GUIDE TO STARTING YOUR OWN BUSINESS

Yrittäjät

UUSYRITYS-KESKUS

HAVE YOU DECIDED TO START YOUR OWN BUSINESS?

CONGRATULATIONS!

Entrepreneurship is an attitude and a passion. It's about wanting to do things better, with professional pride every day. It's wonderful that you've chosen this path.

And yes, we know that when you start a business there are a whole lot of things to work out and decisions to make, all of which just have to be done. To support you in making these decisions we want to offer you this guide as a companion at the start of your business journey.

When you've read this guide, you'll know about the differences between different types of companies, how to make a business plan and how to apply for initial funding. You'll be able to register your new business and take care of the most important paperwork. And the best thing is you'll know the most common mistakes that a new business owner should avoid and know the cornerstones of marketing.

Welcome! You're starting a journey that could change your entire life.

Welcome, new entrepreneur!

Yrittäjät

UUSYRITYS·
KESKUS

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DRAWING UP A BUSINESS PLAN

Don't be afraid of drawing up a business plan – this is how to do it easily!

A good business plan is important for a new entrepreneur. A small business owner can get started with quite a simple plan.

In its most demanding form, a business plan is a big job that plans sales and marketing, envisions product pricing, evaluates the resources for manufacturing, plans staff and product development needs and considers patents and risk analysis. The bigger the aims the business has, the more precisely the business plan should be done.

A new small business owner can get started more simply, however. When you are applying for funding, support or guarantees, everyone is most interested in whether there is enough demand and customers for your products. These are also vital questions for you. A carefully drawn up business plan provides a more stable basis for achieving your sales goals. Remember that a strong reason for doing a business plan is you: you need to convince yourself that your business will give you enough income.

Ask yourself these questions

You can write a light business plan, which will usually be enough, for the start-up phase of your business as follows.

First, answer the following 3 questions as well as possible:

1. WHERE DO I GET CUSTOMERS?
Who are your customers?
How can you contact them?

2. WHERE DO I GET MONEY?
What ways can you get selling and make money for your business?

3. IS THERE DEMAND?
What kind of demand is there for your product or service?
Who are you competing with?

You should always test a business idea on potential customers, even if you or your friends think it is good. Do this before you start paying to registration fees or for marketing.

My notes:

Ask your future customers

You can answer the most essential questions by being brave and contacting potential customers. **Write a short description of your service or product and ask customers:**

1. IS THERE DEMAND FOR THE PRODUCT?

2. WHAT PRICE WOULD YOU BE READY TO PAY?

3. ARE THE PRODUCT'S IDEA AND QUALITY RIGHT?

In the best case, you can get immediate feedback: the product might be good, but with some small adjustments it could be even better and more desirable.

Don't be afraid of contacting people. Your future customers will welcome it if your idea is interesting, and they could find it useful. In the best case, the benefit is mutual, as the customer can tailor the product to his or her needs from the start.

You can combine writing a business plan with pre-marketing. When your business starts trading and you have something to sell, it's easy to call them: "Do you remember when we last talked? The product is ready now. Can I come and tell you more?"

When you need a more detailed plan

The bigger your business operations are and the more specialized your company is, the more precise your business plan should be. When writing a broader and more precise business plan, you should remember that the core of your plan is the operating idea and business idea: why does the company exist, what it does and how it intends to reach its goals. You can also analyse the business environment, competitive situation, customer types and customers' buying decision criteria.

My notes:

When thinking about all this you it’s worth consulting professionals: for example, the Finnish Enterprise Agencies offer free, confidential advice from experts who know local business, supply and demand, and who can help you develop your idea.

Why do a business plan?

You can get information about writing a business plan on the Suomen Yrittäjät website **https://www.yrittajat.fi/yrittajan-abc/perustietoa-yrittajyydesta/yrityksen-perustami-nen/liiketoimintasuunnitelman-tekeminen**

and from the Finnish Enterprise Agencies’ website **www.uusyrityskeskus.fi/yrityksen-perustaminen/liiketoimintasuunnitelma/**

My notes:

APPLYING FOR INITIAL FUNDING

Initial funding demands work – plan your application well

Initial funding (Fin.: starttiraha), intended for new entrepreneurs, helps you survive the initial phase of entrepreneurship financially. The criterion for receiving funding is a good business plan.

A new entrepreneur can receive initial funding for the first 6–12 months of business operations (a little over €700/month as of 2020). Initial funding is intended for the entrepreneur to live on, and it is taxable income.

Below, you can read about how to receive initial funding. It might all sound like a lot of work at first, but starting out as an entrepreneur demands work. Each step is important for the success of your business operations.

To get initial funding you must:

- Write a good, careful business plan with a realistic budget.
- Send the TE office, via the "Oma asiointi" service, a finance plan and any finance offer or promise (if external funding is necessary for the start of your operations).
- Provide the TE office with a tax debt statement.
- Start business operations only after you receive initial funding. Check with the TE office in advance what actions are considered "starting business operations".
- Become a full-time entrepreneur. You can also be an entrepreneur alongside other work, if you are expanding your activities to make them your full-time occupation.
- Show that you understand what entrepreneurship is. You can do this by attending an entrepreneurship course or showing, by prior entrepreneurship studies or experience, that you know enough. You can ask your local TE office about entrepreneurship courses.

My notes:

- Fill out the application yourself. You can fill out the application in the TE office “Oma asiointi” service or on a printable form available on the TE office website. Check with your local TE office whether you need to visit them in person.

Initial funding is a form of support given on a discretionary basis, so there is some variation among positive and negative decisions. When funding is awarded, such things as the competitive situation and the need for new business operations in the area are considered.

What must you do?

When you plan to set up a company and apply for initial funding, first contact the TE office. They will refer you to a business adviser and be able to give you tips about any entrepreneurship course you might need and how to proceed with your application and founding your business.

Prepare all the materials mentioned above (business plan, finance plan and any offer of finance) carefully for the application.

Make enough time for the process! For example, the entrepreneurship courses that are often required for the granting of funding may last from a week to three months, and finessing your business plan and calculating finance also take time.

When writing your business plan, the Finnish Enterprise Agencies can also help you. Often, the local TE office making the decision on initial funding can ask for a statement from a third-party consultant or a Finnish Enterprise Agency when considering whether to grant funding. Cooperating with a Finnish Enterprise Agency is sensible from the perspective of receiving funding. It means you can avoid pitfalls at the business plan stage and that your business operations have been prepared well – or that it’s been discovered that the conditions are not right for the business – so case closed.

If this is making you anxious, remember that you don’t have to think about all this alone. The Finnish Enterprise Agencies and TE offices, in particular, offer personal help and advice.

My notes:

CHOOSE THE RIGHT TYPE OF COMPANY

Sole trader – easy to run, light administration

Are you an expert in your field, and are your operations based on your work input? You don't need to move around after your work and you have low overheads – maybe you're a hairdresser with a cheap rental chair, some scissors and a powerful hairdryer?

Operating as a sole trader (toiminimi) is appropriate for a business with moderate turnover. If you don't need big loans, large warehouses, expensive machinery or complicated tax planning, being a sole trader is an easy, low-cost and quick type of company. You are ultimately personally responsible for all commitments with all your property, but if the risks are small, there should not be any reason for worry.

Whom does being a sole trader suit: An entrepreneur with small-scale operations.

Limited partnership – light administration with an investor on board

If your operations are still dependent on your work input, but you, the entrepreneur, want another investor to be involved, a limited partnership (kommandiittiyhtiö, ky) might be a good option. A limited partnership may also carry out legal actions in its own name, such as signing contracts or being a party to dealings with the authorities.

Registering a limited partnership is easier than a limited liability company, and the administration is light. A limited partnership needs at least two partners, of which one is a general partner and the other is a limited partner. A general partner's own work input is enough to be considered an investment, whereas a limited partner must make a monetary investment.

A limited partnership may be a natural choice if the business is quite small and a family member, for example, is willing to be a limited partner. A general partner is responsible for the partnership's debts with all his or her property, whereas a limited partner's responsibilities only extend to his or her investment.

Whom does a limited partnership suit: An entrepreneur who wants to have an investor involved.

My notes:

Partnership – requires mutual trust

Closely similar to the limited partnership is a partnership (avoin yhtiö). It consists of at least two partners, both of whom have the right to run the company's affairs independently. Each partner is jointly responsible for commitments made in the company's name – for example, debts may be recovered in full from one partner.

You should think extremely carefully before registering an open partnership. Unless the partners' right to do business in the company's name is restricted, the partners must trust each other completely. The same goes for a limited partnership: you should think about whether the company needs more than one general partner.

Whom does a partnership suit: Someone who wants to share the responsibilities of company operations with a partner.

Limited liability company – a clear option, limited risk

A limited liability company (osakeyhtiö, oy) is a good option in most cases. It is a clear way of running a business and differs from other types of company in its lack of personal liability.

A limited liability company may also be registered by a single person, although in this case a vice-member of the board of directors is always needed. If there are several shareholders, each one is liable only to the extent of his or her investment, however.

Registering a limited liability company may make sense, particularly when large investments need to be made or several owners, who are going to become employees, are joining the company. When business operations are larger, financiers can also demand that the company be registered as a limited liability company. A limited liability company also suits small businesses. There is a small administrative burden in the form of the annual general meeting and minutes of board meetings, but you can ask your accountant, for example, to help you with these.

Whom does a limited liability company suit: An entrepreneur who wants to keep his or her options open. A limited liability company makes a variety of arrangements possible.

My notes:

Cooperative

A cooperative may be registered by one or more natural persons, companies, foundations or other legal persons. In so doing, the founders become members of the cooperative.

Read more about cooperatives and other types of company:

www.yrittajat.fi/yritysmuodot

How much does registering a company cost?

SOLE TRADER	€60	(electronic registration) or €115 (paper form)
PARTNERSHIP	€240	(for the moment, registration is only possible on a paper form)
LIMITED PARTNERSHIP	€240	(for the moment, registration is only possible on a paper form)
LIMITED LIABILITY COMPANY	€275	(electronic registration) If your share capital is €0, you can use the Business Information System (YTJ) service to register and establish a limited liability company.

Cooperative €380 (for the moment, registration is only possible on a paper form). You can get these forms from the Patent and Registration Office (PRH) **https://www.prh.fi/en/**

Help in thinking about the right type of company

Remember that you don't need to think about company registration alone. You can get free, confidential advice from the Finnish Enterprise Agencies or municipal business services. You should take advantage of these services: you can go through ideas with an expert and receive money-saving practical tips that are worth considering when registering and running your business. The type of company you choose can be very significant from the perspective of your net personal income.

COMPANY REGISTRATION FORM

My notes:

You need to register to establish a company

To begin business operations, you generally need to register the company with the Trade Register. You do this by ticking the appropriate box on the company registration form. At the same time, you can also register on the necessary Tax Administration registers (VAT register, advance withholding register and employer register).

How to fill in the company registration form – 8 essentials

Filling out the company registration form is quite technical, but some tips are useful. The most important thing is thinking about your company name.

1. COMPANY NAME

While some things might have a lot of names, a company can only have one. You should spend time and effort on thinking about your company name. Make a list of potential names, ask your friends, reject some, shake the list up, test how the options sound.

Many sole traders use their name as the company name, and in some sectors identifying the company with a person can be a plus. On the other hand, when operations expand and the company needs more visibility and markets, it's worth using a name with a little more thought put into it. A striking name is a lot more interesting: Log & Split is definitely more memorable than Timo Holopainen Firewood Transport.

If you need to sell your company at some stage, a strong personal or local tie – Toiminimi Erkki Tattari or Puolanka Pipe – might make it less attractive.

Think about whether you can use the company name in marketing and branding with a little adjustment. If your company intends to expand internationally, you should check what the words in the company name mean in other languages. When you register the name, you should also reserve a web domain and social media accounts for it, so you're not harassed by people trying to sell them to you.

Naturally, a company may not have the same or similar name as another company, so use the company names service (Yritysten nimipalvelu) or company information system (Yritystietojärjestelmä, YTJ) of the PRH to check your options. Even if you're not planning on registering your business for years, you can reserve a name in advance.

2. Auxiliary company names

If the company has a range of operations, auxiliary company names (aputoiminimi) can sometimes be justified in making marketing easier. For example, a restaurant company might have auxiliary company names for its restaurants of different concepts.

3. Domicile

The domicile of a sole trader is always the municipality where the entrepreneur lives. For an open partnership or limited liability company it may be elsewhere – this can be useful, for example when applying for financial support.

4. Registration

A sole trader may be registered electronically, which is cheaper than using a paper form. A limited partnership and partnership may, for the moment, only be registered on paper. Registering a limited liability company online on the YTJ service is only possible with share capital of €0.

5. Contact information

If you wish to avoid telemarketers, you should only declare your postal address in the public contact information on your company registration form. However, in the section for details of the person who supplies additional information (lisätietojen antaja) it's a good idea to give your full contact details so the authorities can get in touch.

6. Financial year

Often, choosing the calendar year as your company's financial year is the obvious option. However, if your business is seasonal (for example, a ski resort or boat rental), it may make sense to set the financial year in accordance with your business cycle, for example, ending in spring,

My notes:

summer or autumn instead of at the end of the calendar year.

7. Main operating sector

A company must have an operating sector in which it primarily operates. This main operating sector is also reported to the Tax Administration.

The name of this sector is copied in full to the memorandum of association, articles of association or rules of the cooperative. A sole trader notifies the Trade Register of his/her operating sector in full on the company registration form.
The sector chosen must be true and include all the fields the business operates in or is planning on operating in in future.

A sector that is too vague may make it difficult to register the business's name.

8. In the end, go over the form with an expert

Filling in the company registration form is relatively easy, but before submitting it it's worth going over it with a business adviser or accountant to make sure all the right boxes are ticked. That can save you surprises and requests for further information.

You need the following appendices to a company registration form:

- partnership and limited partnership: partnership agreement
- limited liability company: memorandum of association and articles of association
- cooperative: memorandum of association and rules of the cooperative.

In addition, the personal information form is filled in.

Sole traders and limited liability companies with a share capital and share issue price of €0 may register online using the YTJ service. The service will generate a memorandum of association and articles of association for a limited liability company.

You can find all the necessary forms and instructions on the YTJ and Patent and Registration Office websites.

My notes:

ENTREPRENEUR'S PERMITS AND NOTIFICATIONS

What a new entrepreneur should remember

Before registering a company and starting business operations, you should find out what permits are needed. Every new entrepreneur should remember to make the necessary declarations to the Tax Administration. Here are the most important permit matters you need to remember.

Permits for the company's operations

In many sectors, you don't need to apply for permits, but there are sectors in which companies cannot operate without them.

Businesses subject to permit include grocery selling, restaurants and cafés, social care services, car repair workshops, and the health and beauty sector. You need a taxi licence to provide taxi services.

You can find a list of permit-regulated sectors and licensing authorities on the "Luvanvaraiset elinkeinot" ("Permit-regulated businesses") page of the Yrittajat.fi, for example **www.yrittajat.fi/yrittajan-abc/minustako-yrittaja/yritysmuodot-ja-vastuut/elinkeinovapaus/luvanvaraiset-elinkeinot**

Notifications to the Tax Administration

Once your business starts trading, the authorities will expect regular declarations about your operations. You must declare information about your company to the Tax Administration monthly, quarterly or annually.

Examples of self-assessed taxes are VAT and employer's contributions. The handiest way to declare VAT to the Tax Administration is to use the online MyTax service, typically every month. Paper declarations are only possible if a special reason is given.

My notes:

Small companies may apply for extended declaration and payment terms for VAT. If the company's turnover for the financial year is under €10,000 (as of 2020), the company does not have to register as VAT-liable. In this case the company does not add VAT to its invoices. The reason for not being VAT-liable must be mentioned on invoices. For companies trading with other EU member states, a separate EU VAT recapitulative statement is required.

If you are an employer, you must always provide information about your employees' salaries and fringe benefits to the incomes register within 5 days of paying salary. In addition, you must provide information to the incomes register on the total amount of the employer's health insurance contribution.

Small employers may apply for extended accounting periods for employer contributions. That means they can pay their advance withholdings and employer's health insurance contributions in quarterly instalments.

As an employer, you no longer need to file separate annual declarations, as salary information is transferred from the incomes register to the Tax Administration, pension funds, insurers and the Employment Fund. You can apply for compensation for occupational health service on the Kela website.

Tax declaration in April

The deadline for the tax declaration depends on the type of company. Sole traders, open partnerships and partnerships file their tax declarations at the start of the April following the end of the tax year. Limited liability companies and cooperatives file their tax declarations within four months of the end of the financial year.

Declaring building projects to the Tax Administration

Companies and independent entrepreneurs (sole traders) who commission building work must declare information about the projects to the Tax Administration monthly if the value of the work, before VAT, exceeds €15,000. The main builder on a joint building site must declare employee information monthly if the total value of the building project, before VAT, exceeds €15,000. You can file self-assessed taxes to the Tax Administration via the MyTax (OmaVero) service.

My notes:

Declare all changes

Remember that you must report on all changes that happen in your business, such as to the type of company or sector of operations, to the trade register and the Tax Administration.

Useful links:

www.yrittajat.fi
Provides a comprehensive info bank about everything related to entrepreneurship, as well as – free for Suomen Yrittäjät members – tax and legal advice services, advocacy, networks and money-saving benefits.

www.uusyrityskeskus.fi
The Finnish Enterprise Agencies offer free, confidential advice for new entrepreneurs.

www.vero.fi
The online services of the Tax Administration offer detailed information about the declarations entrepreneurs must make to the Tax Administration and instructions for using MyTax.

www.prh.fi
On the Patent and Registration Office (PRH) site you can download the forms you need for registering a company. The PRH also issues patents, utility models, trademarks and models.

www.avi.fi
The Regional State Administration Agencies' (AVI) website has detailed information about the permits and declarations needed in when running a business.

www.suomi.fi
Offer important services for individuals and companies in one place. The company section has a lot of basic information about running a company.

www.team.finland.fi
Team Finland brings together all state-funded international expansion services in one place.

www.tulorekisteri.fi
This is where all employers record information about the salaries and fringe benefits they pay. They do so after each payday and for each employee separately. In addition, they file a separate employer's notification each month about the total amount of employer health insurance contributions they have paid.

COMPANY ACCOUNTS

Accounting mistakes can be expensive – professional help is worth it

In business, you should concentrate on what you can do best. Accounting is one of the things it's worth outsourcing – it will save you time and grey hairs.

One of the first important actions for a new entrepreneur is to find a good, knowledgeable accountant. All companies are obligated to maintain accounts under the Accounting Act. If you don't know the law well enough and do your accounts yourself, mistakes such as incorrect entries or forgotten declarations could occur. These could end up being expensive.

A professional can do accounts quickly and precisely, and you can spend the time saved on developing and selling your services – the core of your business.

A professional can also be useful when you need to negotiate with a bank manager or investor who, you hope, could fund you. Retaining an external accountant gives you more credibility and someone you can turn to for advice about anything related to your company's finances.

Where can I find an accountant?

This is a diverse sector, so if you don't know a competent accountant, the best way to find a knowl-edgeable one is to use the list of authorized accounting firms or accountants with the KLT accounting qualification on the Taloushallintoliitto website.

Authorized accounting firms are monitored: such a firm must operate in accordance with the law and best accounting practice. Another advantage of an authorized accounting firm is that it will have liability insurance in case of mistakes. They can happen, as accountants are just people too.

You can also get reliable contact information from the Finnish Enterprise Agencies.

My notes:

Nowadays, accounting firms offer a wide range of services, and if, for example, you want to outsource payroll and salary payment later on, you should make sure in advance that a firm offers these services. An accounting firm can also offer support in managing your company's finances, which is when its knowledge of your sector is useful. If, however, you just need the minimum legal level of accounting and your sector does not have any special features, knowledge of your sector is not that important.

Electronic financial administration programs and various cloud services help you keep abreast of your company's financial situation. They can make sharing vouchers and work with your accountant or accounting firm easy. Even if an accountant is one of an entrepreneur's best friends, it's good to have some knowledge of accounting yourself.

Remember these, at least:

- Sign a written contract with an accountant or accounting firm which clearly states which matters are the accountant's responsibility and which are yours. Authorized accounting firms use a contractual template written by Taloushallintoliitto (the financial management professionals association). Read the contract carefully and ask about anything you don't understand.

- Make careful notes on vouchers and receipts to explain what they are for. If it is for corporate hospitality, for example, write who your guests were and why they were hosted.

- If you use an electronic financial management system, storing the additional explanations there is enough. As well as receipts, keep original invoices, as they show such things as the VAT proportion

- Financial statements, reports on operations, accounts, charts of accounts and lists of ledgers and materials must be stored for at least 10 years following the end of the financial year.

- The vouchers for the financial year, correspondence regarding transactions and other accounting material supporting financial transactions must be stored for at least 6 years following the end of the year when the financial year ended.

My notes:

CORRECT INVOICING FOR YOUR BUSINESS

My notes:

Quick guide for a new entrepreneur

You should set up proper invoicing for your company before beginning operations. Here are some quick invoicing instructions for a new entrepreneur.

Payment term

You should invoice customers immediately after providing them the product or service. When you invoice quickly, you project a professional image of your company and ensure that money that is due to you is not earning interest in someone else's bank account.

The maximum legal payment term is 30 days, but parties can also agree to a maximum payment term of 60 days. Payment terms are usually from 14 to 30 days. To ensure cashflow, a small business owner should try to negotiate payment terms that are as short as possible, even as short as 7 days.

How do I send invoices?

More and more companies, organizations and authorities only accept web invoices. It is a cost-effective and secure method, as a web invoice contains the details needed for an invoice. Web invoices sent online are entered into both parties' financial management systems and there is no danger of the invoice waiting for approval for a long time on someone's desk.

In Finland, in addition to banks, there are several web invoice operators, and their pricing varies. There are also differences in how suitable they are for larger and smaller entrepreneurs and how they work with different banks' systems. Thus, it's worth really getting to know the practices of different operators. For a new entrepreneur, a web invoice sent via your own bank is the easiest way, but check the archiving practices in case you change bank for some reason.

A large proportion of companies, however, also accept invoices sent by email in PDF form. Some also accept paper invoices, but they must often be sent to a separate invoicing service to be scanned. This makes invoicing slightly slower and also adds postage costs.

There are readily available invoice templates online, but often you can get the best one for you by adjusting them or designing your invoices from scratch – as long as you make sure that the invoice contains all the necessary details.

You can also outsource invoicing to one of the invoicing services available online. They charge a service fee of a few percent of the invoice total.

Information that must be on an invoice:

- date of issuance of invoice
- serial identifier number
- seller's VAT number (business ID)
- buyer's VAT number in the case of reversed tax obligation and intra-community supplies
- seller's and buyer's name and address
- amount and nature of goods, extent and nature of services
- delivery date of goods, date of provision or advance payment of services
- tax base by tax rate and unit price before tax, refunds, discounts
- tax rate
- amount of tax due
- basis for tax-free pricing or reversed tax liability
- in an amended invoice, reference to earlier invoice

My notes:

Archive your invoices properly

An entrepreneur must store all accounting-related materials for six years following the end of the calendar year in which the financial year ends. Whether you use web, PDF or paper invoices, make sure that vouchers for them are entered into your accounts. An electronic voucher is enough, which makes paperless accounting and archiving easier. You shouldn't bin invoices you've already sent. If an invoice is incorrect, issue a credit note and a new invoice.

Remember debt collection!

Prepare for situations in which your customer does not pay. You can make informal inquiries about delayed payment of invoices and send a more formal payment reminder 14 days after the invoice due date. After two payment reminders, you can send the unpaid invoices to a debt collection agency. The EU Late Payment Directive provides for a €40 standard charge in business-to-business invoicing if an invoice is not paid on the due date. A standard charge is not the same thing as late payment interest.

My notes:

ENTREPRENEUR, AVOID THESE MISTAKES

A mistake is a gift – but usually an expensive one

It's not worth getting depressed about failure, as mistakes happen and you can learn from adversity. An excited entrepreneur avoids the worst pitfalls by keeping a clear focus and feet on the ground, even when presented with amazing offers.

Be careful on the phone

A new entrepreneur is a favourite target for telemarketers (see the Company Registration Form chapter for which contact information you should give). During the honeymoon period of your new business, you will get offers from providers of directory enquiry services, newspapers, organizations and manufacturers of corporate gifts. These sellers may also include scammers.

Don't rush to make any agreements on the phone before you are sure about what you really need. You can avoid deciding on unnecessary expenses in a rush by first answering "no thanks" and then thinking calmly about what you need.

You should think about what advocacy organizations you should join. Membership can bring benefits that are cheaper than the deals sold by telemarketers. For example, Suomen Yrittäjät membership includes free legal advice and access to an entrepreneurs' document bank.

Beware of restrictive contracts

Read contracts carefully before signing anything. Large companies' contracts, in particular, contain clauses that can cause small business owners headaches. In such cases, consider getting expert assistance.

Large firms also often have tight payment terms and long payment times, which means working for a long time without being paid. As early as making an offer, you should negotiate with the company about whether you can invoice for the project as soon as the work begins or halfway through.

My notes:

NDAs and sanctions

Non-disclosure agreements or NDAs have become common in many sectors. They can involve very large sanctions, so you should read them carefully. One experienced entrepreneur says: "I once returned an NDA and said I couldn't afford to help the company, as the potential contractual fine was half a million euros."

Be careful with rental leases

Searching for premises for your business might be inspiring, but rental leases are often at least three years long. You are then tied into a lease, even if your business expands or shrinks unexpectedly. Work out what you're prepared to agree to. It's always worth negotiating with landlords to see if they are prepared to sign a shorter lease, or one that can be more easily terminated.

Insufficient insurance is a stupid saving

Assess realistically what insurance you need. The risks in different sectors are very different and of different sizes, and it's not worth paying for the unnecessary. On the other hand, insufficient insurance increases risk. Don't be satisfied with the insurer's website – find a person to tell you more. Ask colleagues in your sector and your accountant for advice. Entrepreneurial and other organizations also offer their members affordable insurance cover. Note that YEL pension insurance, in particular, is important. It is the entrepreneur's security in surprising situations.

Shop around for all your services

Many entrepreneurs regret in hindsight that they did not shop around for services like banking, accounting or insurance. Charges can vary dramatically and produce needless costs, especially at the start, when your operations are still small.

Doing business alone doesn't mean being lonely

Too many entrepreneurs burn out in working hard on one single product. Bearing responsibility and learning new things demands self-discipline and grit, but it's also important to network with other entrepreneurs. They understand best how you're feeling and can give you peer support in a tough moment.

My notes:

Lifelong employees cannot understand how it feels to bear full responsibility for running a company, as well as your own and any employees' well-being. You can find networks in such places as the local and national member events and training sessions organized by Suomen Yrittäjät.

Be flexible, be proud

An entrepreneur needs to be able to survive constant change. Even if you have an amazing business idea, running a business requires nerves of steel. Every day brings surprises and demands problem-solving skills. You might think everything is in order, but then the tax authorities can demand extra information, an employee can fall ill in the middle of a busy period, or your largest customer can switch to a competitor.

Amidst challenges, remember to be proud of yourself.
Not everyone can do what you can.

My notes:

THE ENTREPRENEUR'S OBLIGATIONS

My notes:

6 things an entrepreneur must always see to

An entrepreneur has certain obligations, but in spite of the common misconceptions, there are just a few compulsory things. It is worth an entrepreneur's while developing a good relationship with the tax authorities.

When considering becoming an entrepreneur the most important thing is to make a decision – everything else will follow. When you have registered your company and received the necessary permits, practical life beings. Running a business is not rocket science, and people of all backgrounds, qualifications and ages have managed to do it. You too can do it, once you remember these obligations.

Entrepreneur's obligation No 1:

have a good relationship with the tax authorities – your most important duty is paying tax.

Generally, advance taxes are determined in accordance with the previous year's income data, or, for a new entrepreneur, on the basis of estimated turnover. Advance taxes must be paid in time and you should keep an eye on them to make sure they are in the correct proportion to your income. If your taxes are too high or too low, contact the Tax Administration in good time to adjust them to the right level. If you paid too little or too much advance tax, apply for an adjustment in advance tax in the MyTax service. That prevents any possible back taxes and interest.

In addition to advance taxes, an entrepreneur should file and pay VAT and earnings-related unemployment benefit and administer any information about employees' salary and health insurance contributions to the incomes register, and information on payment of employer contributions.

If it begins to look like there may be problems in paying tax, contact the tax office in good time to agree on payment terms or a new breakdown of payments. Sometimes it is possible to negotiate with the tax authorities, and they can give you good assistance and tips.

Entrepreneur’s obligation No 2:

ensure you have social security.

As an entrepreneur, you are responsible for your social security. Your entire statutory social security, including all payments and benefits, is based on the annual income you set for the purposes of the entrepreneur’s pension insurance, or YEL. You should not estimate this annual income at too low a level. The YEL annual income determines the size of your pension, sick pay, parental benefits and unemployment benefit. An entrepreneur is covered by earnings-related unemployment benefit if the YEL has been defined as at least €13,076 annually (2020) and you can join SYT, the entrepreneurs’ unemployment fund.

YEL insurance is compulsory once your personal work input to the business – usually the same as your income exceeds €7,958.99 annually (2020). In addition, when your business operations last for at least four months, you are obliged to take out YEL pension coverage.

Entrepreneur’s obligation No 3:

manage your accounts carefully.

You can do just as many others do: trust in professional help and outsource your bookkeeping to an accounting firm. A professional will do it right the first time and, additionally, give you help and valuable practical tips in managing your company’s finances.

Entrepreneur’s obligation No 4:

always keep enough in your business account to at least pay tax.

Entrepreneur’s obligation No 5:

act in time, react in time.

If you know there are challenges ahead, it is better to be active sooner rather than later, because you can negotiate with banks, senders of invoices and the Tax Administration. It’s not worth stubbornly driving yourself into a dead end.

My notes:

Entrepreneur's obligation No 6:

look after yourself and spend time with people close to you.

Being an entrepreneur is a lifestyle but it does not mean slaving away 24/7. If your business takes up all the hours in the day, something is wrong with the business idea, resources or pricing. An entrepreneur needs time off, friends and other things to do, just like other people. You can't cope without them – and an entrepreneur who can't cope is soon a former entrepreneur.

My notes:

MARKETING CHECKLIST

Do you want people to find your product? Invest in marketing

A great business idea – simply brilliant! But where are your customers? This 12-point marketing checklist will help you attract clients.

One basic mistake new entrepreneurs make is to forget marketing. A brilliant idea is not enough if your customer doesn't know anything about it. No matter how wonderful your product or service is, your customers will not find you unless you attract them.

You should answer three questions in good time before registering a new company:

1.	2.	3.
WHO IS MY CLIENT?	WHERE IS HE/SHE LURKING?	WHY WOULD HE/SHE BUY FROM ME AND NOT A COMPETITOR?

Here exactly you target your marketing spending depends on your sector and customer group, so you should start with getting to know your core customer group. What hobbies do they have, what do they read and watch? Where do they move around and at what time? How should you address them?

Some company registers that telemarketers try to force on new entrepreneurs over the phone will not necessarily bring new customers. Instead, you should compile a register of regular customers from the start and ask your customers for permission to send them marketing materials. However, you should learn about the stricter rules about personal data gathering in force since May 2018. Selling something extra to an existing client is always cheaper than getting new clients.

My notes:

New entrepreneur's marketing checklist

1. You must remember to invest in marketing as early as when you apply for funding and make a budget – don't skimp on this.

2. Choose a business name that works well online and for which there is a vacant domain name. Get an email address with your domain – it will make you look professional and like a big company, even if you work alone. In practice, a domain can be reserved for you by companies that make and administer websites, which you can find, for example by searching online for "reserve a domain name".

3. People are online, so make a website that serves your customers' needs. Instead of fiddling with details and writing long texts, spend time on achieving clarity and conciseness. Nowadays, a website must work on a mobile device, too. Pictures and videos make your content shine. All this demands a little effort and money, but it is not expensive.

4. Look after your social media presence. That's where word gets around. Remember to give regular, interesting updates. You can also pay to boost your posts on Facebook.

5. Work out who your competitors are and what they do. How can you stand out from them in your customers' eyes? Why would someone buy from you? What can you offer that's new or better?

6. Find out what the highest possible price your customer group is willing to pay would be. Don't price too low, as volumes are usually low when you start trading. Price is not the biggest competitive advantage for a new entrepreneur.

7. Even small-scale market research helps you and can be presumed to pay for itself with time.

My notes:

8 Put your business on the Google My Business service.

9 When you start trading, learn about Google AdWords, which can help you guide web searches to your website. Also learn about data-driven marketing, i.e., targeted digital marketing based on customer profiling, behaviour and the traces they leave online.

10 Put yourself in your customer's shoes. Advertising, even in a visible place, won't bring in customers unless you offer something new and interesting. With every marketing effort – print or TV ad, flyer, pin or social media campaign – think about what the customers see and the reaction you want them to have. Print advertising still works, but is it the right tool for reaching your customer group?

11 Make new contacts, but don't be afraid to use old ones, too. Customers are people, and people's respond differently to people they know and don't know.

12 Even in the digital age, business cards are a great way of exchanging business information. They are cheap and won't get lost if your phone does.

Suomen Yrittäjät organizes training sessions for entrepreneurs on a range of topics, including marketing. The Finnish Enterprise Agencies can also offer help in marketing and making business plans.

Entrepreneurs who receive initial funding (starttiraha) in Uusimaa should also take advantage of the Startti Plus service. It pairs you with an expert who will help you devise a plan to develop your business's profitability, growth, sales and marketing. This service is free of charge. Further information at **https://www.uusyrityskeskus.fi/yrityksen-perustaminen/startti-plus/**

My notes:

RELIABLE HELP FROM THE FINNISH ENTERPRISE AGENCIES

What are the Finnish Enterprise Agencies?

Everyone thinking about setting up a business can get help for developing business ideas and registering a company. You're welcome to use our services even if you're only thinking about whether entrepreneurship might be the right path for you. Our services are free and our advice is impartial. The service is funded by municipalities and businesses in the different regions.

You can access these services for free

Our most important service is personal advice, but the Finnish Enterprise Agencies also arrange many information sessions, training sessions and networking events. We offer you:

1.
A sparring partner for forming your business idea.
Tough questions from a third-party expert to help you clarify your idea.

2.
Support and tools for your business plan
business calculations and profitability assessment.

3.
Facts on tax, insurance and requirements.
The Finnish Enterprise Agencies also offer an extensive and detailed guide for new entrepreneurs free of charge.

My notes:

Find your nearest Finnish Enterprise Agency

BUSINESS JOENSUU OY (www.businessjoensuu.fi)

CURSOR OY (www.cursor.fi)

ENSIMETRI TAMPEREEN KAUPUNKISEUDUN YRITYSPALVELUT OY (www.ensimetri.fi)

ETELÄ-POHJANMAAN UUSYRITYSKESKUS RY NEUVOA-ANTAVA (www.neuvoa-antava.fi)

HÄMEEN UUSYRITYSKESKUS RY (www.hameenuusyrityskeskus.fi)

IMATRAN SEUDUN KEHITYSYHTIÖ OY - KEHY (www.kehy.fi)

ITÄ-SAVON UUSYRITYSKESKUS RY (www.isuyk.fi)

KEHITYSYHTIÖ SAVOGROW OY (www.savogrow.fi)

KESKI-SUOMEN UUSYRITYSKESKUS OY (www.ksuyk.fi)

KESKI-UUDENMAAN KEHITTÄMISKESKUS OYKEUKE (www.keuke.fi)

KOSEK/KOKKOLANSEUDUN KEHITYS OY (www.kosek.fi)

KOUVOLA INNOVATION OY (www.kinno.fi)

KUOPIONSEUDUN UUSYRITYSKESKUS RY (www.kuopionseudunuusyrityskeskus.fi)

LAHDEN SEUDUN KEHITYS LADEC OY (www.ladec.fi)

LAPPEENRANNAN KAUPUNKI - WIRMA YRITYSPALVELUT (www.wirma.fi)

MIKKELIN SEUDUN UUSYRITYSKESKUS RY DYNAMO (www.mikkeli.uusyrityskeskus.fi)

NEWCO HELSINKI (www.newcohelsinki.fi)

NOVAGO YRITYSKEHITYS OY (www.novago.fi)

OULUN SEUDUN UUSYRITYSKESKUS RY (www.oulunseudunuusyrityskeskus.fi)

OY PIETARSAAREN SEUDUN

KEHITTÄMISYHTIÖCONCORDIA (www.concordia.jakobstad.fi)

POSINTRA OY (www.posintra.fi)

UKIPOLIS OY (www.ukipolis.fi)

UUSYRITYSKESKUS ENTER - PRIZZTECH OY (www.prizz.fi)

VAASANSEUDUN UUSYRITYSKESKUS STARTIA (www.vasek.fi)

WÄLÄKKY KESKI-SAVON UUSYRITYSKESKUS RY (www.walakky.fi)

YRITYSESPOO (www.yritysespoo.fi)

YRITYSNEUVONTA POTKURI (www.turkubusinessregion.com)

YRITYSSALO OY (www.yrityssalo.fi)

YRITYSVANTAA (www.yritysvantaa.fi)

YRITYSVOIMALA OY (www.yritysvoimala.fi)

You can submit a contact request to the nearest Finnish Enterprise Agency serving you at www.uusyrityskeskus.fi/in-english/

SUOMEN YRITTÄJÄT MEMBERSHIP

Join and get essential information and money-saving benefits

When you are ready and have decided to start your own business, Suomen Yrittäjät, with its regional associations and local societies, can offer you support, a network and a sparring partner for your success. By joining our organization, we can help you in the following ways:

Free legal and tax advice

Take advantage of our free legal advice service – one phone call could easily save you your annual membership fee.

A hundred experts ready to help you

Our hundred-strong team of experts is waiting for your call, to listen to you and advise you. Our telephone advice is free for members, and we answer approximately 50,000 calls a year. So, whether you need a tax guru or a data protection expert, we'll put you through to the right person.

Advocacy

We keep many themes that are important for entrepreneur themes to the fore through advocacy.

A local network

At Suomen Yrittäjät events, you can benefit with other entrepreneurs locally, regionally and nationally.

Money-saving member benefits

As a member you are entitled to numerous member benefits, which you can read about at **www.yrittajat.fi/jasenedut**

JOIN SUOMEN YRITTÄJÄT HERE:

www.yrittajat.fi/liity

Promoting enterprise.

MANNERHEIMINTIE 76 A, 3RD FLOOR, 00250 HELSINKI
P.O. BOX 999, 00101 HELSINKI
(09) 229 221, TOIMISTO@YRITTAJAT.FI
WWW.YRITTÄJÄT.FI/EN

SUOMEN UUSYRITYSKESKUKSET RY
C/O UMA TEURASTAMO
LAUTATARHANKATU 10, 00580 HELSINKI
WWW.UUSYRITYSKESKUS.FI

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NEWSTEP

New Way to a Sustainable Transformational Education Programme

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TURKU AMK
TURKU UNIVERSITY OF APPLIED SCIENCES

UNIVERSITAT POLITÈCNICA DE VALÈNCIA

Deliverable 4.3

Entrepreneurship Course

Training-01: Introduction to Entrepreneurship

Thinking about Entrepreneurship

What does it mean?

Why should it be interesting to me?

Definition of Entrepreneur

Cambridge Dictionary

“Someone who starts their own business, especially when this involves seeing a new opportunity”

Merriam-Webster Dictionary

“One who organizes, manages, and assumes the risks of a business or enterprise”

Owner of a company

Definition of “Intrapreneur”

Cambridge Dictionary

“An employee within a large company who takes direct responsibility for turning an idea into a profitable new product, service, business, etc., often instead of leaving to start their own company”

Merriam-Webster Dictionary

“A corporate executive who develops new enterprises within the corporation”

→ **Key employee in a company**

Entrepreneurship as skills training

Images by macrovector_official on Freepik

Entrepreneur and Intrapreneur

Entrepreneur and Intrapreneur are profiles with common characteristics.

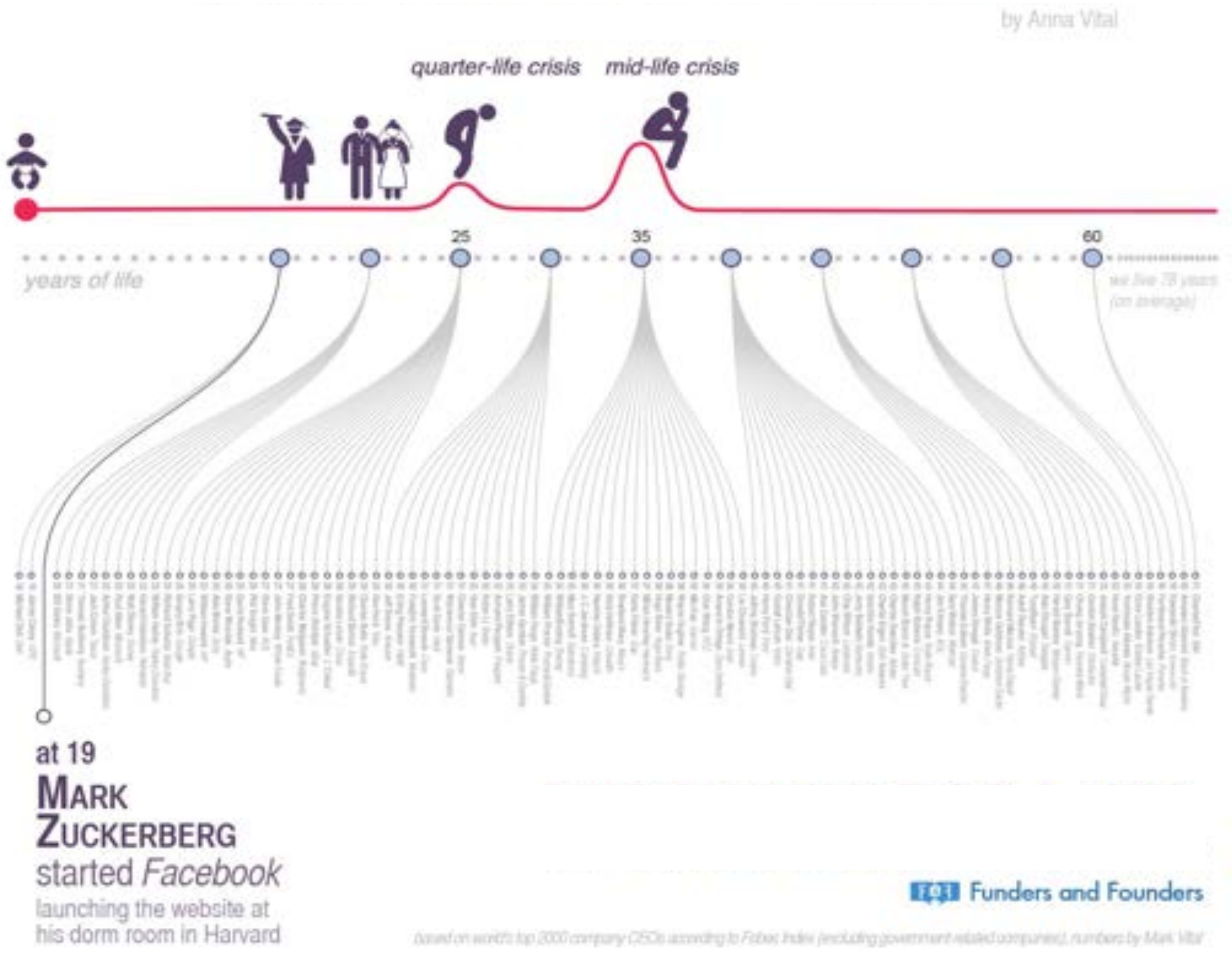
People with experience in entrepreneurship are very demanded in companies.

Entrepreneurship is a valuable complementary education for your professional curricula.

The true entrepreneur is a doer, not a dreamer

Nolan Bushnell, fundador de Atari

When should you start your entrepreneurship project?

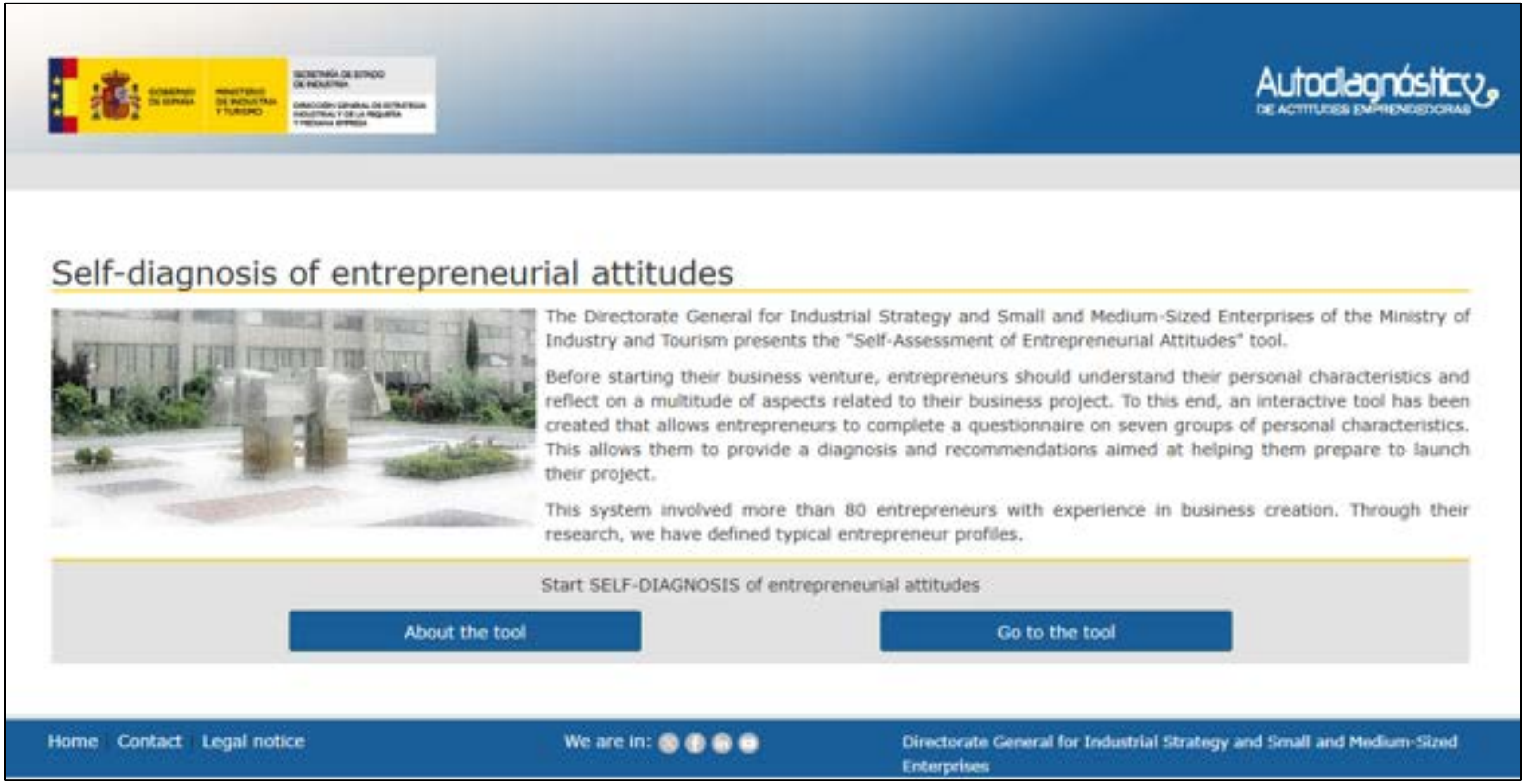


Anytime!!

Self-Assessment of Entrepreneurial Attitude

http://autodiagnosticos.ipyme.org/Emprendedores/

(This site is in Spanish, but you can use it by setting the translation language.)



Key elements in an entrepreneurship project

Idea

Multidisciplinary Team

Knowledge & Skills

Teamwork-01: Formation of teams

Training-02: Kanban boards

Kanban boards: A tool for entrepreneurship project management

The simplest manual kanban board

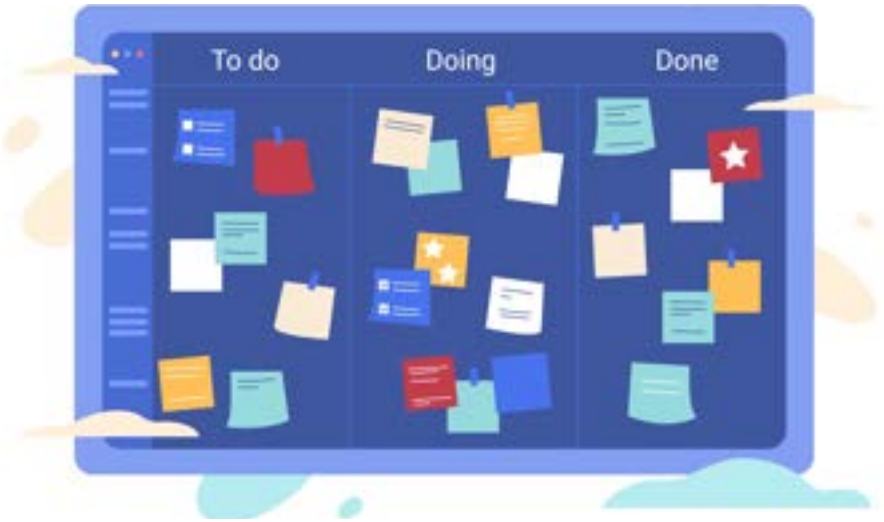
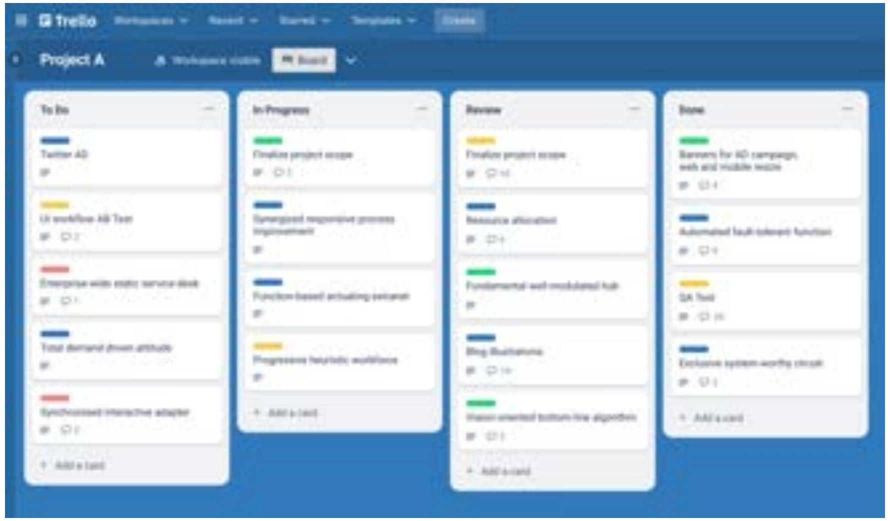


Image by freepik

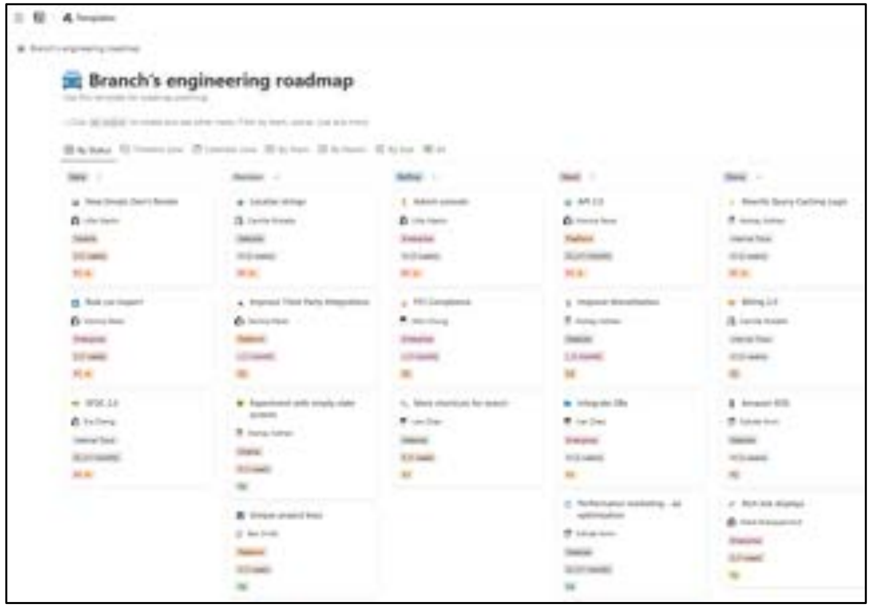
Trello

https://trello.com/



Notion

https://www.notion.com/



Basic kanban board rules

- The final result is broken down into Work Units, which are increments with respect to the final result.
- Each column represents a state or activity in which the Work Unit is.
- The last column on the right indicates the completed increments.
- Work Units must move from left to right on the kanban board columns according to their state changes or when the activities associated with them are finished.
- Team members could work on any Work Unit and in any column.
- Multiple team members can collaborate on a Work Unit, working on different activities (columns) or even in parallel on the same activity.
- The goal is to maintain a good flow of finished Work Units. Work Units should spend as little time as possible in each activity or state. It is better to complete a Work Unit than to start a new one.
- Generally, it is not advisable to accumulate Work Units in a column, as this could represent a bottleneck.
- The number of Work Units in a column is called WIP (Work In Progress). It is important to keep WIP as low as possible.

Teamwork-02: Prepare the project kanban board

Some indications for the kanban board

- Choose a tool to implement a kanban board where all tasks of the project should be represented by cards.
- The kanban board could begin with a basic composition of 3 columns (To Do, Doing, Done), but it could evolve to a more specific composition of columns.
- The card information should include a representative name for the Work Unit and, at some point, the people in charge of working on it (in the column where it is).

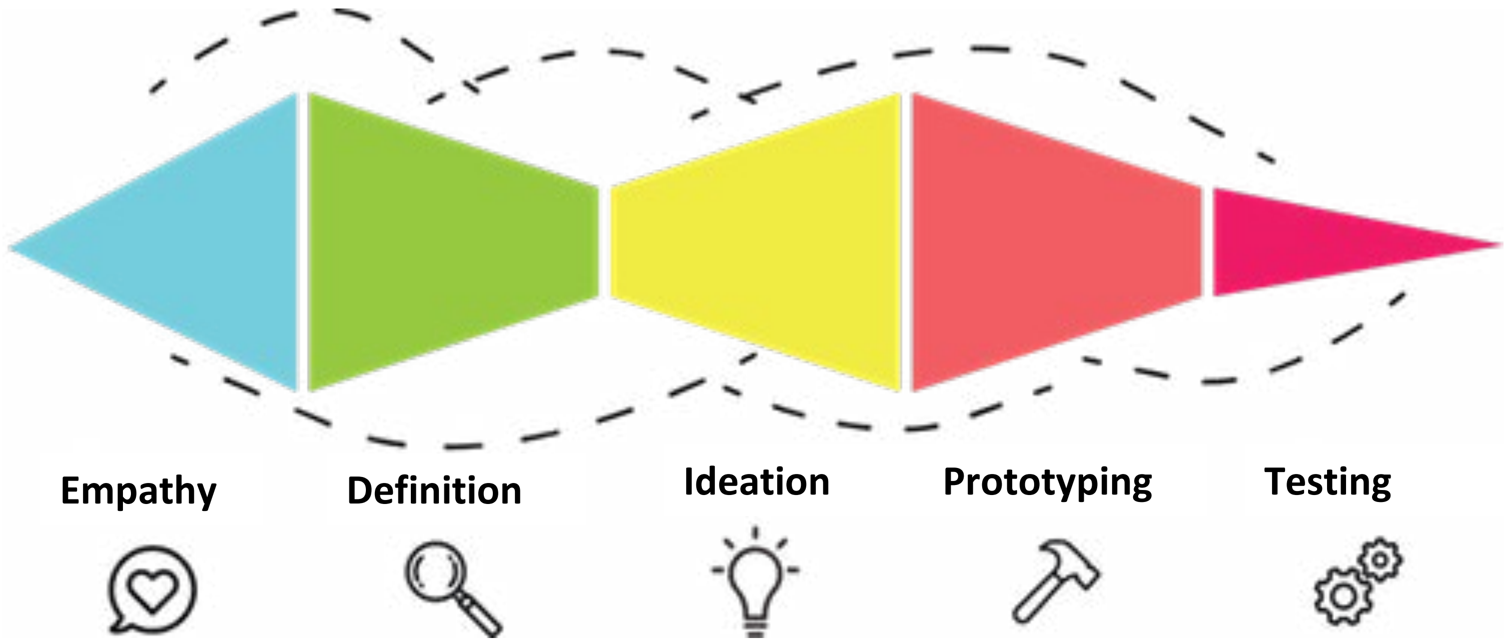
Teamwork-03: Choose a domain to apply Design Thinking and come up with a business idea

Example domains to generate business ideas

- Tourism and Adventure Services
- Agro-based Businesses
- Handicrafts and Artisanal Goods
- Technology and IT Services
- Education and Training
- Renewable Energy
- Health and Wellness
- Hospitality and Food
- Sustainable Packaging
- Event Management
- Real Estate and Construction
- Transportation and Logistics
- Digital Content Creation
- Fashion and Textile Industry
- Adventure Equipment Rental
- …

Training-03: Desing Thinking, Empathy Map and Buyer Persona techniques

Idea Generation using Design Thinking



An example using Design Thinking

Empathy

Outcome: Insights and Empathy Map

- Through interviews and observations, the team discovers that young professionals often feel stressed and overwhelmed but struggle to find time for self-care.

- An **Empathy Map** might reveal:
  - **Think:** "I don't have time for therapy."
  - **Feel:** Overwhelmed, anxious, isolated.
  - **Say:** "I wish I could take a quick mental break."
  - **Do:** Scroll on social media or avoid dealing with emotions.

Definition

Outcome: Problem Statement

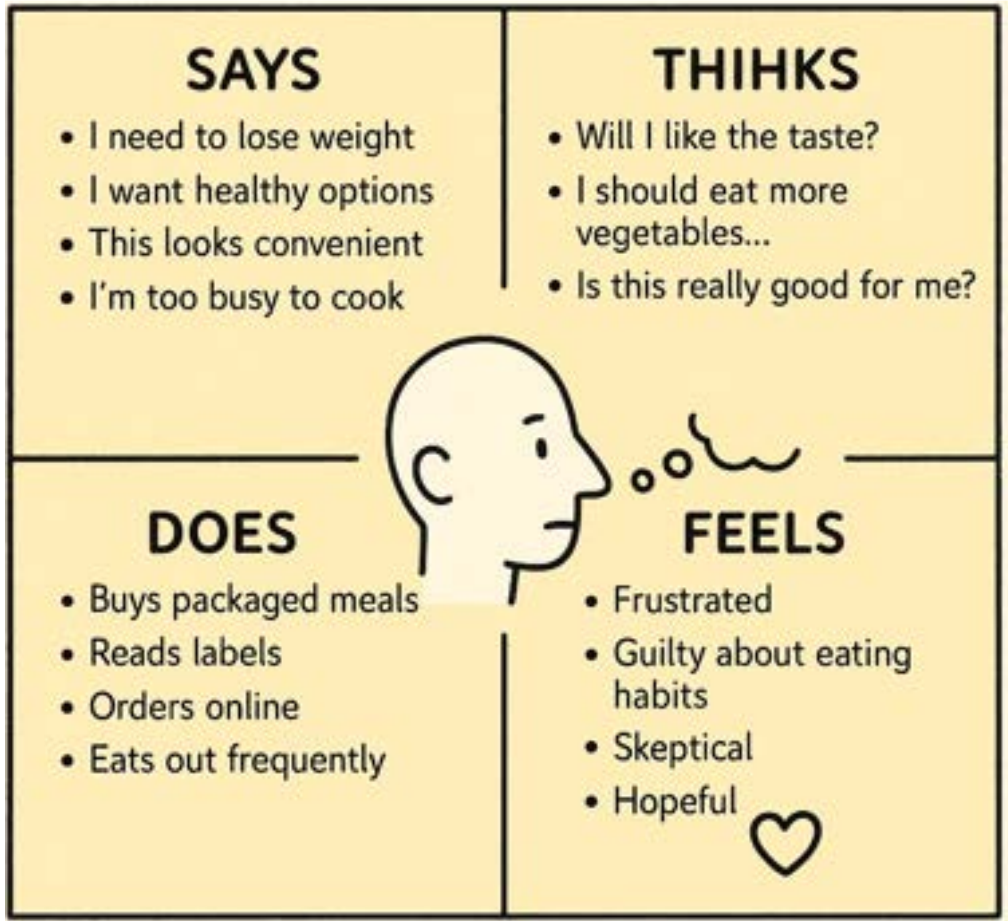
Example Problem Statement:

"Young professionals need a quick, accessible way to manage their stress and emotions during busy schedules because they feel overwhelmed and disconnected but lack the time or resources for traditional mental health support."

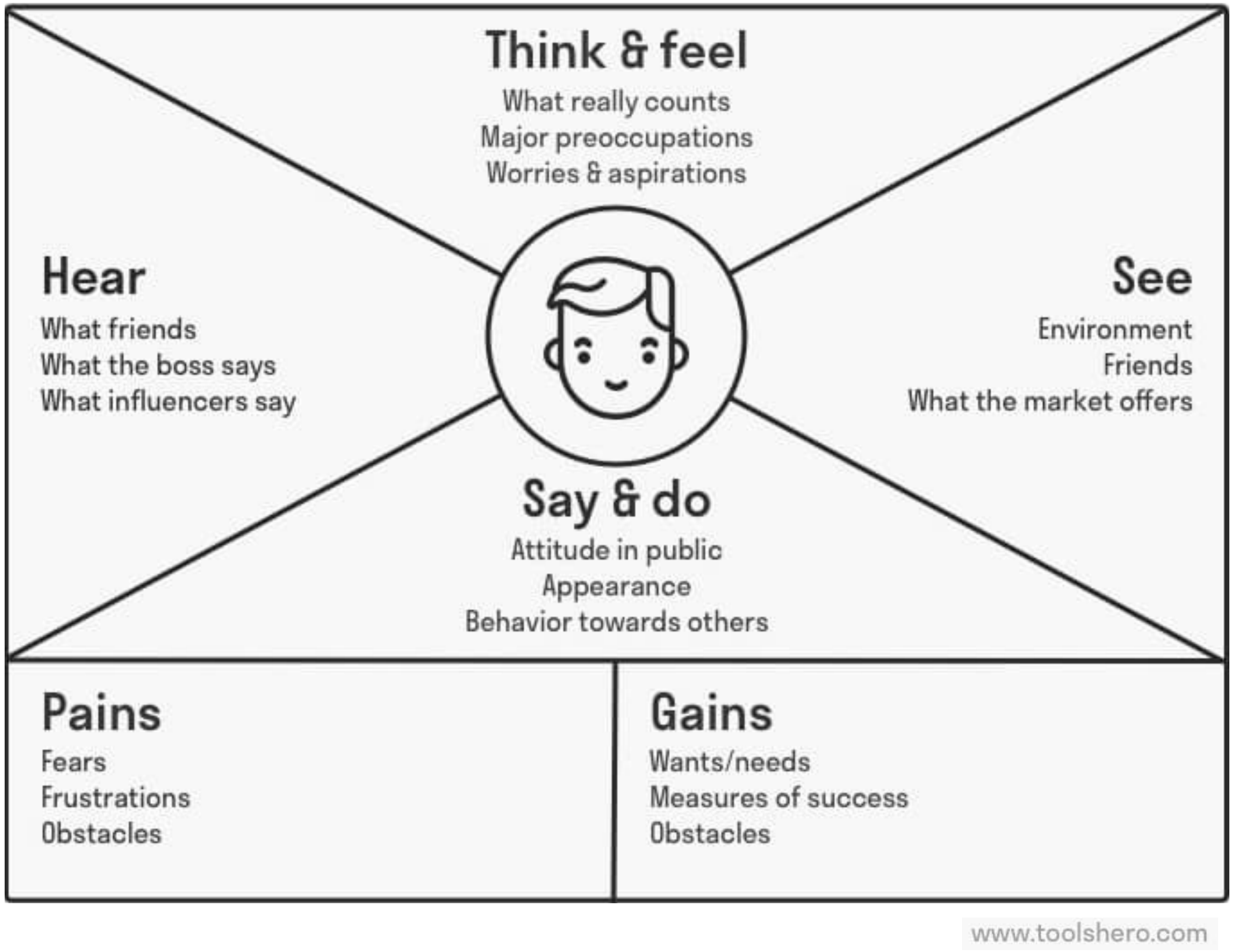
Empathy Map Technique

Empathy Map is a strategic tool used to gain a deeper understanding of the target customer by visualizing their thoughts, feelings, behaviors, and needs.

Example of an Empathy Map for a customer interested in healthy food options



A template for the Empathy Map Technique



… An example using Design Thinking

Ideation

Outcome: Idea List and Selected Idea

- Brainstorming generates ideas like:
  - A mobile app that provides daily mindfulness exercises.
  - A journaling tool with prompts.
  - A virtual support group platform.
  - Short, guided meditations.
- The selected idea: A mobile app offering personalized mindfulness exercises and quick stress-relief techniques, integrated with a peer support community.

Prototype

Outcome: Interactive App Mockup

- The team creates a clickable prototype of the app, showcasing:
  - A personalized "Mood Check-In" feature.
  - A 5-minute guided meditation.
  - A community space for sharing positive affirmations.
- Tools like Figma or Sketch are used to create this prototype.

… An example using Design Thinking

Test

Outcome: User Feedback and Iterations

- Test with a group of 10 users revealing:
  - Strengths: Users love the quick meditation feature.
  - Challenges: Some users find the navigation confusing.
  - Suggestions: Include reminders for daily check-ins and allow offline access to exercises.

- Based on this feedback, the team iterates to improve the navigation and adds offline capabilities.

Buyer Persona Technique

Buyer Persona technique refers to the creation of a **semi-fictional representation of an ideal customer** based on market research, real data, and informed assumptions.

Entrepreneurs use buyer personas to:

- Better understand their target audience.
- Tailor marketing strategies and product development.
- Improve customer acquisition and retention.

A Buyer Persona Example

Example of a **Buyer Persona** for a startup that sells eco-friendly reusable water bottles

Category	Details
Name	Eco-Conscious Emma
Age	29
Occupation	Marketing Specialist
Location	Urban area
Income	1,500– 2,500 €/month
Education	University degree
Lifestyle	Active, health-conscious, environmentally aware
Goals	Reduce plastic waste. Support sustainable brands. - Stay hydrated
Challenges	Finding stylish, functional eco-products. Trusting sustainability claims. Balancing eco-consciousness with affordability
Preferred Channels	Instagram. YouTube. Eco-lifestyle blogs. Influencer content
Buying Behavior	Shops online frequently. Pays more for sustainability. Values brand mission and transparency

Teamwork-04: Apply “Empathy” and “Definition” steps of Design Thinking to the chosen domain. Include Empathy Map and Buyer Persona Techniques.

Teamwork-05: Apply “Ideation” step of Design Thinking to the chosen domain. Establish a name and logo for the product or service.

Training-04: Lean Canvas

Lean Canvas

Lean Canvas is a technique that summarizes the key aspects of a business idea on a single page

A Lean Canvas Template

Co-funded by the European Union

See the example Word template

2 Problem

Identify the needs or problems that our product or service addresses.

Research potential competitors and analyze their products or services. Determine which features they offer and consider which of those we should incorporate into our own product.

Identify any weaknesses or shortcomings in competitors' offerings that may leave their customers unsatisfied.

4 Solution

Identify key features of our product or service, emphasizing aspects that are lacking or can be significantly enhanced compared to competitors.

8 Key Metrics

Key metrics to assess the value and growth hypotheses of our business. These indicators show us that customers value the product or service, and that our business is expanding.

3 Unique Value Proposition

A clear and compelling message that shows your proposal's uniqueness.

9 Unfair Advantage

Identify the innovative elements of the product or service that are difficult to replicate or are exclusive, which could provide a competitive advantage if competitors do not possess them. These unique features create a barrier for competitors in the market.

5 Channels

How will customers learn about the product or service? What medium will they use to purchase it?

1 Customer Segments

Identify the target segment of clients for the product or service. Create a profile of companies or individuals expected to become clients.

Determine who the Early Adopters will be; these are clients willing to use preliminary versions of the product or service. Engaging with them will provide valuable feedback based on their experiences and opinions.

In cases where the end user is not the one paying for the product or service (for example, if their company is covering the cost), the definition of the client should expand to include this additional layer.

7 Cost Structure

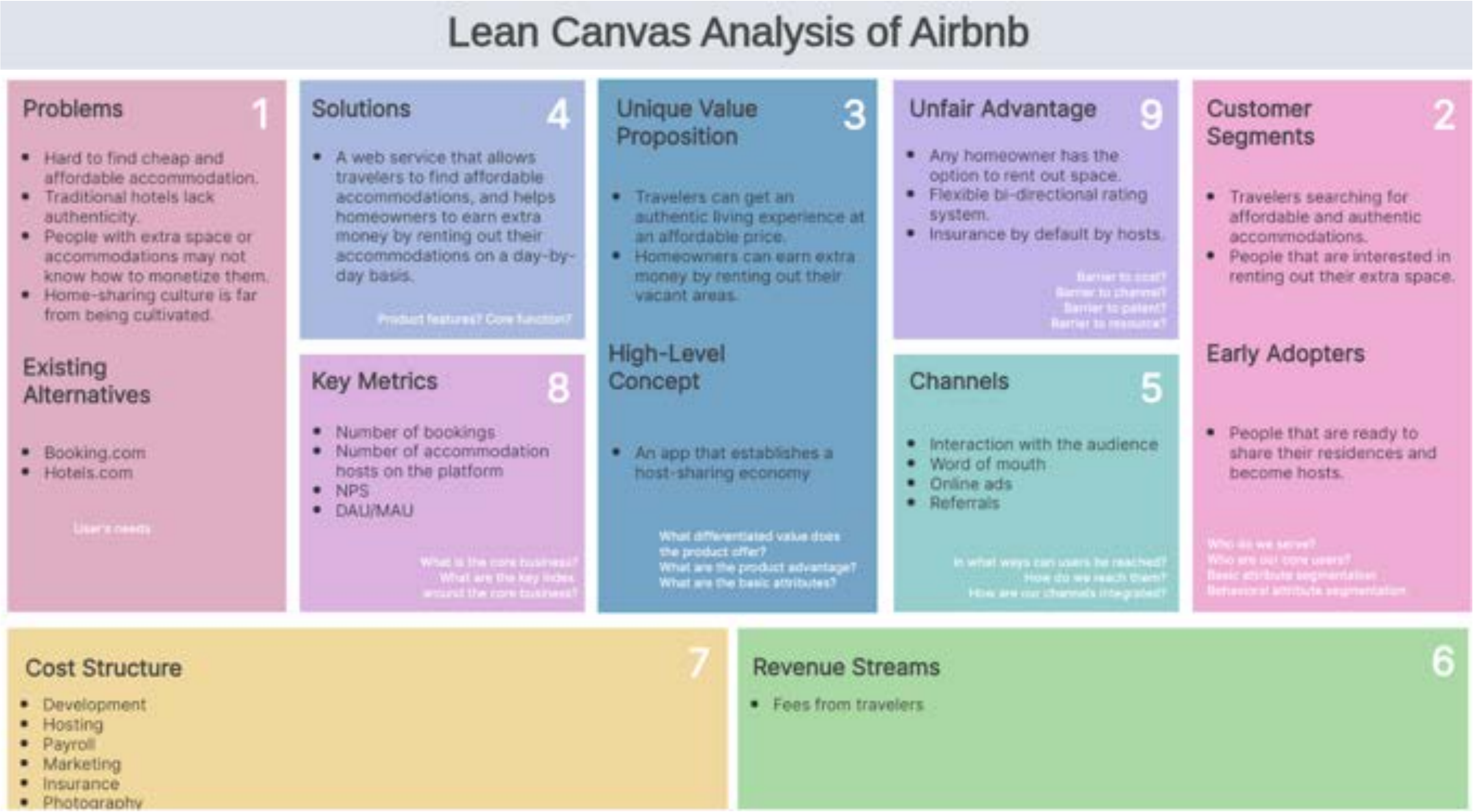
Identify fixed and variable costs and outline potential expenses. Once you have a cost projection, summarize it for a specific year (the same as used in the Revenue Streams cell).

6 Revenue Streams

Business Model: Outline your strategy for generating revenue. Identify potential sources of income and quantify them based on a sales growth hypothesis. Once you have established revenue projections, summarize them here for a specific year that highlights the company's potential income.

This Lean Canvas template is an adaptation by Ash Maurya of the Business Model Canvas by Alexander Osterwalder.

Lean Canvas Example



https://boardmix.com/examples/lean-canvas-example/

Co-funded by the European Union

Teamwork-06: Complete Lean Canvas cell “Customer Segments” with a summary of what was obtained from Design Thinking, Buyer Persona, and Empathy Map techniques.

Training-05: Market Study

Some indications for the market study

- Identify potential competitors by researching similar or complementary products or services.
- Create a summary table that lists product/service characteristics in rows and products/services in columns. Each cell indicates whether the corresponding product/service offers the characteristic.
- Add a row for the business model and product pricing if known.
- Include a column for the business idea and specify the desirable characteristics associated with it.
- In conclusion, identify the characteristics that represent a significant innovation (a feature exclusive of our product) or improvement compared to what already exists in the market.

An example of product/service comparative table

We need to add a column for our product to determine if it has the corresponding feature. Some features could be exclusive to our product.

Feature / Product	AirPods Pro (Apple)	Galaxy Buds2 Pro (Samsung)	Jabra Elite 7 Pro	Sony WF-1000XM5
Active Noise Cancellation	✅	✅	✅	✅
Transparency Mode	✅	✅	✅	✅
Wireless Charging	✅	✅	✅	✅
Customizable EQ	❌	✅	✅	✅
IP Rating (Water/Sweat)	IPX4	IPX7	IP57	IPX4
Voice Assistant Support	✅ (Siri)	✅ (Bixby/Google)	✅ (Alexa/Google)	✅ (Google/Alexa)
Battery Life (with case)	~24 hrs	~29 hrs	~30 hrs	~24 hrs
Multipoint Connectivity	❌	✅	✅	✅
Price (USD)	$249	$229	$199	$299

Teamwork-07: Look for competitors, analyze their features, and summarize your findings in a comparative table.

Teamwork-08: Complete Lean Canvas cells “Problem” and “Solution” using the information about advantages in comparison with competitors.

Training-06: Business Models and Incomes Expenses Projection

Business Model Definition

"A business model describes how your company creates, delivers, and captures value".

Steve Blank

Some Types of Business Models

Subscription Model

Customers pay a recurring fee (monthly or yearly) to access a product or service.
Examples: Netflix, Spotify, Adobe Creative Cloud.

Freemium Model

Basic services are provided for free, while premium features or additional services are offered at a cost.
Examples: Zoom, LinkedIn, Dropbox.

Marketplace Model

A platform connects buyers and sellers, facilitating transactions and often earning a fee or commission.
Examples: Amazon, Airbnb, eBay.

E-commerce Model

Products are sold directly to consumers via an online platform.
Examples: Shopify stores, Zalando, Etsy.

Franchise Model

A business licenses its brand, processes, and products to franchisees, who run individual locations.
Examples: McDonald's, Subway, 7-Eleven.

Razor and Blade Model

The core product is sold at a low price (or given away for free), while complementary products are sold at a higher margin.
Examples: Gillette (razors and blades), Nespresso (coffee machines and pods), gaming consoles (hardware and games).

Ad-Based Model

The service is offered free or at a low cost to users, and revenue is generated through advertising.
Examples: Google, Facebook, YouTube.

Direct Sales Model

Products are sold directly to consumers, often bypassing traditional retail channels.
Examples: Avon, Tupperware, Tesla.

Aggregator Model

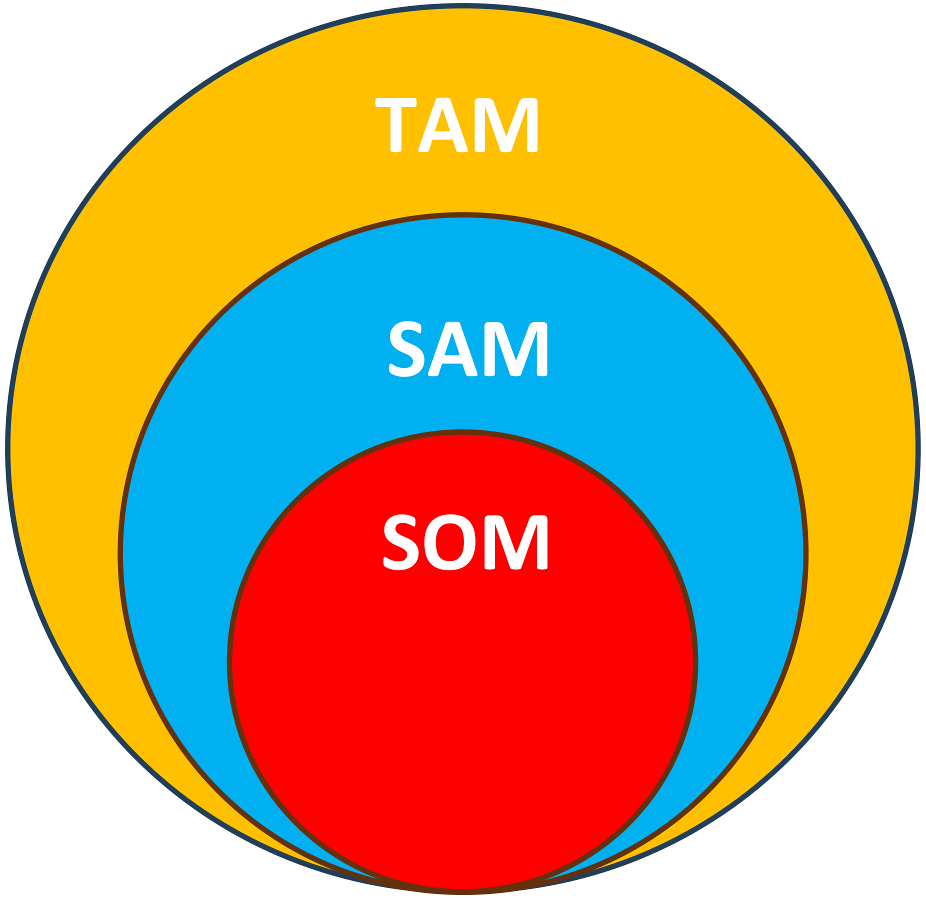
Aggregates services or products from different providers into a single platform for users.
Examples: Zomato, Expedia, Kayak.

What is the Business Model of these products / services?

Training-07: TAM-SAM-SOM

TAM – SAM -SOM

TAM–SAM–SOM is a framework used in entrepreneurship and market analysis to estimate the market opportunity for a product or service.



TAM

Total Addressable Market

The entire demand for a product or service, assuming unlimited access and no competition.

SAM

Serviceable Available Market

The portion of TAM targeted by your product, considering your business model, geography, or capabilities.

SOM

Serviceable Obtainable Market

The realistic share of SAM that your business can capture, based on current resources and market competition.

Using TAM-SAM-SOM to estimate the market size

TAM: This is the maximum revenue opportunity if your product captures 100% of the global demand. Use industry reports, government data, or market research.

📌 Example: If you're launching a fitness tracking app, TAM could be the global fitness app market, say, $30 billion/year.

SAM: This is the portion of TAM that your product can serve filtered by your target segment, geography, and offering. Segment by customer type (e.g., runners, gym-goers). Exclude markets you cannot serve (e.g., outside your country).

📌 Example:* You're launching in Europe and targeting urban runners. SAM = 20% of TAM → $6 billion.

SOM: This is your realistic market share of the SAM, based on your resources, competition, and go-to-market strategy. Benchmark similar startups or competitors. Factor in marketing budget, capacity, and distribution.

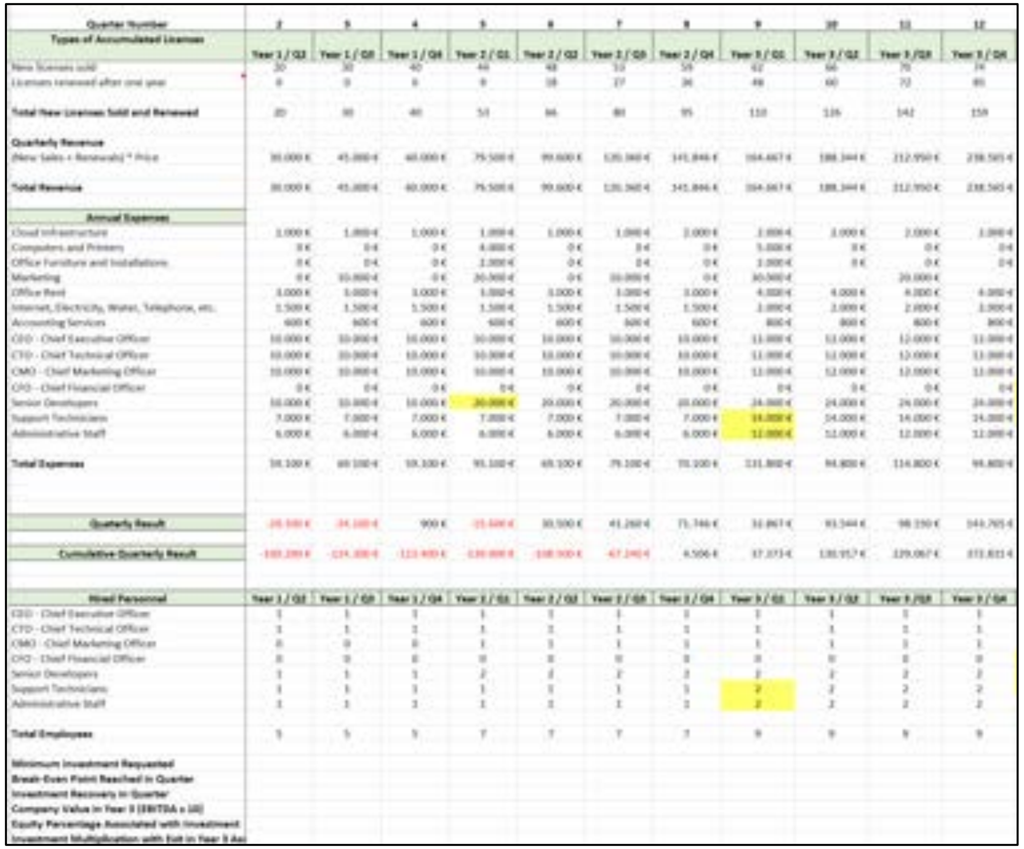
📌 *Example:* You forecast capturing 1% of SAM in 3 years → SOM = $60 million.

Teamwork-09: Elaboration of Income and Expense Projection

Example of Income and Expense Projection

See the example Excel document

Example of projecting incomes and expenses for a software product that operates on an annual subscription business model. Some key details to consider include: the break-even point, initial investment, and the estimated value of the company (in this case using EBITDA x 10 factor).



Scalability of Business Ideas

Two extreme approaches to achieving economic success in a business:

- Selling a high-priced product to a few customers.
- Selling a low-priced product to many customers.

Scalability: The ability of a business to grow and manage increased demand efficiently without compromising performance or losing quality. A scalable business can expand its operations, revenue, or impact without a proportional increase in costs or resources.

Teamwork-10: Complete Lean Canvas cells “Cost Structure” and “Revenue Streams” using the information from Income and Expense Projection.

Training-08: Unique Value Proposition. The Golden Circle

The Golden Circle

See video on YouTube. **Start with why -- how great leaders inspire action by Simon Sinek, TEDxPugetSound**
https://www.youtube.com/watch?v=u4ZoJKF_VuA

The Golden Circle is a concept developed by **Simon Sinek** that explains how great leaders and organizations inspire action by focusing on three key layers, in this specific order:

1. **Why** – The purpose, cause, or belief that drives the organization (the core belief).
2. **How** – The process or values that differentiate them (how they fulfill the why).
3. **What** – The product or service they offer.

Definition: *The Golden Circle is a framework that starts with "Why" to explain how successful organizations inspire and lead by communicating their purpose before their process or product.*

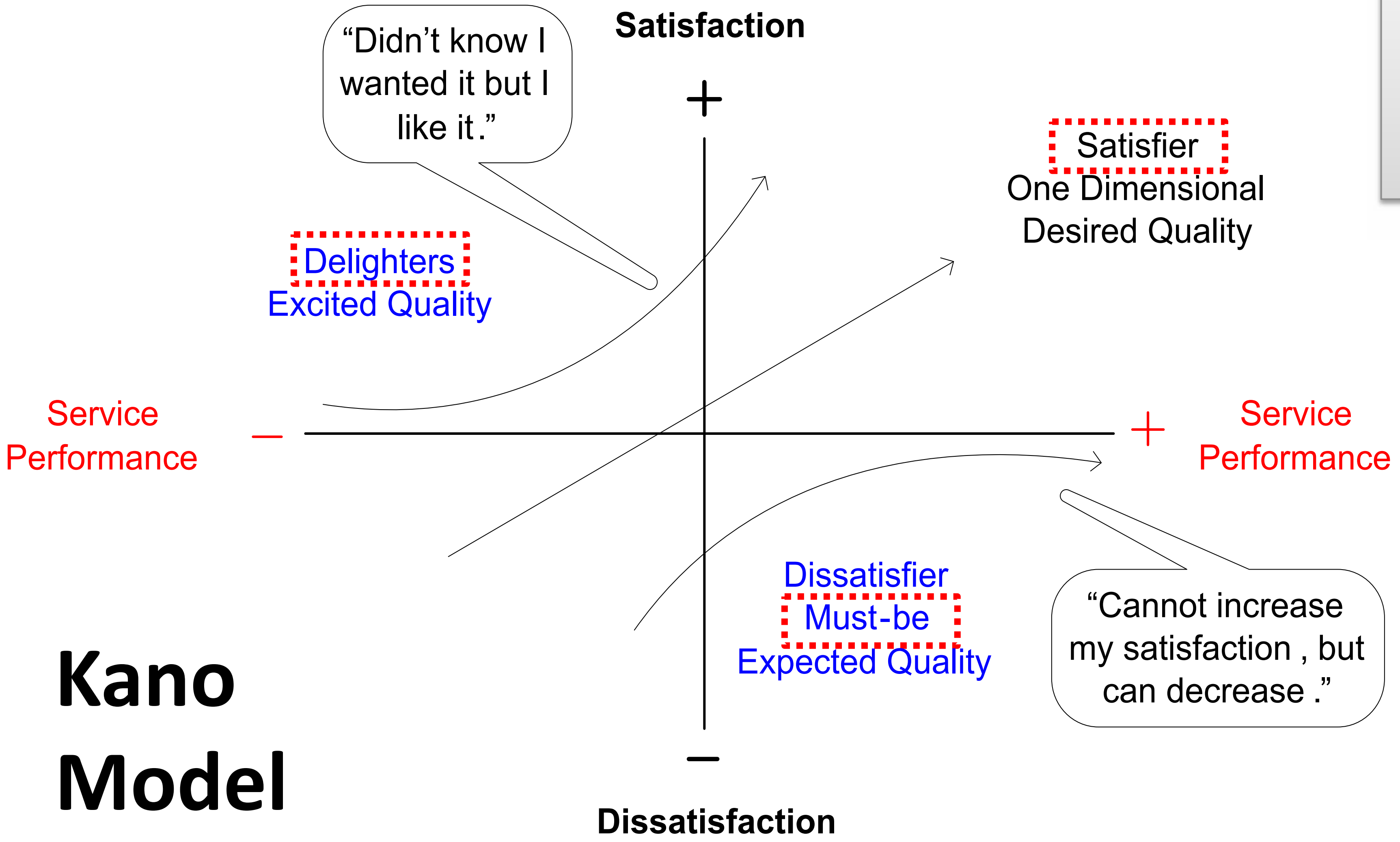
Sinek's key message:
"People don't buy what you do; they buy why you do it."

Teamwork-10: Complete Lean Canvas cell “Unique Value Proposition”, “Metrics”, and “Channels”.

Training-09: Kano Model and Features Map

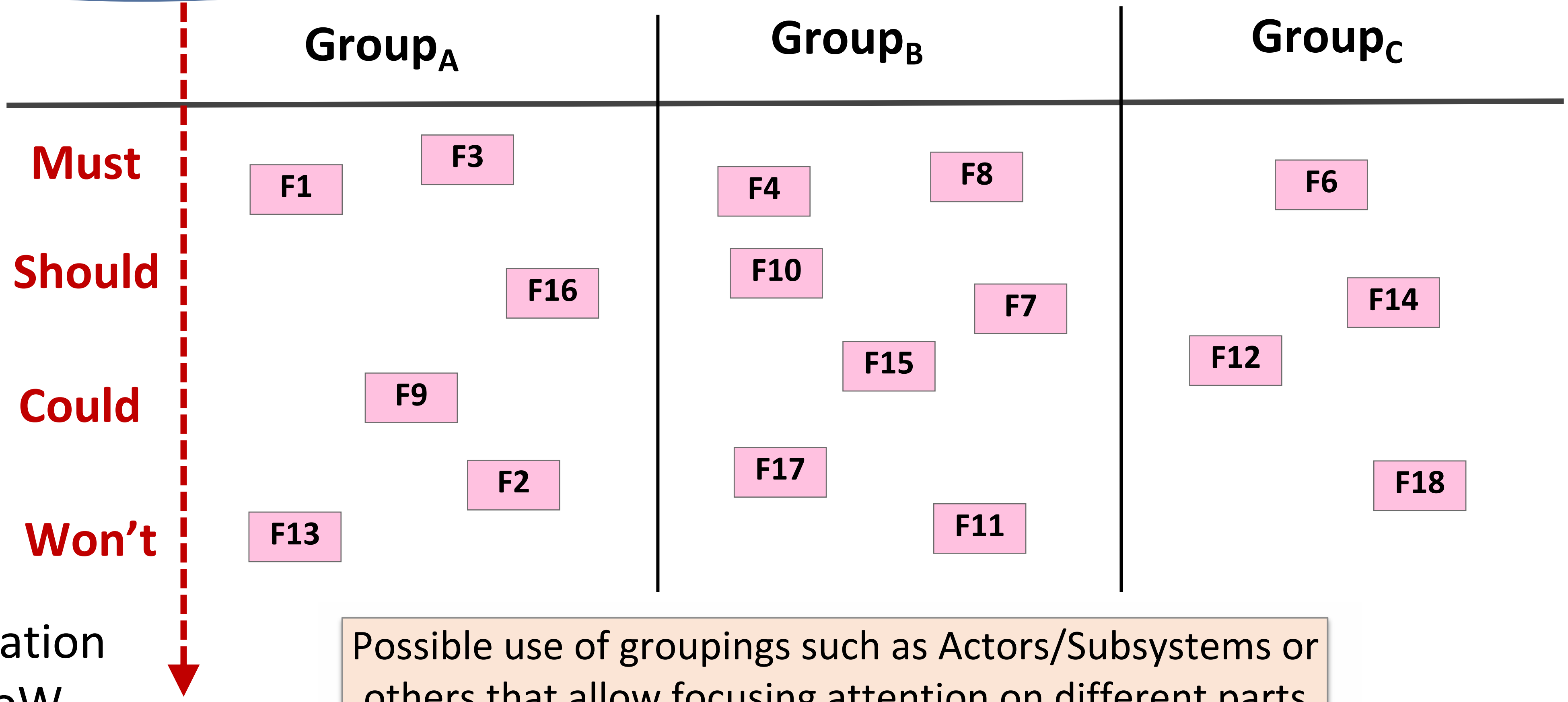
Kano Model. Understanding the value of features from custumer perspective

Kano Model gives us some tips about the value that a feature has to our customers



Kano Model

Features Map: Strategic Priorization



Prioritization
MoSCoW
(or other)

Possible use of groupings such as Actors/Subsystems or others that allow focusing attention on different parts during theIdentification of features

Training-10: Lean Startup. MVP. Early Adopters

What is a startup company?

“is a temporary organization designed to search for a repeatable and scalable business model”.

Steve Blank

“is a human institution designed to create a new product or service under conditions of extreme uncertainty”.

Eric Ries

Entrepreneurship is risky

90%

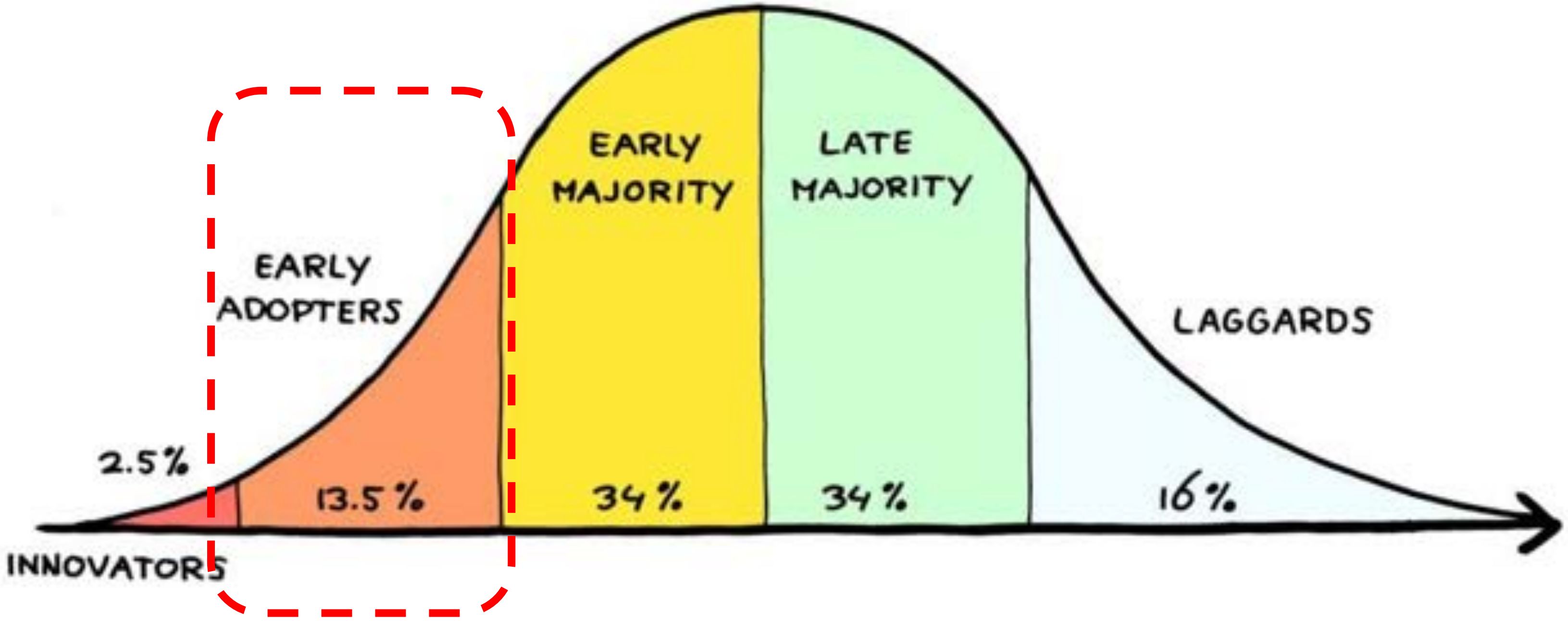
of technology Startups Fail!

Fail fast

As soon as possible, determine if you are off course. Do not waste effort pursuing the wrong direction.

The Importance of Early Adopters in Validating Business Ideas

Rogers Model describing the adoption/diffusion of innovation



Early Adopters are the people needed to validate the business idea.
Test versions of the product/service through experiments with Early Adopters.

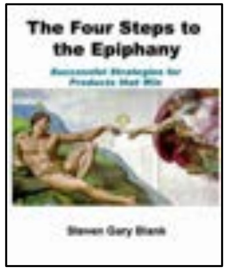
Lean Startup Method

Design Thinking

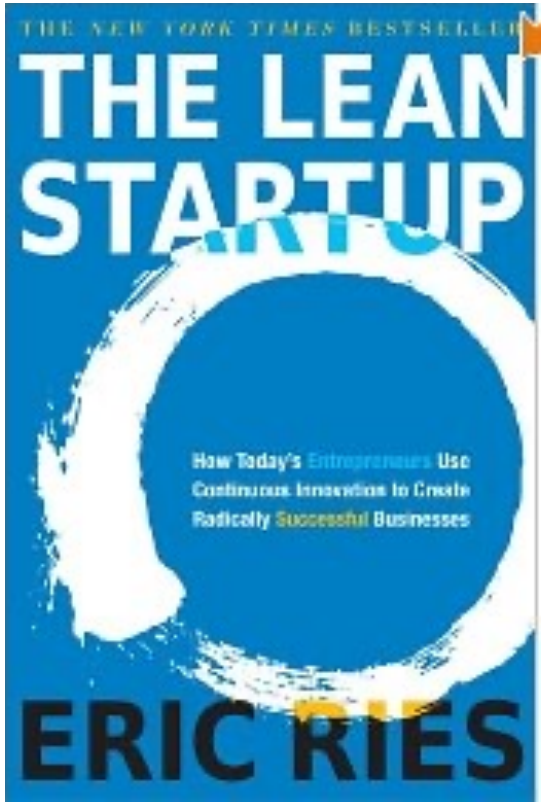
Lean Manufacturing

Taiichi Ohno & Shigeo Shingo

Agile Development



Customer Development - Steve Blank



… Lean Startup Method

- It's the process we need to turn good product ideas into a great company. Hard work and perseverance don't lead to success.

- Conduct experiments with Early Adopters, but "don't necessarily do what they say."

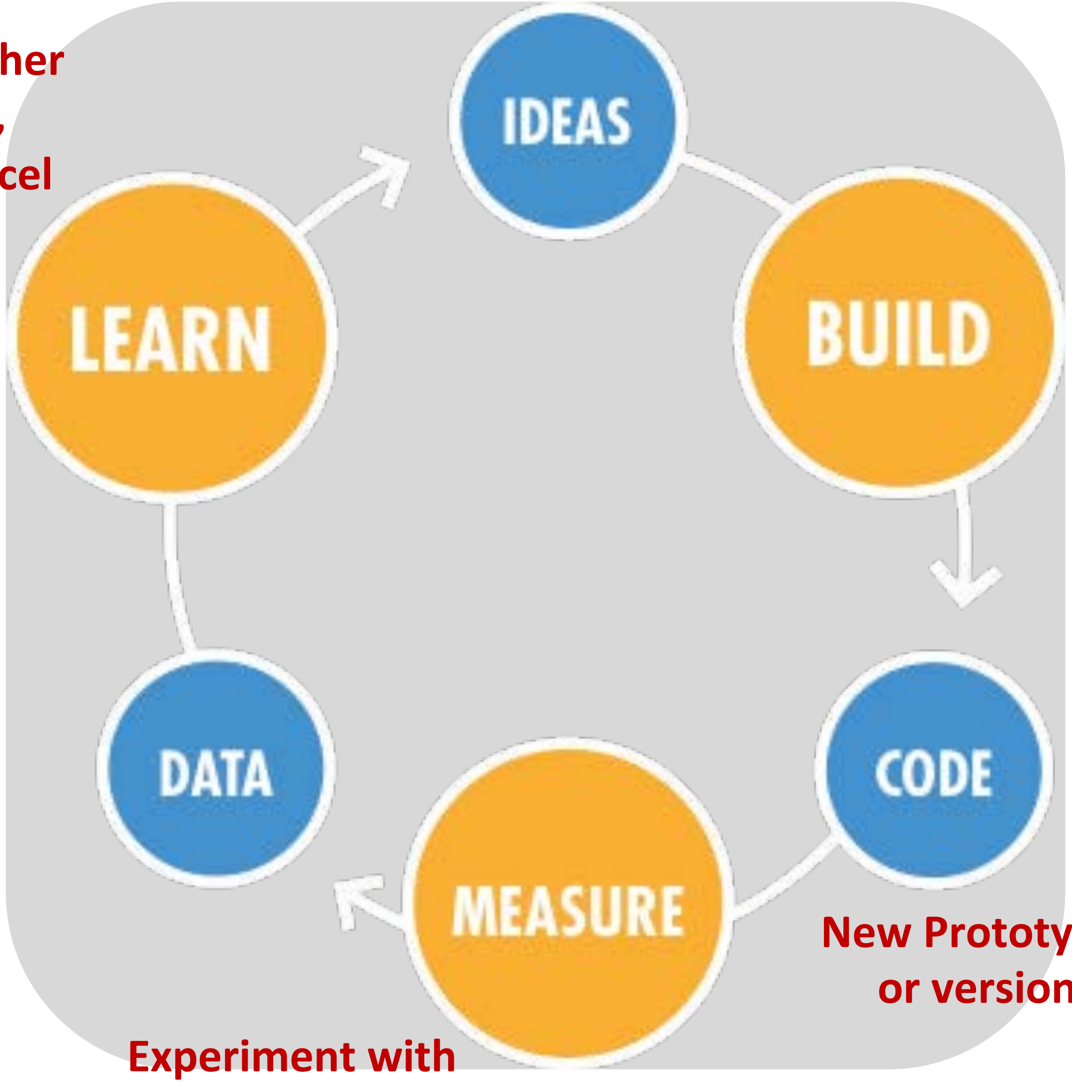
- Business and marketing functions are just as important as engineering and product development.

- "Think big, start small."

… Lean Startup Method

- Lean Startup is based on short cycles of Build-Measure-Learn.
- It is necessary to test:
  - **Value hypothesis** (what value it provides to customers)
  - **Growth hypothesis** (how and how many new customers will arrive).

Decide whether persevere, pivot or cancel



New Prototype or version

Experiment with Early Adopters

The "Pivot" concept in entrepreneurship

2/3

of successful startups pivot along their way

The concept of pivot" refers to the strategic process of changing or adapting a startup's business model, product, or strategy in response to market feedback, data, or failed assumptions. "To pivot" involves altering one or more elements such as:

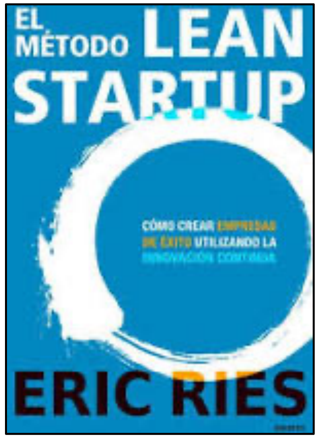
- The target customer (e.g., B2C to B2B)
- The product or service offering
- The revenue model
- The technology platform
- The distribution channels

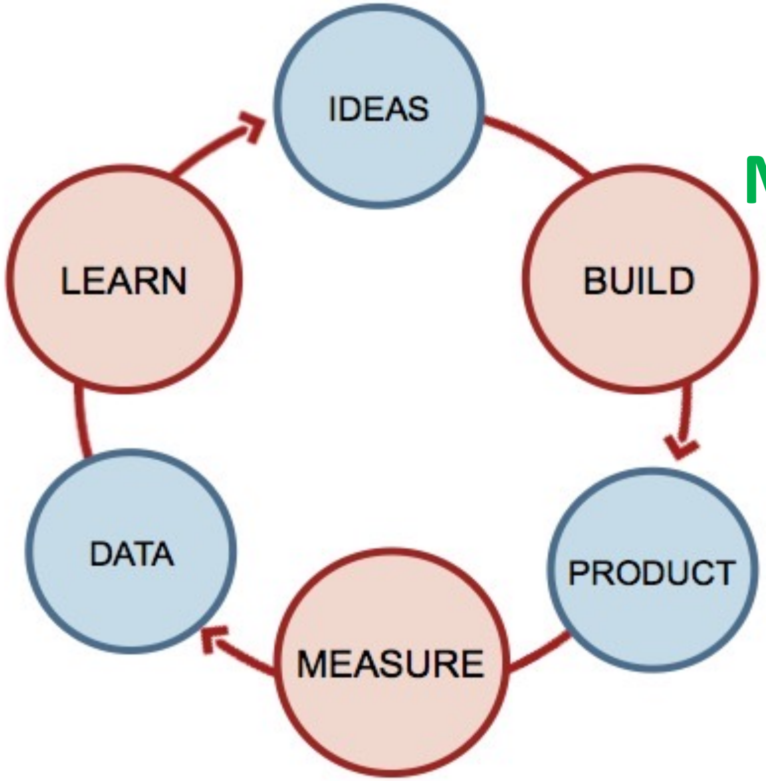
A pivot is not a total abandonment of the startup idea — rather, it's a focused change to improve the chances of finding a viable and scalable business model.

Lean Startup: MVP – Minimun Viable Product

We need to do an early validation to assess the success of our product

We should not postpone too much this validation



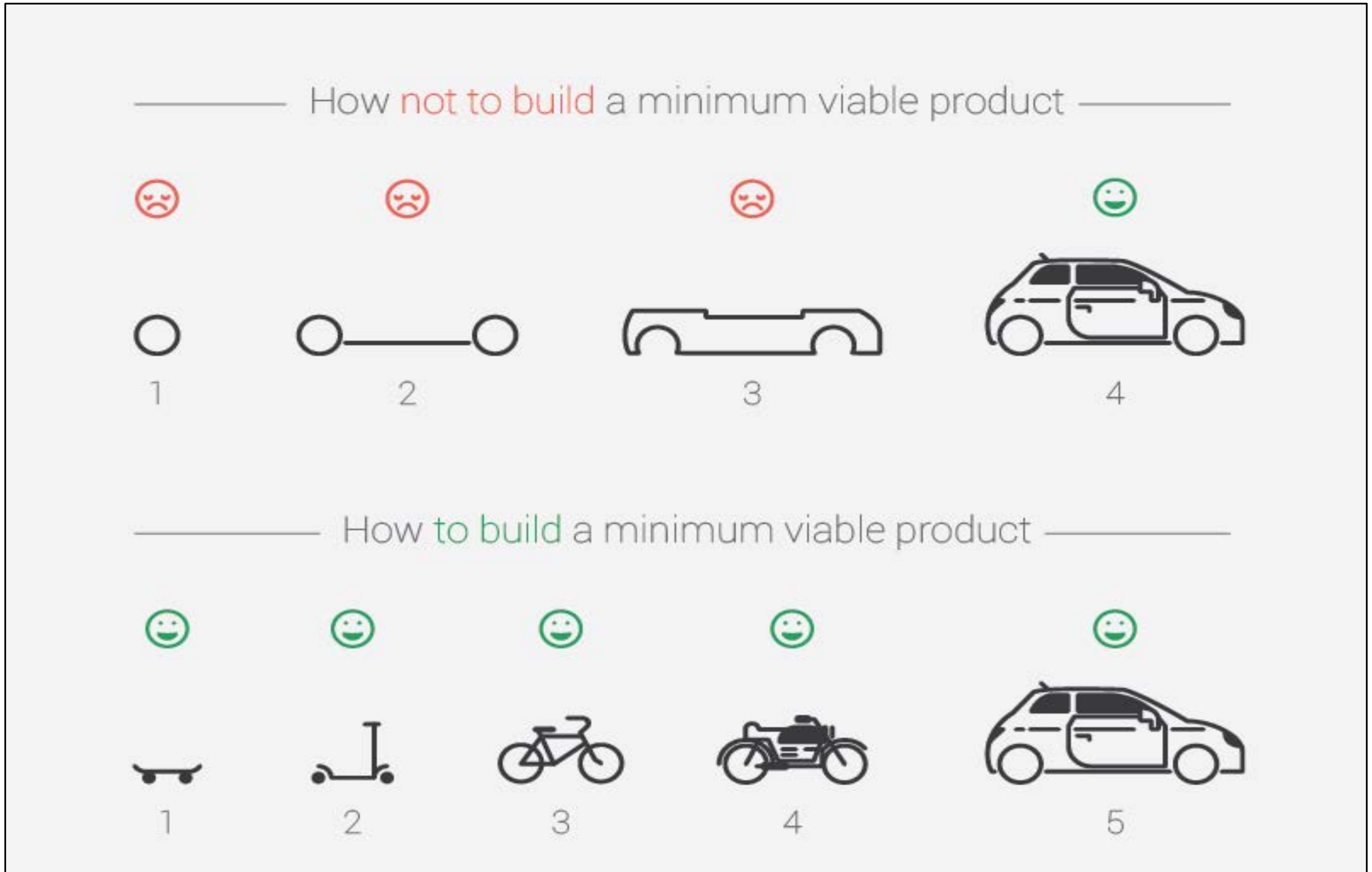


MVP

Fail Fast

Pivot or Cancel

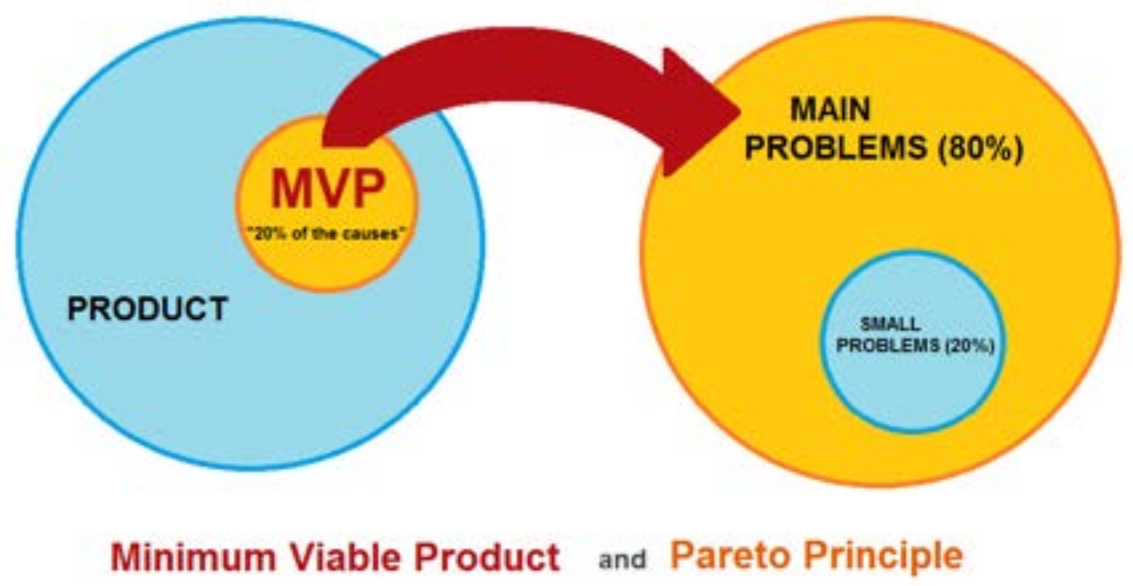
Illustrating the strategy MVP



Spotify Team

MVP as a preliminary solution

Differentiate between greater value and lesser value, and determine what is essential versus what is dispensable at each level: feature, requirement, and usage scenario.



An MVP should be a satisfactory solution at a given moment and a step toward a more ambitious solution; it does not have to be the final solution.

“If you’re not embarrassed by the first version of your product, you’ve launched too late”

Reid Hoffman (Linkedin founder)

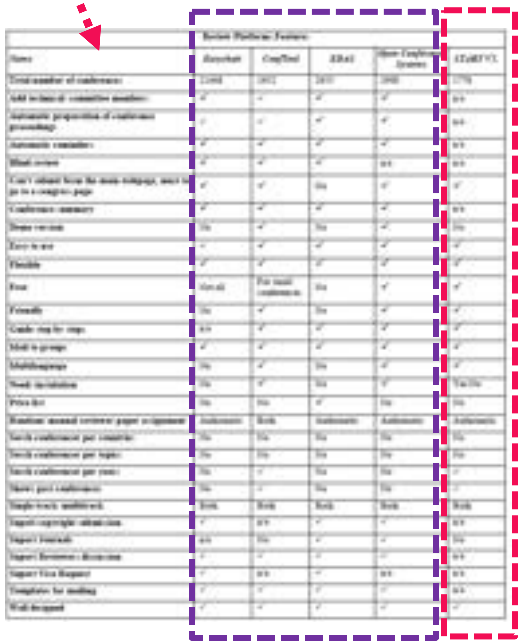
Teamwork-12: Elaborate a Features Map with an MVP strategy

From Characteristics to the Strategic Backlog

Features

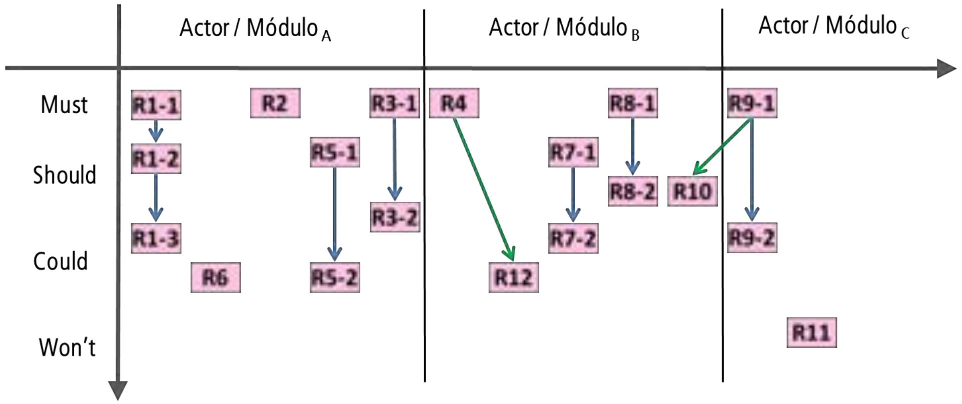
Others Products

Our Product

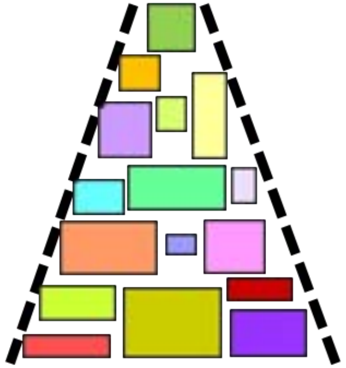


Comparative table

Develop a strategy based on Minimum Viable Product (MVP) to validate the business idea



Features Map



Backlog

(Ordered according to the established strategy)

Training-11: How to prepare a good pitch

Pitch overview

A pitch is a brief and persuasive presentation where an entrepreneur conveys the value, vision, and potential of their business idea, product or service, or startup to potential investors, partners, customers, or stakeholders.

The main goals of a pitch are typically to:

- Secure funding from venture capitalists or angel investors.
- Attract partners or customers
- Gain support or feedback

Types of pitches

The duration and content of a pitch can vary based on its purpose. Below is a list of some types of pitches.

- **Elevator Pitch**. 30–60 seconds. Capture interest quickly — as if you're in an elevator ride with an investor.
- **One-Minute Pitch**. Similar to the elevator pitch, but slightly more space to add traction or market size.
- **Pitch Deck (Investor Pitch).** 5–20 minutes (with slides). Persuade investors to fund your venture.
- **Product/service Demo Pitch**. 5–10 minutes. Show how your product works.
- **Technical Pitch**. 5–15 minutes. Explain the technological foundation and innovation behind the product.
- **Sales Pitch (Customer Pitch).** 1–10 minutes. Convince potential customers or partners to buy or adopt your solution.

Recommendations for the pitch

Here, we are considering a pitch lasting between 10 and 15 minutes.

1. Introduction: Capturing Attention

Start your pitch by emphasizing the need or opportunity that your product or service addresses. Capture the audience's attention with a relatable scenario or story, including rhetorical questions that resonate with their experiences. This approach will help establish an emotional connection..

2. Customers

Clearly define who the target customers or users of the product/service are.

3. Product/service Introduction

Present a slide showcasing the name, logo, and value proposition of the product/service.

4. Problem-Solution Overview

Describe the problem your product or service addresses and compare it with competing products. Include a summary comparison table that highlights the innovative or improved features. Additionally, specify which Sustainable Development Goals (SDGs) your product aligns with, if applicable. It's also helpful to mention any functionalities based on AI or current technology trends, even if they are not implemented in your minimum viable product (MVP).

5. MVP Presentation

Present your product or service's MVP in a realistic way. Using images or videos will help provide the audience with a clear understanding of its features.

6. Business Model and Financial Projection

Present a single slide that summarizes the business model along with revenue and expense projections. Include a graph illustrating the accumulated profits over time. Address the following key points: initial investment needed to sustain operations until profitability, expected break-even point (where revenue equals expenses), and timeframe required to generate revenue equivalent to the initial investment.

... Recommendations for the pitch

7. Entrepreneurial Team

Conclude with a slide that features photos and names of team members, along with their fictional roles within the company. This adds a personal touch to your presentation and helps build trust with your audience..

Additional Pitch Recommendations

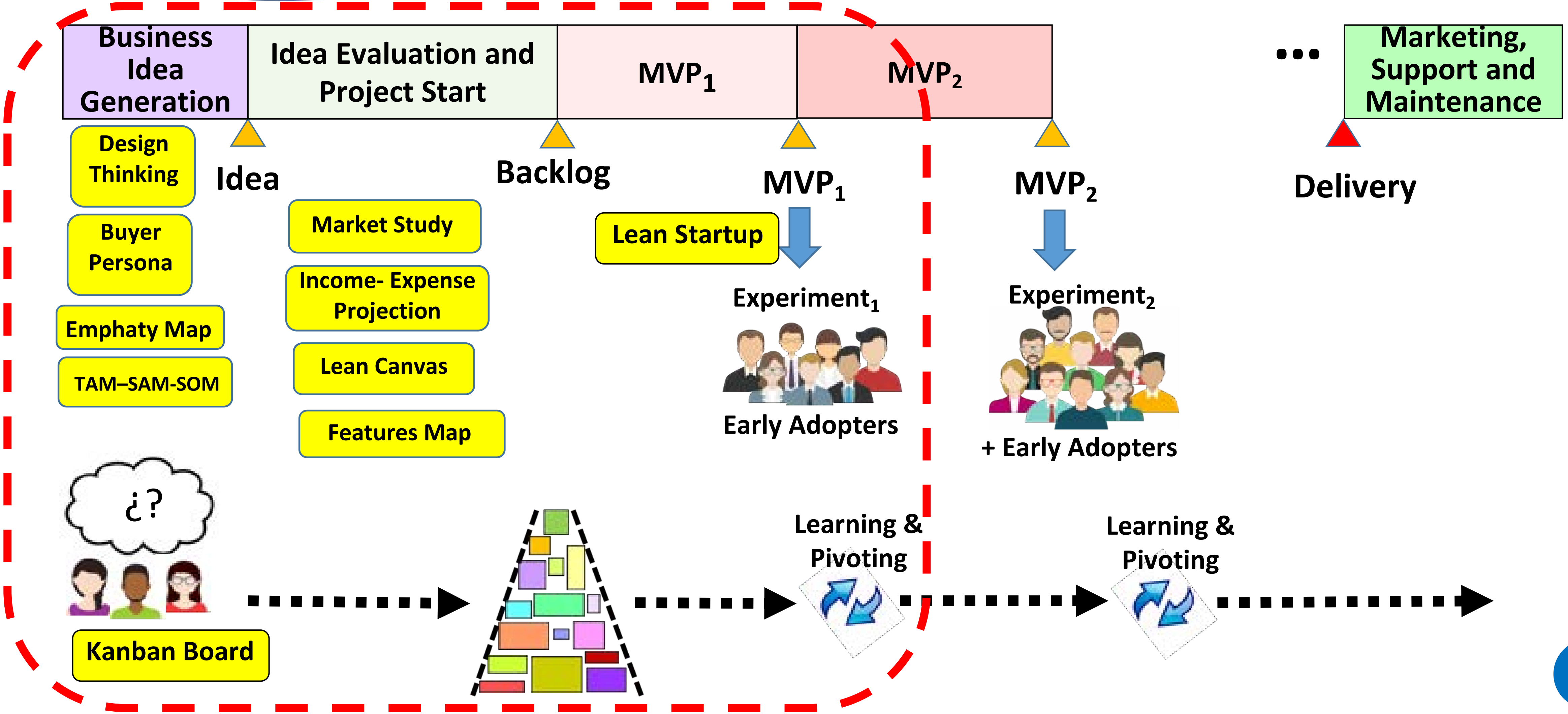
- The presentation must have an attractive design. Avoid using too much text or using a very small font.
- Improvisation is not good; the pitch must be rehearsed.
- Don't use words like "we intend," "we will try," "we believe that," or phrases that do not show conviction or determination regarding your project. It's better to use phrases like "we will," "we will achieve," "we think that," etc.

Teamwork-13: Developing an MVP

Teamwork-14: Pitch preparation

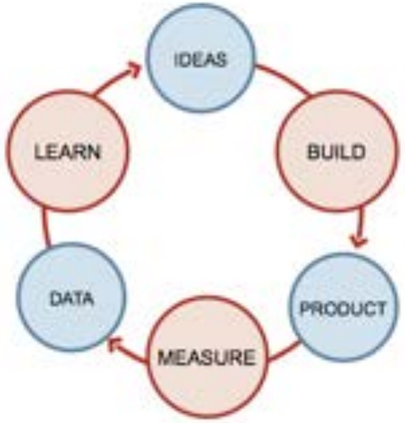
Course Conclusions

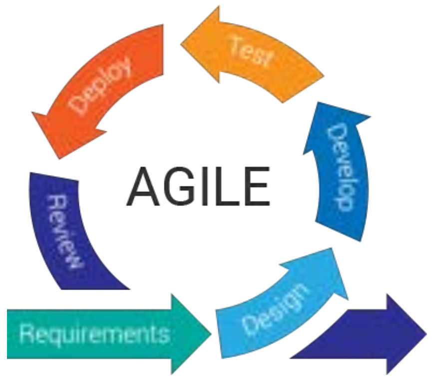
Some Techniques, Methods and Tools involved



Relationship among methods

Idea Generation → Idea Evaluation and Preliminary Development → Industrial Development





Design Thinking

Lean Startup

Agile Methods

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