-with-your-startup/>

Use the draw your passions, assessment tests and the game about talents to find out where your interests lie. Discuss the outcomes with your peers then write a letter to yourself to specify where you want to see yourself in the future, and open it at the end of the project.

5. Community analysis

A community analysis detects general issues and challenges, resources and players situated in the community.

A thorough analysis of a community's situation is a milestone in your understanding and learning about the specifics of the area, the different community groups and their needs, the economic structure, the main stakeholders, the resources to consider and what entrepreneurial ideas are needed in your locality.

The community analysis is important for the following reasons:

- It gives a thorough analysis of the available resources
- It helps establish new contacts with existing local organisations, projects and initiatives
- It requires you to undertake activities that consult with community members and that broaden contact with the local population, in particular with young people
- Your active involvement in the community analysis, e.g., designing the questionnaires, carrying out interviews with residents, analysing the interview data etc. helps you to integrate locally and is a team-building activity for your newly established group. Further, it provides you with an opportunity to work with the community on something concrete and tangible right from the beginning.
- The analysis of existing services helps identify gaps and fragments in delivery and the full report is helpful for attracting senior policy-makers
- In general, the projects that are designed as a direct response to identified local needs, develop more successfully
- A systematic community analysis can help attract additional funding

Other methods for community analysis are community mapping: an analysis of needs, issues, problems, opportunities and assets, and photo safari: interactive method to take a closer look at the places in your community (positive places, places of learning, negative places and no access places) through the lens of a camera (both are described in the activities).

Additional methods:

- Participatory appraisal: involving community members to create a map portraying the views of the community
- Community asset mapping: focusing on the assets, skills and resources in the community
- The problem tree: going deeper in order to find the root causes of problems in the community



Check The Further Resources & Learning section for the links to these methods.

When carrying out a community analysis it can be useful to use several of these methods and to combine them.

Pick up the best method (or several of them) from the exercises to conduct the community analysis. Discuss your findings in the group.

Community analysis is not profound market research, which is the subject in the next module. However, it is a helpful tool to look at your community in a new way through the lens of an entrepreneur.

6. Entrepreneurship and inclusion

Inclusion, diversity and innovation are the entrepreneurial terms for the modern business recipe for success.

A community grows stronger if all voices are heard and empowered, no matter what their faith, background, race, sex, disability or age is. When people feel like they have a place, a true home, a sense of belonging, a sense of self and respect from others, then they are able to truly contribute to the common future.

While developing your community-based entrepreneurial idea, look around your community. What needs, issues, problems, opportunities and assets can you see?

- Where are the customers and how do you reach them?
- How can your idea help a certain group of people satisfy their needs?
- What products or services already exist in the field?
- What competitors or potential partners are active in the field you want to operate in?



Discuss your understanding of inclusion with your group and study the examples of entrepreneurial ideas for inclusion in the activities.

Further Resources & Learning

Definition and types of entrepreneurship

- [Becoming an entrepreneur](#) an infographic
- [Types of entrepreneurship](#) a matrix by Ben Casnocha
- [Twenty experts define entrepreneurship](#) some quotes
- [World version - entrepreneurs can change the world](#) an international video

Community-based entrepreneurship

- [Social entrepreneurs - five stories](#) a video from the World Economic Forum
- [Ten greatest social entrepreneurs of all time](#) in pictures
- [Thirty historical business entrepreneurs that have influenced the world](#) in pictures

Role models and entrepreneurs in society / your community

- [The rise and rise of good business](#) about John Bird, founder of the UK magazine The Big Issue
- [“Nothing more powerful”](#) about Bill Drayton, founder of the Ashoka Network
- [Albina Ruiz - Ciudad Saludable](#) about Albina Ruiz, a Peruvian social entrepreneur
- [The world's most and least ethical companies of the last twenty-five years](#)
- [Ten most unethical business practices in big business](#)
- [Seven international worst aid ideas](#)
- [Entrepreneurship ecosystem model](#)

Me the entrepreneur - me and my passions and talents

- [How to find your passion](#) a step-by-step guide
- [What really motivates you to startup](#) a tutorial from Günter Faltin
- [Top ten motivational](#) YouTube Videos for entrepreneurs

Community analysis

- [Community asset mapping](#) an example on an Australian community
- [Toolkit for mapping assets](#) in your community
- [The problem tree](#) a video illustrating it
- [Participatory appraisal](#) a guide

Entrepreneurship and inclusion

- [Jobs, SMEs and refugees](#) best practice at Volkswagen in Germany
- [Inclusive entrepreneurship](#) from the European Commission
- [Supporting investment in immigrant talent and business](#) a worldwide resource
- [OECD policy framework](#) for inclusive entrepreneurship in Europe supporting different groups, e.g., young people, women, people with disabilities, etc.



M3 Idea Development

The image shows a group of people, including children and adults, gathered around a table in a workshop setting. They are engaged in a collaborative activity, possibly drawing or writing. The table is covered with various items such as papers, pens, a water bottle, and a cup. In the background, there are more people and some wall decorations.

Module 3. Idea Development

Creativity is a great motivator because it makes people interested in what they are doing. Creativity gives hope that there can be a worthwhile idea. Creativity gives the possibility of some sort of achievement to everyone. Creativity makes life more fun and more interesting.

– Edward de Bono

Short Description

In Module 2 you learnt about what entrepreneurship is and about the different types of entrepreneurship, in particular, community-based entrepreneurship. We also looked at the role of entrepreneurs in society, and you have discovered where your motivations and passions lie. We also looked at how to analyze your community and to identify what the issues and problems are but also where potential resources, partners or opportunities can be found.

In Module 3 we will look at how to further deepen this analysis and conduct proper market research, how to identify needs or problems to be solved, how to come up with community-based entrepreneurial ideas and how to further develop them.

Analyzing existing players in the community through tools like asking the right questions and the SWOT analysis are important elements in Module 3. Idea development skills, how to set SMART objectives for your idea and prototyping are tools you will also experiment with.

Learning Objectives

- Learn how to ask the right questions when conducting market research
- Analyze existing businesses in your community by asking the right questions
- Explore techniques such mind mapping to generate ideas
- Learn about the differences between an idea and an opportunity and how to identify an opportunity in the market
- Gain new skills and get new tools such as SWOT analysis, setting SMART objectives or prototyping

1. Asking the right questions

Before starting to develop community-based entrepreneurial ideas for yourself, it is worth further analysing existing examples of entrepreneurs, businesses and social businesses in your community and asking some key questions about how they function, what their product or services are, how they differentiate themselves from competitors, who their customers are, what partners they have and what makes them a successful player in the community. Understanding the key elements of these companies or social enterprises, their business models and their relation to the market will help you later on when you develop your own community-based idea. Here are some key questions to ask when analysing existing (social) businesses:



Value proposition

- What customer problems do they solve and what needs do they meet?
- What are the products or services they put in place to accomplish this?
- What value or benefits do they create for customers?

Customers

- What customer segments do they mainly serve?⁹
- Who are their most important customers?

Customer relationships

- What relationships do they have with their customers?

⁹ Customer segmentation is the process of dividing customers into groups based on common characteristics such as age, gender, interests and spending habits, etc. so companies can market to each group effectively and appropriately.

- Who influences their customers, e.g., opinion leaders, stakeholders, users, etc.?
- What relationships do their competitors have with their customers?

Channels

- Through which channels, e.g. shops, the internet, the media, etc. do they reach their customer segments?

Key activities

- How do they produce their products or services?
- What competencies and key activities do they need?

Key resources

- What key resources are behind their offerings in terms of:
 - an IT system?
 - Human Resources?
 - Tangible equipment?
 - Localization?

Key partners

- Who are their partners?

Costs

- What are their main costs?

Revenue

- What are the revenue streams?
- What are the prices of their products?

Get inspired: mind mapping

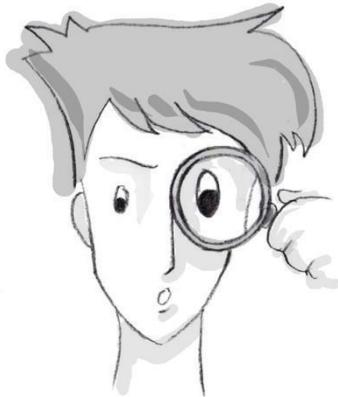
After analyzing an existing (social) business and asking key questions, an interesting way to illustrate the answers is through mind mapping, which is a visual tool that helps to structure information and is a simple technique to graphically represent ideas and concepts. It helps to structure information and helps to analyse, understand, synthesize, remember and generate new ideas. While mind mapping, you draw information in a diagram instead of writing sentences. Starting with a picture in the middle it branches out and divides into new branches which then take the form of a tree.



Apart from it being fun, it is an analytical and artistic way to structure ideas and it engages your brain in a much richer way.

Watch this instructional [video](#) showing how to create a mind map.

2. Market research



Market research is a tool which allows you to go deeper in your analysis about the community, customers, an industry or an existing (social) businesses in your community to understand how they relate to products, services, the market, competitors and partners. Using the internet, getting statistics, conducting field research and by interviewing people you can find out more details about why certain (social) businesses are successful, what value they offer to clients and why customers are ready to pay for their products or services.

Later, when you develop your own entrepreneurial idea, you need to do market research in order to understand the customers for your product or service or the beneficiaries of your social service. The customer needs to be at the centre of developing your (social) business idea and concept. You need to fully understand their needs and how these needs may evolve in time. This is why market research is key at the beginning when developing your idea, as well as later, once your product or service is launched. Market research can provide crucial information about the habits, preferences, opinions and needs of current and potential customers.

Before introducing the most common methods of market research, it is important to highlight some of the benefits market research offers¹⁰:

- It keeps you focused on the customer and allows you to understand and constantly meet the customers' needs
- It helps you to prioritize and to keep focused on what really matters to your customers
- It helps you to quantify opportunities and to focus on the most lucrative needs or the needs with the highest potential
- It keeps you future-oriented and capable of adapting to changing customer needs
- It reduces the risk of failure, improves decision making and optimizes your strategy

Some of the most widely used methods of market research are¹¹:

- Surveys such as questionnaires by phone, in person, via email or online

¹⁰ Source: "Five Reasons Why Market Research Matters (and Five Tips for Using It)" by Brian Fletcher, April 25, 2013
<http://www.marketingprofs.com/opinions/2013/23874/five-reasons-why-market-research-matters-and-five-tips-for-using-it>

¹¹ Source: Market Research Techniques <http://www.allbusiness.com/the-five-basic-methods-of-market-research-1287-1.html>

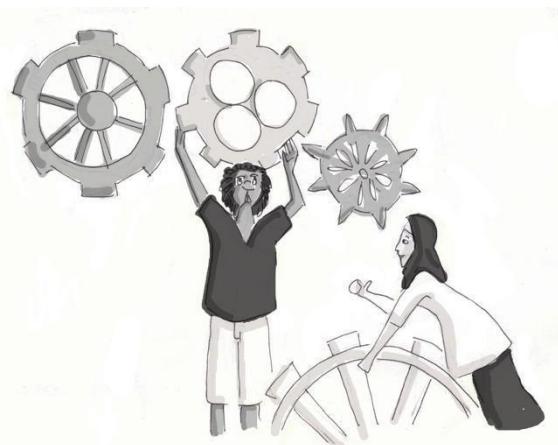
- Personal one-to-one interviews by phone, via email or video chat
- Focus groups either in person, video chat or by phone
- Observation by consumers and/or business in action
- Field trials by placing a new product in selected stores in order to test it

The choice of method depends on the type of data you are looking for and the budget you have.

3. Identifying needs and problems to solve

When you analysed the community in Module 2, you looked at the different issues and problems which exist and where improvements could be made, but also at assets or resources and potential partners who exist and who could be used when developing your community-based entrepreneurial idea.

Posing the right questions when analysing existing (social) businesses, developing your own business model and learning how to do market research gives you the right tools to further deepen your analysis of the community. The starting point of any community-based entrepreneurial idea is the specific and clearly defined problem you want to solve or the need you want to respond to. Identifying these problems and needs and fully understanding them is key when developing an idea, which is supposed to bring about social change.



In order to fully research the needs or problems of a community, you can simply talk and listen to local people or use one of several techniques, such as, community dialogue, community asset mapping or the problem tree to understand the lives you want to affect with your idea and who represent the future beneficiaries and/or customers of the product or service you would like to develop. It is also important to clearly define what the value is your product or service is offering to your beneficiaries and/or customers. This will be further developed when we look at how to create a value proposition.

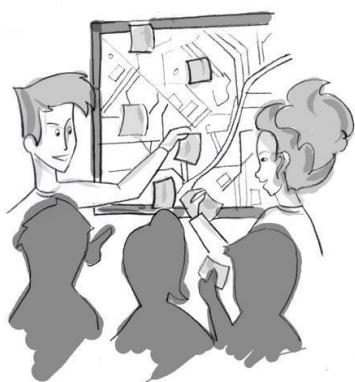
4. Idea development

While developing your community-based entrepreneurial idea and looking for opportunities in your community, it is important to analyse what needs, issues, problems, opportunities and assets can be found.

Sometimes your beneficiaries and/or customers will not be in the local community but outside of it, so learning about supply chains¹² is helpful. You will need to ask questions, for example: Where are the customers? How do you reach them? How can your idea help a certain group of people in society to satisfy its needs? What products or services exist already? What competitors or potential partners are active in the field you want to operate in?¹³

An interesting approach to auditing the assets of your community is “community asset mapping”¹⁴. At the beginning of the process, you need to bring together a

diverse group of people from the community, e.g., young and old people, employed and unemployed people, women and men, students, people with disabilities etc. It is important to encourage many different community representatives to participate, in order to gather various perspectives, so as to determine sustainable development strategies.



At this stage, the aim is to ask questions and survey community members, in order to find out about issues and problems in the community and their root causes. After you have collected the data and evaluated it,

you can decide what issue or problem you want to focus on.

While collecting the data, it is also important to assess all the local services including small businesses, shops, community groups, churches, synagogues, mosques, temples, private, third and public sector organisations that aim at improving the community. At the end of the process, you can draw a physical map with all of the organisations in the community, their physical addresses and the services they provide. The last step is to present a summary of the findings to the community and develop an action plan in collaboration with the community members you want to serve.

Creativity techniques

¹² A supply chain is the network of all the individuals, organizations, resources, activities and technology involved in the creation and sale of a product, from the delivery of source materials from the supplier to the manufacturer, through to its eventual delivery to the end user.

¹³ Source: Robert Nelson and Debbi D. Brock (2009) for the Know About Business curriculum.

¹⁴ Source: Concepts on the Community mapping come from Kretzmann and McKnight, 2005. A Community Building Workbook, Asset Based Community Development Institute. Retrieved on 10 February 2009, from www.northwestern.edu/ipr/abcd.html.

Every (social) enterprise or entrepreneurial project starts with an idea. Fundamentally it is often about creatively rethinking processes and functions and the different or new uses that can be given to things, and what needs or problems can be solved. When developing your entrepreneurial idea it is often about developing the potential in what already exists or about the multi-utilisation of things and spaces or innovation through the recombination of things which already exist.



There are many techniques to foster your creativity in order to further develop your ideas. Apart from the mind mapping technique that was presented above, you will find information on more creativity techniques, such as [scamper](#), [design thinking](#) and [appreciative inquiry](#).

Developing new sight lines

Developing new sight lines is a method developed by Dr Günter Faltin and consists of working more profoundly on your initial entrepreneurial idea by developing new viewpoints to further develop your concept through techniques such as mind mapping.

As an example, the method could be applied when considering the entrepreneurial idea of opening up a café. You start with analysing the different reasons people go to a café, e.g., to drink coffee or eat cake, to find out about gossip, to listen to music, to socialize with people, to find a partner, to work on a laptop, to show off new clothes, etc. So the reasons people go to a café are wide-ranging and therefore the value you would bring to potential customers would be very different. This exercise can help to find new concepts and the initial idea of setting up a café might change to a new and very different idea, for example, a catering service, a dating agency or a co-working space.



To find out more about this method check The Further Resources & Learning section at the end of this module.

From idea to opportunity

The concepts of "idea" and "opportunity" are often mixed up even



among experts, but it is important to note the difference between them.

An idea is the first step in the process of founding a (social) business. Every successful venture started at some stage as an idea. It is a thought or a concept that can be used to change something in the world around you, as well as a means to make money. A business idea often focuses on a product or service that can be offered and that potential customers would value. The idea may start off as a potential solution to a social issue that can bring social change to beneficiaries.

While the business idea has the potential to make money it has no commercial value as such, until it has its first stream of customers. It is important to assess if an idea can be transformed into a business opportunity¹⁵.

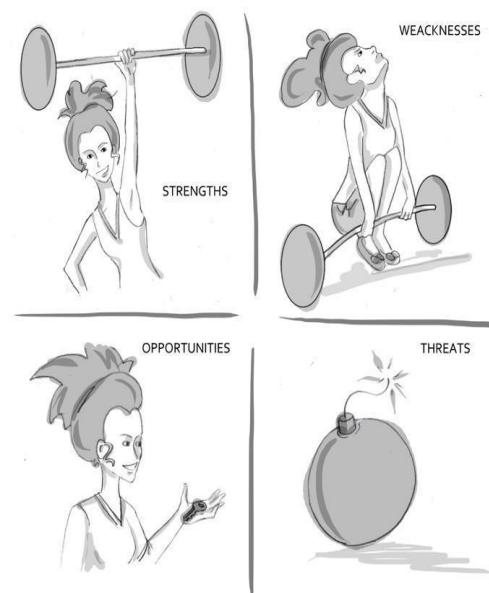
A business opportunity is a proven concept that generates on-going income. After the business idea has been researched, refined and packaged into a promising business that is ready to start, it then transforms into a business opportunity when customers vote with their pockets and exchange money for the product or service being offered as a sign that they value it. At this point the business opportunity is real¹⁶.

In order to evaluate a social or a community-based business opportunity, it is important to first identify if there is a social need and if it is served by other organizations already. It is also important to analyze if there is an opportunity in the environment that creates momentum, for example, a technological innovation, environmental changes or a change in legislation that would positively influence your social business idea. The next step is to identify a target community (beneficiaries and/or customers) who are able and willing to use (or purchase) the product or service. In order to sustain the social business, it is crucial to have some source of income to fund the venture.

SWOT analysis

An interesting tool to analyze the relationships between your community-based entrepreneurial idea with key market components is a SWOT analysis. Through this analysis, you define what your business Strengths (S), Weaknesses (W), Market Opportunities (O) and Threats (T) are. Strengths and Weaknesses are based on internal factors and Opportunities and Threats are based on external factors.

You can find out more about a [SWOT](#) analysis on the MindTools website.



¹⁵ Source: Ajero Tony Martins, my top business ideas <http://www.mytopbusinessideas.com/ideas-vs-opportunities/>

¹⁶ Source: Brock, D.D., 2010 'Opportunity recognition: seizing new business opportunities' in Developing an Effective Business Plan, Anderson, Indiana, Anderson University.

When defining objectives for the implementation and development of your idea, it is important to fix SMART goals. SMART stands for:

- Specific: goals should be as concrete as possible
- Measurable: assessing if, and to what extent, the objectives have been achieved
- Attainable: you should be able to achieve the objectives
- Realistic: you should truly believe that you can accomplish your objectives.
- Timely: an objective should be grounded within a relatively short time frame (a few months or a maximum of one year)

This is an interesting way to determine the indicators for social change and to determine how much time it will take for your idea to make a change in the community and in what way.

Click [here](#) for further information and advice for formulating SMART goals.

5. Prototyping

Depending on your entrepreneurial idea, it can be very beneficial to make a prototype of your product or service so you can test the idea, learn from this process and convince people about the idea's strengths and advantages and why they should use or buy your product or service.

Prototyping¹⁷ is a method to further develop, test and improve your entrepreneurial idea at an early stage before you implement the idea using large-scale resources. Through prototyping, you make your idea tangible by experimenting, learning, evaluating, adapting and refining it in order to explore the idea in depth before drawing any conclusions. It is important to include relevant people right from the beginning, who will further develop the idea with you and try to find answers to questions and evaluate solutions to the problems you set out to solve.

Prototyping is the stage before piloting¹⁸. It can help determine if your idea or your initial thoughts will work or not, so as to save time and money before doing a pilot. It can also help you to build better specifications and functionalities for what a



¹⁷ Source: A guide to prototyping from Nesta http://www.nesta.org.uk/sites/default/files/prototyping_framework.pdf

¹⁸ A pilot is a small-scale campaign, survey or test-plant initiated to check the conditions and operational details before a full scale launch of a product or service. Piloting will let you know what people are thinking about your new product or service before it is launched on the market.

pilot might be at a future stage and get you closer to a minimal viable product (MVP)¹⁹.

Some of the advantages of prototyping²⁰:

- You can try things out without the pressure of getting everything right straight away
- You can test and refine the functionality of your entrepreneurial idea and product or service
- You can test the performance of various materials
- You can involve a wide range of stakeholders in this testing phase and provide a better understanding of how your ideas will work
- It enables you to describe your product or service more effectively
- It gives you more credibility and others take you more seriously since you have a tangible object illustrating the strengths of your product or service
- It is a low-cost process compared to piloting and it can be done within a short or medium time frame.
- You can learn a lot from your own idea and adapt or change it in order to further develop it

Get inspired by watching how to make a cardboard prototype: “[Tosty](#)” the interactive toaster

Further Resources & Learning

Market research

- [Why market research matters](#) (and five tips for using it) by Brian Fletcher
- [Market research techniques](#)

Idea development

- [Preparing a productive brainstorming session](#)
- [Creative writing exercises](#)
- [Creativity techniques explained](#)
- [Creativity tools](#)
- [Scamper creativity technique](#)
- [Design thinking tutorial](#)
- [Appreciative inquiry technique](#)
- [Mind map](#) how to create one
- [Bubbl](#) a programme to create mind maps
- [Mindmeister](#) a programme to create mind maps
- [Benefits](#) of mind mapping
- [Developing new sight lines](#)

¹⁹ A minimum viable product (MVP) is a product with just enough features to satisfy early customers, and to provide feedback for future product development. See Module 4

²⁰ Source: Creating a Product Prototype - From your mind's eye to the palm of your hand, learn what steps are needed to prototype your invention <http://www.entrepreneur.com/article/80678>

From idea to opportunity

- [Difference between an idea and an opportunity](#)
- [Top business ideas](#) by Ajaero Tony Martins
- [Conducting a community needs assessment](#)
- [Defining your niche market](#) in seven steps

SWOT analysis

- [SWOT analysis](#)

Prototyping

- [Creating a product prototype](#) learn what steps are needed to prototype your invention
- [Prototype Commons](#) a German project
- [Sylvia's super awesome maker show](#)
- [Project H](#) a talk by Emily Pilloton
- [FabLearn Fellows](#) a research project at Stanford University



Module 4. The Market: From Idea to Business

Profit in business comes from repeat customers; customers that boast about your product and service, and that bring friends with them.

- W. Edwards Deming

Short Description

In Module 3 you learned how to further analyse your existing (social) business ideas in your community by asking the right questions. You have also learnt how to come up with community-based entrepreneurial ideas in a creative way by combining your passions and interests with community needs and issues that need solutions.

In Module 4 we will look at how to develop a business model and think of your idea in relation to key components of the market. You will learn how to create a value proposition for your own community-based entrepreneurial idea, how to develop a business model around it and how to focus on what value potential customers get through your product or service using a business model canvas.

The LEAN startup model will also be introduced and you will learn how to look for the necessary resources for your entrepreneurial ideas such as startup funding,

investors or partners. Establishing a communications and marketing strategy and developing effective promotional and sales tools, as well as a network of partners in the community, will also be part of Module 4. Furthermore, we will cover the importance of finances and how to make and manage a budget for your community-based entrepreneurial idea.

Learning Objectives

- Introduction to the Business Model Canvas (BMC)
- Understand how to deliver products, services and experiences to create value in the eyes of the customer
- Learn about the LEAN startup method and its feedback cycle
- Be able to establish marketing and communications strategies
- Understand and demonstrate effective promotional tactics and sales techniques
- Learn about the importance of finances and how to make a budget
- Know how to acquire the necessary resources for your entrepreneurial idea/project
- Understand how to set up partnerships and develop your network

1. Value proposition and (social) business model

(Social) value proposition

A (social) value proposition is the promise of value to be delivered to customers and/or beneficiaries (and their community) of the social venture. It is the primary reason a customer should buy from you. It is a clear statement, which describes how your product or service solves customers' or beneficiaries' problems or improves their situation, delivering specific benefits and explaining why customers should buy from you instead of the competition. In social entrepreneurship, it is important that the target community fully understands the social value which will be created for them²¹.



Find out more about the [value proposition](#) in social entrepreneurship

The business model canvas

In Module 3 we looked at how to ask the right questions in order to analyse (social) businesses in your community and in order to identify their business model. These are the key questions which help you build your own business model using a business model canvas.

²¹ Source: Useful Value Proposition Examples (and How to Create a Good One) <https://conversionxl.com/value-proposition-examples-how-to-create/>

The business model canvas is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent and pivot (change) your business model.

You can work on your business model by printing a canvas (there is also an app available) and put Post-it® notes defining the nine key components or building blocks of your business model, such as your:

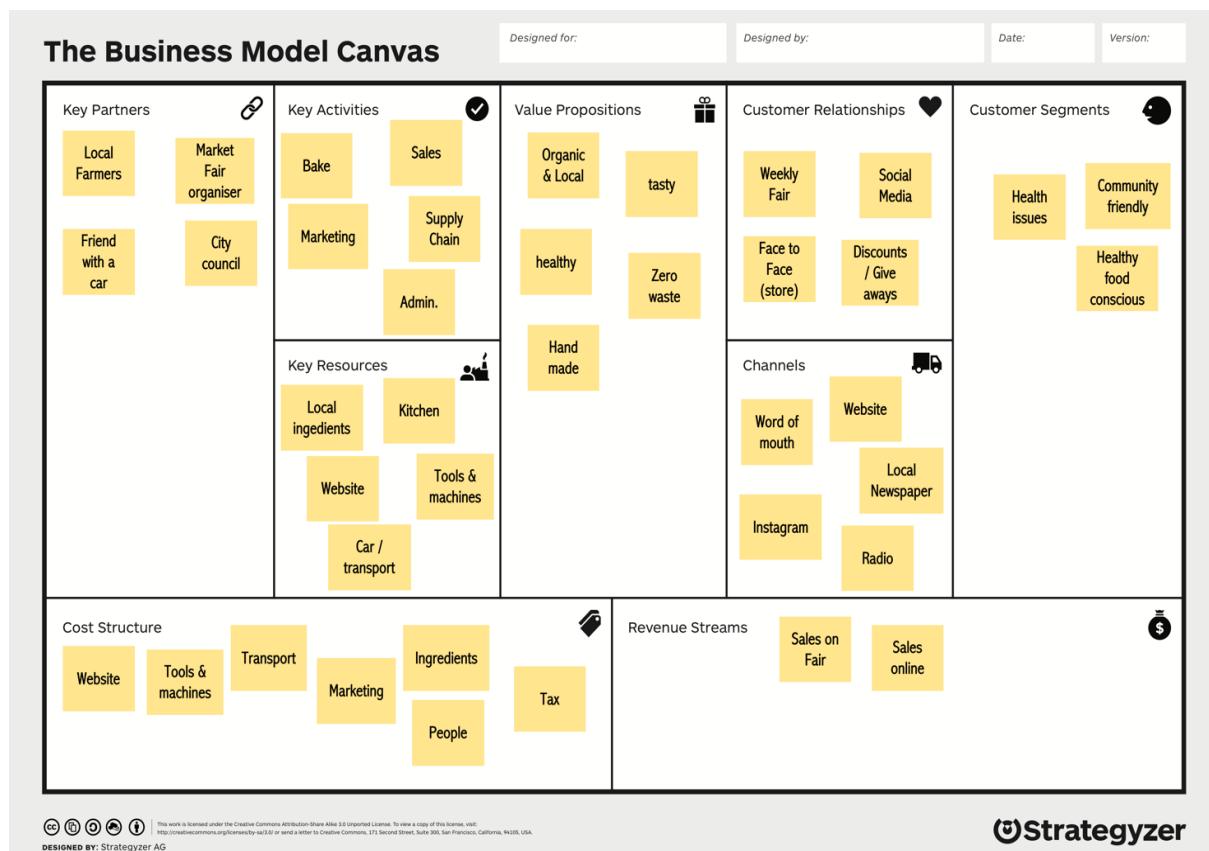
- 1) Value proposition
- 2) Customer relationships
- 3) Customer segments
- 4) Channels
- 5) Key activities
- 6) Key resources
- 7) Key partners
- 8) Cost structure
- 9) Revenue streams



This method allows you to constantly adapt and improve your business model.

Learn more about the [business model canvas](#) on the Business Model Generation website which includes a two-minute video presenting the approach. There are also many tutorials on YouTube such as [this one](#).

Here is a simple example of a filled-in business model canvas based on the idea of a Healthy Cake Shop, which is also featured in the Welcomeship tutorial.



The social business model canvas

For community-based entrepreneurial ideas the social impact you create with your product or service is of importance and therefore there are some additional components which are added to the business model canvas, such as²²:

- Beneficiary and the customer value proposition
- Beneficiary and customer segments
- Type of intervention
- Impact measures
- Surplus

Social Business Model Canvas					TANDEMIC
Key Resources	Key Activities	Type of Intervention	Segments	Value Proposition	
What resources will you need to run your activities? People, finance, access?	What programme and non-programme activities will your organisation be carrying out?	What is the format of your intervention? Is it a workshop? A service? A product?	Beneficiary Who benefits from your intervention?	User Value Proposition Impact Measures	
Partners + Key Stakeholders	How are you reaching your users and customers?	Channels	Customer Who are the people or organisations who will pay to address this issue?	How will you show that you are creating social impact? Customer Value Proposition	
Cost Structure	Where do you plan to invest your profits?	Surplus	Revenue	What do your customers want to get out of this initiative?	

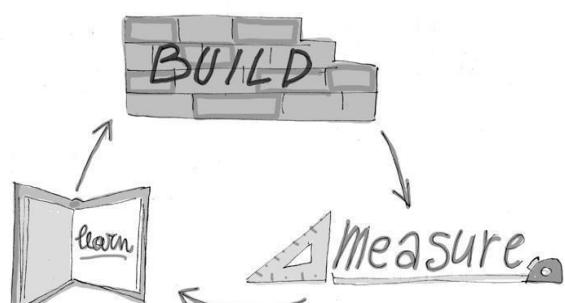
Inspired by The Business Model Canvas

2. Lean startup and Minimum Viable Product

Lean startup methodology

The lean startup methodology was developed and published in a book by Eric Ries.

The lean business model is designed to reduce waste in business processes.



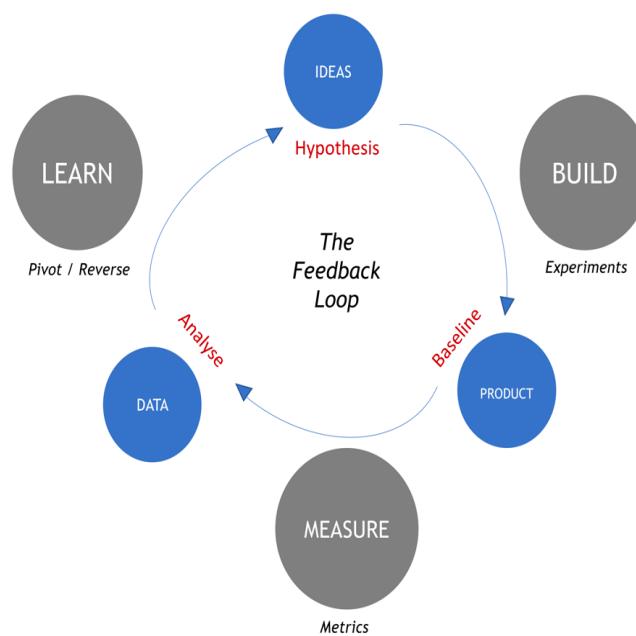
²² Source: Tandemic <http://www.socialbusinessmodelcanvas.com>

By reducing waste these are the likely results for organisations which apply this model thoroughly: a reduction in the need for cash, fewer errors, higher quality products and faster deliveries to customers.

Many startups waste a lot of time, resources and efforts in developing and producing a service or a product only to find out after many months or even years that the customer does not want it or are not ready to buy it.

The lean startup methodology aims at shortening product development cycles by combining hypothesis-driven experimentation, interactive product releases and validated learning through customer feedback.

The methodology is well reflected in the graph below:



A core component of lean startup methodology is the build-measure-learn feedback loop.

The first step is figuring out the problem that needs to be solved and then developing a minimum viable product (MVP) to begin the process of learning as quickly as possible.

Another core concept is a pivot, which is a structured course correction designed to test a new fundamental hypothesis about the product, service or business model. It is better understood as a new strategic hypothesis that will require a new MVP (minimum viable product) to test²³.

a new MVP (minimum viable product) to test²³.

Watch this [video](#) of the lean startup by Eric Ries, which explains the methodology in a very visual and easy way.

The minimum viable product (MVP)

Through the minimum viable product (MVP) development technique²⁴, a new product is developed with sufficient features to satisfy early adopters. The final, complete set of features is only designed and developed after considering feedback from the product's initial users.

It is a learning technique that allows you to test an idea by exposing an early version of your product to the target users and customers, to collect the relevant data and to learn from it.

²³ Source: The Lean Start Up Methodology <http://theleanstartup.com/principles>

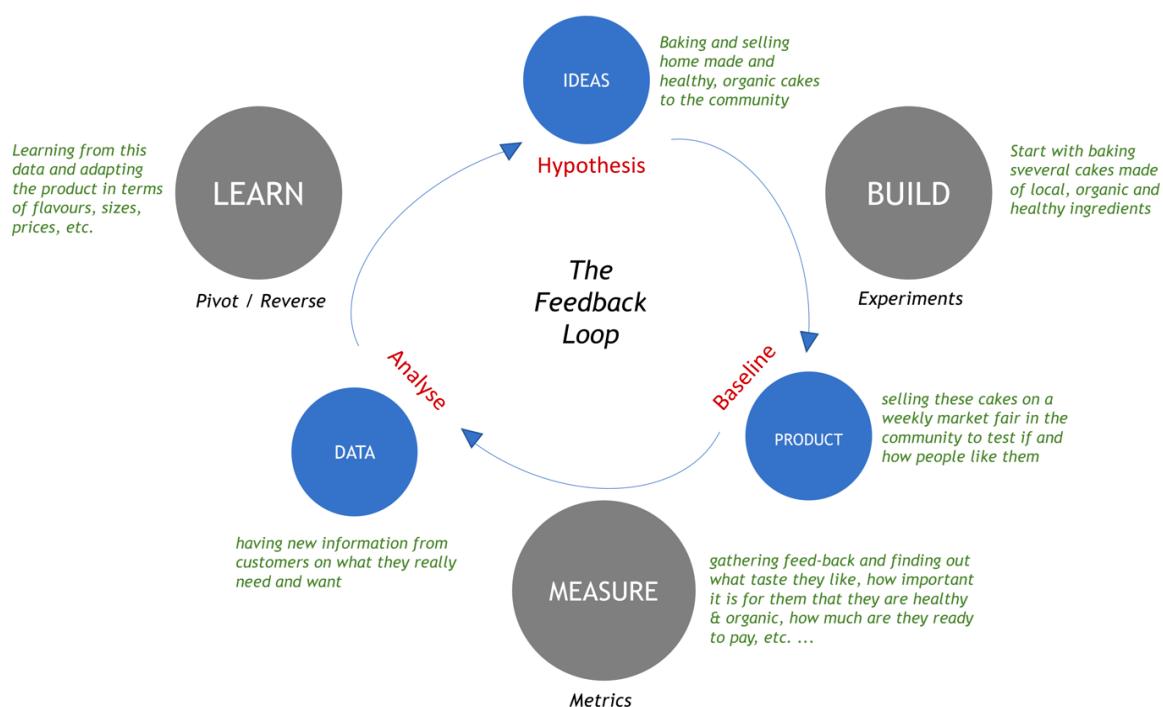
²⁴ Source: Techopedia <https://www.techopedia.com/definition/27809/minimum-viable-product-mvp>

Eric Ries defined an MVP as a version of a new product that allows a team to collect the maximum amount of validated learning about customers with the least amount of effort. An MVP is not a prototype but rather a product with just enough features to attract early adopters. While a prototype is more like a draft, an MVP is like a separate product itself- a minimum version of the final product that is delivered to the market right away.

How to apply this to a community-based entrepreneurial idea

You can easily apply this to a community-based entrepreneurial idea and produce minimum viable products on a regular basis in order to get feedback from early adopters. Pivoting and further developing and adapting your product or service based on the feedback you get each time you test an MVP on the market is an important aspect of this methodology, which will save you time, effort and resources in the long run.

The earlier example of a healthy cake shop in a community can illustrate this.



Each cycle is repeated and each time your products are adapted according to the new data gathered from your early adopters.

Through this repeated testing you can find out the exact needs and wants of your customers, for example, what they like, how much they are willing to pay, if they prefer to buy online or in a shop and if there is a need for specialization (weddings, baptisms etc.).

Basing your idea development on the LEAN methodology assures you are close to the customers' needs and avoids you developing or setting up your business in the wrong way.

For example, instead of falling in love with the idea of having a cake shop, perusing this idea and investing heavily into a shop; you might find out in the LEAN process that people would prefer to order online and it would be far more profitable to sell this way and the weekly market, instead of having a shop with high costs attached to it.

3. Marketing and communications

Marketing strategy

A good marketing strategy allows you to define your vision, mission and business goals and it also outlines the different steps you need to take to achieve these goals. A marketing strategy defines your (social) business, its products or services, explains the position of your products or services in the market, profiles your customers and your competition, and identifies the marketing tactics you want to use.

When writing and developing a marketing strategy, some important components need to be included²⁵:

- It starts with identifying your business goals. These goals should be SMART (Specific, Measurable, Attainable, Realistic and Timely)
- What is also important in the marketing strategy is to profile your potential customers and/or beneficiaries to identify their need based on market research
- The competitors- any organizations which address the same needs as your product or service should also be profiled, along with your competitive advantage, as well as your strength and weaknesses in relation them
- An analysis of the 4Ps (product, price, place and promotion) should also be part of the marketing strategy
- It is also important to identify different target markets and to develop tailor-made strategies to reach them through your communication channels. You will need to determine the right message you want to transmit, identify the right audience for this message and choose the right timing and channels to reach them
- When determining your marketing strategy, it can be useful to test your product or service on family, friends, staff or members of your community in order to review what works and what does not

There are many examples of marketing failures which can help you get a greater understanding of marketing in entrepreneurship.

Click here for the top ten [marketing failures](#) and ten epic [marketing fails](#) of 2012.

Communication strategy

²⁵ Source: Business and industry portal of Queensland Government <https://www.business.qld.gov.au/business/running/marketing/develop-marketing-strategy>

“An idea or project that nobody knows about does not exist”. In order for you and your organization to communicate effectively and meet your core objectives, you need to design a communications strategy. It is a plan that communicates your marketing strategy to a defined audience and to promote your entrepreneurial project/idea to both internal and external stakeholders. In your communication strategy, you have to decide on the communication tools you will use depending on the budget you want to allocate.



There are five steps that need to be defined in a communication strategy:

- 1) Set the communication goal and objectives
- 2) Develop key messages that effectively speak to target audiences
- 3) Identify effective communication channels, techniques and tools
- 4) Map accessible communication resources
- 5) Set and monitor timelines, milestones and indicators in an action plan

Example

Consider the idea of introducing a night bus service for young people in a rural community:



Set the communication goals and objectives

- a) Build awareness of the new night bus service among young people and their parents
- b) Secure the commitment of young people to use the service and of parents to support the use of this service
- c) Influence local and regional policymakers so the night bus service is supported and promoted through the local authorities in the whole region

Develop key messages that effectively speak to target audiences

The main audience is young people so a message or slogan, such as, “Don’t drink and drive! Use the bus at night.” needs to be developed and adapted for the different communication channels. Since you also want to reach parents and local authorities, the message might also have to be adapted for those target groups.

Identify effective communication channels, techniques and tools

You might choose between local radio stations and local newspapers, posters in key locations in the rural community and promotional events, e.g., that the night bus service is offered completely free on the first weekend of operation and flyers are distributed to promote the service. There are many other ways- you need to be creative.

Map accessible communication resources

By researching what communication resources are available, you may discover, for example, that through the local municipality, you might get some free advertising in the local newspaper, that the DJ at the local radio is your friend and they might promote the service by inviting you on their show, in your team you have a graphic designer who can do the entire print promotion of posters, flyers, etc., if you barter²⁶. You need to map all the possible resources you already have and the ones you still need.

Set and monitor timelines, milestones and indicators in action plan

You need to make an exact communication plan including costs and expected outcomes, for example, in the next two months you will have an intensive campaign in several media outlets, e.g., the press, radio, bus stops, etc. and in the six months after that, you will place one newspaper advert per month. You expect that service usage will go up drastically in the next two months because of the intense campaigning from twenty to fifty users per weekend and then it will stabilize over the next six months.

Promotional and sales techniques

In order to reach your target market, there are various promotional techniques you can use and the combination of them makes up your promotional mix.

The techniques you apply can be direct (personal communication, sales or direct marketing) or indirect (through mass-communication such as the press, TV, radio or the internet using advertising, public relations or sales promotion).

Here are some of the most commonly used techniques²⁷:

Advertising

This is used to address a large number of consumers and/or beneficiaries by using mass media to promote your product or service.



Public relations

This is used to create a climate of trust and a positive image of your product or service to your customers and/or beneficiaries and stakeholders. You can use personal channels and the media.

Sales promotion

The aim is to make customers take immediate action by purchasing your product or service. You can offer an advantage, such as a discount, a free gift or a larger

²⁶ Barter is a system in which goods and services are exchanged for other goods and services instead of money.

²⁷ Source: Help for non-profits, Promotional techniques: <http://www.gb3group.com/promotional-techniques.php>

quantity, etc. often within a limited time.

Point-of-sale promotions

This is promoting your products or services to people visiting your point-of-sale such as banners, posters, display shelves, video and audio messages, promotional gifts, etc.

Direct marketing

This consists of using distance communication, for example, emails, letters or catalogues to address customers individually, with the option for them to order your product or service.

Personal sales

This is when a salesperson visits houses or tries to address people in public places.

Promotional gifts

This is when you put your logo or information about your product or service on pens, lighters, calendars, etc.

Internet promotion

This is the use of banners, pop-up adverts, links to your website, newsletters, press releases, etc. on internet sites in order to promote your product or service.

Social media

Social media platforms like Facebook, Twitter and Instagram can help to build an online community to share news, updates and stories about your company, products or services with current and potential customers.

Click here to find out more about the eleven most important techniques of [sales promotion](#).

4. Finances

Financial literacy

Financial literacy is the ability to understand how money works in the world, for example, how someone earns or makes it, how they manage it, how they invest it and how that person donates it to help others.

When starting your own (social) business, it is crucial to understand



how money works. Being an entrepreneur could be the ticket to the personal autonomy and financial independence you have always wanted, but it could make a mess of your personal finances if it does not work out. Therefore, it is advisable to have a plan in order to ensure that your personal wealth will be protected, regardless of how your business fares in the future²⁸.

It is important not to put all of your eggs in one basket. Be sure not to invest all of your money in your business as if things go wrong and your business fails, this could have dire consequences. Apart from the golden rule of keeping business and personal expenses separate (make sure you have independent bookkeeping systems), when starting a business, it is also advisable to maintain some emergency cash, especially at the beginning of the venture since it might take several months before you have stable revenue. Also, make sure you are adequately insured. It is a good idea to speak with a financial advisor to determine where insurance policies may be helpful in mitigating certain risks. Lastly, do not forget your tax liabilities as rules can be strict and complicated, therefore, it is advisable to consult with a tax expert to ensure you are setting up your business structure properly and maximizing your deductions.

The budget

At the centre of the development of your entrepreneurial idea needs to be a budget which shows you what the different costs are for your (social) business, as well as the income you need to cover the costs and ideally make a profit.

This document represents your forecast and is crucial for you to make important decisions in regards to your cost structure and the revenue and income you need to aim for. A budget can be done as a simple spreadsheet and there are many templates available for free on the internet.

To start with it is advisable to use a simple Excel spreadsheet and start putting the different costs you foresee in order to get familiar with your finances.

Cash flow

Cash flow represents the operating activities of an organisation, i.e., its incoming and outgoing cash. It is the net amount of cash that an organisation receives and disburses during a period of time. It is crucial to maintain a positive level of cash flow in order to not run into serious financial problems.

You need sufficient cash to pay your expenses, so forecasting and monitoring your cash flow to show how much money your (social) business expects to receive in and payout in the following weeks, months and year is very important.

Many startups and new social businesses fail because they run into cash flow problems, so make sure you carefully plan your cash flow in advance.

²⁸ Source: 6 Tips For Avoiding Financial Disaster When Starting a Business: <http://www.entrepreneur.com/article/245076>

One example where you can run into difficulties is when you have stable costs on the one hand (fixed costs such as rent, utilities, etc. that are nearly the same every month) and on the other hand, are your sales and your income, which is unstable or seasonal, e.g., an ice cream shop that sells a lot during the summer and less during the winter. In such cases, you need to make sure that you keep enough cash aside from the periods of high sales in order to have some reserves for periods of low sales where fixed costs such as rent and utilities still have to be paid.

5. Finding resources

Every business model requires key resources in order to offer a value proposition, reach markets, keep relationships with customers, earn revenues and create an overall impact. Key resources you need for your business can be physical, e.g., building, vehicles, machines, etc., intellectual, e.g., brands, patents, partnerships, customer databases, etc., human, e.g., staff, volunteers, family members, etc. and/or financial, e.g., cash, lines of credits, etc. It is important to analyse what resources you need for your (social) business, to map the resources which are already available to you and which ones you still need to acquire. The mapping of partners and some resources you might get for free can be a good exercise too. It helps you to define strategies and action plans that allow you to get the missing resources. For startup funding, there are tools, such as crowdfunding or other online fundraising websites, as well as everyday sources of seed money, for example, family, friends and fans. Some of the most common ways to fund your venture are²⁹:

Bootstrapping

Bootstrapping is using your own money, savings and or credit card to start your business.

Friends and Family

They can invest in your business without a guarantee that they get their money back. They usually invest rather in you as a person, rather than your business.



Crowdfunding

This is a great tool to get startup funding for your business and to reach out for a pool of small investors with fewer restrictions. There are many crowdfunding platforms available, here are some examples: Kickstarter.com, StartSomeGood.com, Indiegogo.com, RocketHub.com, Pozible.com, Causes.com, Razoo.com and CrowdRise.com

Angel Investors

When your (social) business is at a stage where it already foresees solid revenues, you can approach angel investors who are individuals or groups of individuals, who

²⁹ Source: 5 Ways of Funding A Business: How To Get Your Piece Of The Pie: <http://www.forbes.com/sites/alanhall/2012/10/20/5-means-of-funding-a-small-business-how-to-get-your-piece-of-the-pie/>

can provide capital for your business startup and usually want in exchange some ownership or equity in your business. They can invest heavily but are also very demanding and have high expectations for solid results.

Bank Loan/Venture Capital

At a later stage when the (social) business is up and running and has stable revenues, you might need a loan from a bank in order to invest in the growth of the (social) business. A good idea can be to engage with a bank or financial institution right at the beginning of your startup for a current account, a credit card, etc. (not for a loan). Over time the bank will get familiar with your business and it will be easier to ask for additional banking products, such as a loan, at a later stage.

Get inspired and watch this short video of Indiegogo's CEO who offers [three pro tips](#) for a successful crowdfunding campaign

Discover more useful information on finding resources for your (social) enterprise:

- Four [crowdfunding mistakes](#) for social entrepreneurs to avoid
- Fifty-five great [productivity tools](#) and resources for startups and entrepreneurs
- Sixty great [tools and resources](#) for entrepreneurs and startups

6. Networking and partnerships

The successful implementation of a community-based entrepreneurial idea requires placing importance on building a network, finding allies, customers, friends, supporters and partners.

When developing and implementing a community-based entrepreneurial idea, your network can be built and grown during three phases of the process:

- 1) Research period: When doing a community analysis find out about issues and problems in the community but also about resources and people, organisations and (social) businesses who are already active in the community. It is the first opportunity to get in contact with them.
- 2) Idea development: When coming up with a community-based entrepreneurial idea and developing it, your idea should represent a solution to a problem, issue or need in the community and it should, therefore, be close to people. This is especially so since you will be testing your product or service among people from your market, asking for feedback and basing your improvements on it. When further developing your business model, you will also determine, investigate and be in close contact with your customers, suppliers and partners.
- 3) Launching and scaling: When implementing the idea and launching your (social) business, you will continue working in close collaboration with suppliers, partners and customers. As you scale your business by going to

into new markets or widen your impact by helping others to copy your model and apply it in their community, you will naturally further develop and strengthen your network.

By doing some research about a given field, special attention should be paid to the resources which are already there and which could, if properly used, make a difference in the community at no extra cost. It could be that organisations which are already working in this field are also looking for partners.

Further Resources & Learning

Value proposition and (social) business model

- [Value proposition examples](#) and how to create a good one
- [Value proposition in social entrepreneurship](#)
- [Business model generation](#)
- [Business model canvas video](#)
- [Business model canvas](#)
- [Social business model canvas](#)

Lean startup and MVP

- [How to run a lean startup](#) top ten tips

Marketing and Communications

- [Top ten marketing failures](#)
- [Learning from failure](#) and [what entrepreneurs get wrong](#)
- [Ten epic marketing fails of 2012](#)
- [Five most disastrous marketing failures](#) of all time

Promotion and sales

- [Help for non-profits: promotional techniques](#)
- [Eleven important techniques of sales promotion](#)
- [Seven popular marketing techniques for small businesses](#)
- [Social media 101](#)
- [Five social media tips](#) for social entrepreneurs
- [Social media tips for NGOs](#)

Finances

- [Eight financial tips](#) for entrepreneurs launching a startup
- [Ten top financial tips](#) for early-stage startups

Finding resources

- [Community resource mapping](#)

- [Five ways of funding a business](#): how to get your piece of the pie
- [Kiva loans that change lives](#)
- [Microcredits for small startups](#)
- [Four crowdfunding mistakes](#) for social entrepreneurs to avoid
- [Fifty-five great productivity tools](#) and resources for startups and entrepreneurs
- [Sixty great tools and resources for entrepreneurs and startups](#)

Networking and partnerships

- [Thirteen tips to create the perfect partnership](#)
- [Seven tips for a successful business partnership](#)



M5 Launching & Scaling

“Remember to celebrate milestones as you prepare for the road ahead.”
Nelson Mandela, South African Leader

“What do you need to start a business? Three simple things: know your product better than anyone, know your customer, and have a burning desire to succeed.”
Dave Thomas, Founder, Wendy’s

“Act enthusiastic and you will be enthusiastic.”
Dale Carnegie, Author and Motivational Speaker

Short Description

In this module you will learn how to present your idea in an effective way to potential customers, investors and partners. We will also look at how to assess risks and the importance of management when launching and running a (social) business, as well as the importance of having a business plan and how to write it. You will learn what legal structures are available for your community-based entrepreneurial idea so you can choose the one that fits the best. While planning how to sustain and scale your business, you will also learn how to reflect on increasing overall organisational performance and how to acquire resources for growth from external sources.

Learning Objectives

- Learn how to pitch your idea
- Assess risks for your startup
- Understand the importance of management and team work
- Write a business plan that creates and starts a new venture
- Analyse what legal structure fits your idea best
- Know how to sustain and scale up your business and acquire resources for growth from external sources

1. Presentation skills and pitching

While coming up with ideas might be easy, selling them to strangers is much harder. The task of bringing an idea to someone with the power to do something with it or someone who has the resources you need, is called a pitch. It is important to gain the skills to pitch your idea to others and to be able to convince potential investors or partners about the value of your ideas and about you as a person, in a very short time. People at the receiving end often judge the idea and its value based on the pitcher's ability and creativity. People generally stereotype you and will try to put you into a box, this happens very fast and studies show that the impact you create on people in the first seconds of your encounter very strongly influences their judgments about you, your character and your abilities. In a pitch it is important to be clear and state what exactly you want from the other person. The goal is to make it as easy as possible for someone to say 'yes'; so if you want to get what you are asking for, you must be prepared.



Here are some useful tips for a successful pitch³⁰:

Prepare for the presentation

Investors often invest first in the entrepreneur and not in the business plan. You need to give the impression of a fast, intelligent and efficient person, who is able to launch the idea, sustain it and make it grow.

Research the investors or partners

It is important to find out beforehand if they are already active in your sector, if they have invested in it before and how successfully.

³⁰ Source: 7 Tips For Pitching Your Entrepreneurial Idea, Whether To Angels Or Sharks: <http://www.forbes.com/sites/mattsymonds/2013/10/24/7-tips-for-pitching-your-entrepreneurial-idea-whether-to-angels-or-sharks/>
Source: 6 Steps to the Perfect Pitch: <http://www.entrepreneur.com/article/201826>

Focus on the essential elements

For investors and potential partners the presentation is often more important than the business plan. You need to be able to explain in less than five minutes the concept of the idea, the return on investment and the strategy of sustaining and making the business grow. Therefore, be short, concise and to the point when you present your business idea. Investors or partners need to be sure that you are able to attract potential customers. If they do not understand and do not get excited by your concept quickly, they will think that customers will not either.

Convince with solid facts and figures - do not make things up!

Investors or partners look for guarantees and low-risk. If you already have a track record, are already generating regular income or have customers, it is easier to attract investors or partners, than basing returns just on forecasts and a business plan. Before seeking investment it is always better to have tested or piloted your business idea in order to be able to present facts and figures.

Excite investors and partners with your long term vision but be realistic

They will not take you seriously, if you project unrealistic figures. A good idea can be to present figures for three versions of the future: best case, moderate case and worst case scenario. This needs to be based on data, analyses and realistic assumptions about your present and future business, the competition, the market, etc.

Show that you are cost effective and get the most out of things

Investors or partners want to see that you are not going for excessive salaries or expenditure which is not optimized.

Be ambitious but do not go too big

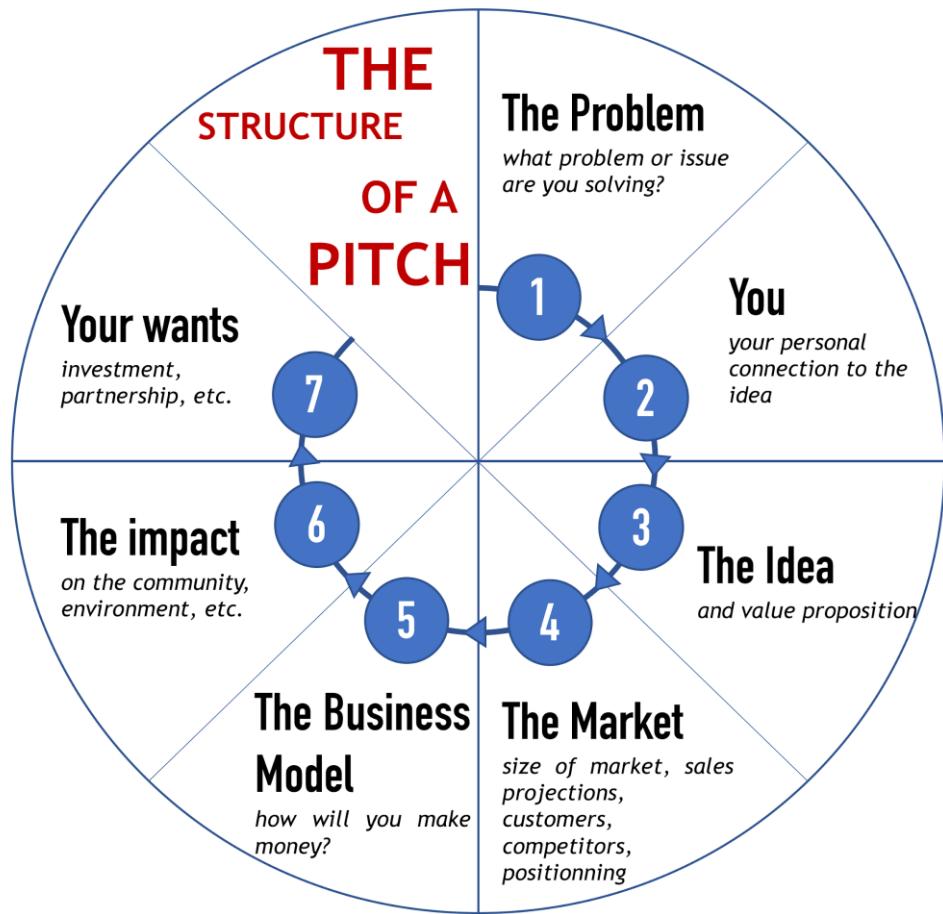
A sound business grows step by step. There is no hurry, so don't ask for millions of Euros for a worldwide expansion of your business and a wide range of products right away. Go slow and become good in one market segment or selling one product or service, and learn from your successes and failures before reaching for the stars.

The structure of a pitch

Here are the main steps you should go through when pitching your community-based entrepreneurial idea:

- The problem- what problem or issue are you solving?
- You- what is your personal connection to the (social) business idea?
- The idea- what is your idea and value proposition?
- The market- what is the size of your market? What are your (sales) projections? Who are your customers? Who are your competitors? How do you position yourself in the market?
- The business model - what is your business model? How will you make money?

- The impact- what impact are you having on the community?
- Your wants- what do you want from the person you are pitching to, e.g., investment, partnership, etc.



Watch the videos featuring young entrepreneurs pitching their business during the UK TV show “Dragon’s Den”. Try to reflect on what tools and methods the entrepreneurs are using in order to convince the investors to invest in their business idea.

Pitch 1: [Mainstage Travel](#)

Pitch 2: [Snack business](#)

Find out more about how to pitch efficiently and effectively:

[How to pitch](#) a brilliant Idea

[Six steps](#) to the perfect pitch

2. Assessing risks

How to assess and overcome risks

The idea of setting up your own business through a legal structure can be a scary and intimidating thought. Therefore it is important to understand and assess the risks early enough so you can approach them appropriately and increase your chances of success. There are several types of risk:³¹

Product risk

It is important to know your product or service well and the problem it solves or need it serves for customers. Be sure the market is big enough and that it is the right timing to launch. Your market research is crucial before launching.



Market risk

Know your customers and why, where and how they buy related products or services. Entering the market early enough with a very good knowledge of the market through research can give you a competitive advantage and lower the risk of failure.

Financial risk

There are effective tools for new entrepreneurs to raise money through crowdfunding platforms. Friends and family or even angel investors can also be good resources of startup funding. As you go along with your business, make sure you reach the important milestones of your business plan and growth objectives, in order to build confidence in potential new investors. Careful budgeting, managing finances and cash-flow is also crucial for the survival of your (social) business.

Team risk

Having a good team is crucial; you cannot do everything on your own. Make sure you have people around you that you can consult, such as team members, friend and family, a mentor or even a startup incubator, so you are not alone facing the different challenges which will arise. Working in a team of people who really believe in your (social) business and its products or services increases your chances for success when launching your business and developing it further. Having a strong team is also crucial when facing difficulties.

Execution risk

Find the balance between closely micro-managing the operational details of your (social) business and the strategic visionary role of an entrepreneur. At the

³¹ Source: When Launching Your Startup, Consider These 5 Risks: <http://www.entrepreneur.com/article/234094>

beginning it is important to pay close attention to detail while at the same time having an overall view of the execution of the business. In order to mitigate risks, you need advice from experts and people with experience to avoid pitfalls, but it is also important to sometimes take (limited and measurable) risks and be courageous.

Try out the entrepreneur risk [assessment quiz](#). This test will help you begin to take the first steps in starting your own business. However, do not make these ten [startup mistakes](#) and avoid these four [pitfalls](#) small businesses face.

3. Management and teamwork

As an entrepreneur the management of time, finances and people are crucial, and the more effective you are, the better.



Time management

When it comes to time management it is important to have clear set goals for your (social) business and that all activities you engage in are serving these goals³². Everything else is a potential waste of time, so make sure your tasks and activities are directly related to generating income and growing your (social) business. It is also important to prioritize and to differentiate between what is urgent and what is not, and to plan well ahead using to-do lists and tools, such as calendars, reminders, etc. Another important aspect about time management is to eliminate distractions, e.g., mobile phone, social media, etc. and to delegate tasks to other members of the team. There are many more tips and tricks about time management which you can find on the internet. Remember each day has never more than twenty-four hours so you might as well make the best out of it.

To find out more, watch these twenty quick tips for better time management:
<https://www.youtube.com/watch?v=bzNZh-HoIUU>

Staff management

Your team will look at you for guidance and inspiration, so you have to set a good example. When it comes to the management and motivation of your team, good communication is key. May it be about the goals and objectives, the expectations you and they have, or the day-to-day things that are going on. Building positive working relationships also includes knowing and being interested in the personal lives of team members. Acknowledging the good work of team members is a crucial tool to keep them motivated and being able to ask them for help and advice. As the boss, you can definitely contribute to a positive atmosphere since trust is key

³² Source: 15 Time Management Tips for Achieving Your Goals: <https://www.entrepreneur.com/article/299336>

in management. Delegating to the right people, managing conflicts and being assertive are also important managerial skills³³.

Financial management

One of the most important and also challenging parts, when it comes to the management of your (social) business, is the management of your finances as everything depends on it. One of the key financial management tools is the budget. It is important to carefully plan your financial year, your quarters and also to monitor your cash flow. Separating your personal finances from your (social) business, as well as having a well-organised account system in place, is also crucial in financial management. Even if you have a good planning and accounting system in place, be aware of clients who delay paying as they can give you serious cash flow problems. Having enough cash reserves is equally important and avoiding unnecessary spending is crucial. As a new (social) business you do not need luxury furniture in your office³⁴.

Partners management

In previous modules, we looked into the mapping of potential partners and the importance of setting up partnerships in the community. In the field of community-based entrepreneurship, setting up partnerships is crucial because at the centre of a community-based entrepreneurial idea is the solution to a problem or need of the community. The success of a community-based business is in the interest of the entire community- a good argument when trying to reach out to partners for your idea.

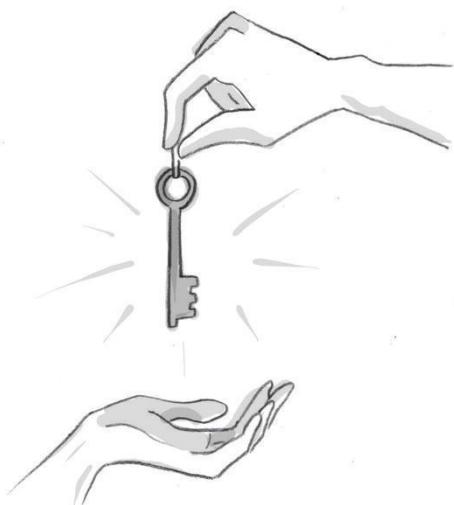
If you have partners it is also important to manage these relations well, in order to avoid conflicts or even put your (social) business in danger. Make sure your partners share the same goals and visions as you do and that the roles and responsibilities within the partnership are clearly defined by putting them in writing through a contract or agreement. Such an agreement should also provide what will happen and how matters will be handled in a situation when things go wrong, expectations are not fulfilled or there is a desire to end the partnership. When roles and responsibilities are defined, it contributes to the success of bringing up and optimizing the strengths of individuals within the partnership. This can also contribute greatly to the motivation and the good atmosphere within the partnership, e.g., one of your partners, who is in charge of supplying raw materials, might have a great graphic designer in their staff, which is a service you need. Thus, by optimizing your partnership by sharing resources or strengths based on need, you are further strengthening it, as it can be of great benefit to help each other out in areas of weakness³⁵.

Delegation of tasks

³³ Source: 8 Tips for Managing Your Team Effectively: <https://theundercoverrecruiter.com/manage-team-effectively/>

³⁴ Source: 6 Financial Management Tips for Small Business Owners: <http://businessingambia.com/financial-management-tips/>

³⁵ Source: 7 Tips for a Successful Business Partnership: <https://www.businessknowhow.com/startup/partnership-tips.htm>



As a (social) entrepreneur you cannot do everything on your own so you will have to delegate some tasks to others in the team. Delegating however, is more than just asking someone to do something. If you want to delegate effectively, you need to have a mutual understanding and agreement between you and the person you are delegating to. It is important to solicit team members' reactions and ideas and to build trust, support and open communication within the process. Here are eight tips for effective delegation³⁶:

- 1) Explain exactly what the person is being asked to do and make sure that they understand their responsibilities and the timeline from start to finish
- 2) Explain the specific goals related to the tasks, what results you expect to see and how you will be able to measure or evaluate the accomplishment of the task
- 3) Grant the authority required to complete the task. When you delegate a task, you also need to delegate the authority required and permission to make decisions
- 4) Get acknowledgement that the person understands and agrees to the assignment. Find out if there are any doubts, questions, or suggestions in advance.
- 5) Give people the freedom to complete the task in the way they believe most effective, otherwise, you limit creativity and initiative, while diminishing self-esteem.
- 6) Establish a system to reward outstanding performance. Tell the person in advance both the positive and negative consequences to expect for excellent or poor performance.
- 7) Check the work. This allows you to identify issues and problems, and it also motivates people, since you are paying attention to the work they are doing.
- 8) Fix any problems that arise. Make a plan with the person to properly execute the delegated tasks. Try to monitor the work process so you can react to any problem which might occur.

Get a mentor

It is also important to get a mentor you **trust, admire and respect** when you are intending to launch your business. A mentor can act as a positive role model who shows a lot of interest in you and your (social) business. They motivate you, provide guidance and constructive feedback, and are willing to share knowledge and experience on a range of issues. They make sure you are not alone when

³⁶ Source: 7 Tips to help you delegate more effectively (by Peter Economy, The Leadership Guy): <http://www.inc.com/peter-economy/7-steps-to-more-effective-delegation-starting-today.html>

making important decisions, help you to avoid pitfalls and help you to learn from mistakes, while guiding you in the right direction.

Get inspired by Kim Kaupe, co-founder of ZinePak who describes the [four types of mentor](#) that every leader should have.

4. How to write a business plan

A business plan is not just a fundraising tool, it helps you to manage yourself and your (social) business. It is a tool which allows you to analyse and monitor your progress and understand how your business is put together. You can also use it as a sales tool to gain investors or staff for your venture. It is a plan which helps you to set performance goals, make predictions and set targets with regards to your sales revenues, your customers, recruitment, etc. It can be the key to success when considering expanding your business or being more competitive. You do not have to be locked away for a month and write a document. You can work on it part-time and use a presentation format like PowerPoint to save time and make it easier to share your plan and develop it over time.



Here are five specific advantages of making a business plan³⁷:

- 1) You can gain access to finance, as investors and banks want to see your business plan and be convinced that your business will be profitable before lending you money. It helps you to communicate your vision and convince people that your entrepreneurial idea is worth investing in.
- 2) Making a business plan helps you prioritise and set your long-term goals and the strategies to achieve them. This will help you to focus your energy and resources on what really matters and to foresee future obstacles and be prepared to face them when they occur. It also helps you to ask yourself the right questions about what the customer really wants, how can we attract customers, etc.
- 3) It gives you control because working on your business plan allows you to step back and get the overall picture, spotting what works well and what needs to be improved. Taking the time to work on your business plan also gives you a sense of control over the future.
- 4) You can help you avoid making mistakes when you plan your future and how you want to make your entrepreneurial idea grow. It helps to make

³⁷ Source: Why You Must Have a Business Plan: <http://www.entrepreneur.com/article/74194>

3 reasons why you need a business plan: <http://www.business.gov.au/news-and-updates/News-and-features/Pages/Three-reasons-why-you-need-a-business-plan.aspx>.

5 Reasons Why You Need a Business Plan: <http://www.inc.com/articles/201107/5-reasons-why-you-need-a-business-plan.html>

(financial) projections and calculate if everything makes sense, e.g., if you plan to sell a thousand units of your product per month in the first year yet you project to have only one salesperson, something does not fit. Maybe your projection is not realistic and/or your sales force needs to be reinforced.

- 5) You will have a reference point, as you get positive or negative feedback because of current events in your business. A business plan allows you to step back and take an objective look at what you are doing and why. It also allows you to have everyone involved in your business, e.g., partners, family, friends, etc. on the same page. It brings coherence and makes sure everybody is heading in the same direction and are on the same mission.

The main recommended elements to be featured in a business plan include:

- Executive summary
- Company overview
- Industry analysis
- Customer analysis
- Competitive analysis
- Marketing plan
- Management team
- Operations plan
- Financial plan

Watch this [video](#) giving you some good tips when writing a business plan.

Try out this simple exercise on how to write a business plan using the [one day business planning worksheet](#). If you have an entrepreneurial idea, try to fill it in and see what still needs to be defined more clearly.

Find more guideline on writing a business plan using the [business plan template](#) and guide and how to finish your [business plan](#) in one day.

DAY 1 Worksheets – The One Day Business Plan™ + 19

The One Day Business Plan™ Worksheet
Summarize your business vision, company goals, marketing strategies, financial objectives, and support plans:

Business VISION		Vision Why now?	
Company GOALS		G1 G2 G3 G4 Mission Statement Brand Promise	
Marketing STRATEGIES		S1 S2 S3 S4 Marketing Approach SWOT Analysis	
Financial OBJECTIVES		O1 O2 O3 O4 Sales Revenue Profitability Market Share Key P.I.'s	\$ \$
Support ACTION PLANS		A1 A2 A3 A4 Primary Project Main Tasks	

5. Legal structures

Structures that fit to my entrepreneurial idea

Once your entrepreneurial idea has been further developed, tested and piloted and you have the sufficient resources to launch it, it is important to think of what legal structure best fits your entrepreneurial aspirations. Should you be a sole trader or in a partnership, corporation, Limited Liability Company (LLC) or an NGO? It all depends on your objectives and goals. The legal structure you chose will have an important influence on your taxes, your legal liabilities, administration issues, and fundraising. It is an important decision and you should keep in mind future needs when making this choice³⁸.



The legal structures available in each country and their legal implications vary, so it is a decision you should get advice from an expert, such as other business owners, entrepreneurship development agencies in your region who sometimes advise startups free of charge or lawyers. Carefully analyse

all the pros and cons and the needs of your (social) business and its owner(s).

To find out more look at how to choose the best [legal structure](#) for your startup and choosing a [legal structure](#) for your social enterprise.

6. Scaling

How to sustain and scale my business

Once your (social) business is up and running, making it grow and how to scale it seems like the natural next steps. However, this needs to be carefully thought through. Growth is the key to success of any business but well calculated and careful growth is usually smarter than going for a very rapid expansion that you might not be able to manage.

When you think about scaling up your business it is important to ask yourself key questions about the future outlook of your venture. Before launching a new product or entering a new market, you might want to focus on optimizing your current business model first. You should carefully analyze the competition and try to predict how they will develop and imagine possible alternative solutions for the future. Also think about your current customers- will you be able to deliver the same quality after you have achieved rapid growth, as any deterioration could have an impact on your reputation and image³⁹.

³⁸ Source: Choose Your Business Structure: <http://www.entrepreneur.com/article/38822>

³⁹ Source: 5 Simple Steps to Scaling Your Business <http://www.inc.com/eric-holtzclaw/5-simple-steps-to-scaling-your-business.html>,

Growing your (social) business often requires investment and you have to have sufficient capital and the infrastructure for this next step. When planning, remember to make realistic timelines and projections and make sure that your growth strategy fits to your long term vision. Before pursuing a major growth strategy, it is important to analyze the current state of your business, in order to carefully plan to avoid possible pitfalls and to work on a well thought out strategy for sustainable growth.

One common way to scale up your business is to rethink your overall approach to selling and to find new revenue streams by increasing overall organisational performance in order to become more efficient and be able to increase your profit margins.

For example, now that you have become better in producing your product or service, instead of keeping the prices as low as possible, it is often wise to focus on the value you deliver to customers and to increase prices rather than lowering them. By doing so, you focus better on the value you deliver through providing your products or services to your customers. Lawyers and plumbers operate on this model as they charge you for the opportunity, for their availability and their specialized training.

Another important aspect is to revise your costs and find ways to cut your operational or production costs, in order to optimise your margins. Better margins mean that you can hire more staff, train them or invest in expanding.



Another approach which allows you to scale up your (social) business, is to create recurring revenues. By being completely dependent on selling everything you produce makes it difficult to scale your business. Schemes of predictable revenues streams coming from subscriptions or “supply on demand” can be a great model allowing you to scale, because you only produce what people order and it guarantees you a predictable monthly revenue stream.

You can also scale up by partnering up with other organisations that sell your product or service for you⁴⁰. For example, a partner who has an existing network and infrastructure selling your product in several countries would save you the time and money to invest in your own network and infrastructure.

Example

EcoBriquettes and scaling-up through partnerships

Consider the social entrepreneurial idea of Ecobriquettes for scaling up through partnerships: <https://www.youtube.com/watch?v=LLErpCYgLsw>

Once the sales of Ecobriquettes in the village Kecerovce (where they are produced) and the surrounding villages are stable and the capacity of producing and selling higher quantities has been established, the next step could be to scale up and try to sell to new markets in the region. There are many Roma settlements in the region of Eastern Slovakia that represent new potential markets for selling Ecobriquettes. One possibility could be to create partnerships with churches and NGOs in other villages in the region. They could buy large numbers of Ecobriquettes, transport them to their village and sell them to the local people. They already have an infrastructure where they can store and sell the Ecobriquettes and can act as a reseller of the product.

Discussion: What other ideas do you have for scaling up Ecobriquettes outside of Slovakia?

Here are [five tips](#) for keeping your startup business growing.

Further Resources & Learning

Presentation skills and pitching

- [How to pitch a brilliant idea](#)
- [How to pitch an idea](#)
- [Six steps to the perfect pitch](#)
- [Seven tips for pitching](#) your entrepreneurial idea, whether to angels or sharks
- [Shark tank video library](#) of successful and unsuccessful pitches

Assessing risks

⁴⁰ [How to Establish Partnerships for Scale up](#), <http://www.lencd.org/learning/howto-partnerships>

- [Five risks](#) you should consider when launching your startup
- [Ten startup mistakes](#) not to make
- [Four pitfalls small businesses](#) face
- [Assessment quiz](#)- entrepreneur risk

Management and teamwork

- [Seven time management tips](#) for busy entrepreneurs
- [Six time management tips](#) for busy entrepreneurs
- [Six money management tips](#) for first-time entrepreneurs

How to write a business plan

- [Why you need a business plan](#)
- [Business plan for startups](#)
- [One day business planning worksheet](#)
- [Why you must have a business plan](#)
- [Three reasons why you need a business plan](#)
- [Five reasons why you need a business plan](#)
- [Business plan template](#) and guide
- [Business plan in one day](#)

Legal structures

- [Choosing your business structure](#)
- [How to choose the best legal structure for your startup](#)
- [Choosing a legal structure for your social enterprise](#)
- [Entrepreneurs](#) starter kits by Ashoka

Scaling

- [Five simple steps to scaling your business](#)
- [Before you decide to scale your business, answer these four questions](#)
- [Five tips for keeping your startup business growing](#)