Sew the Future.

Greece, Poland, Croatia, Italy, Belgium.

Sew the Future

Erasmus+

YOU IN EUROPE

youth ACT

New Horizons

CODEC vzw

The “SEW THE FUTURE” project.

The project “SEW THE FUTURE” is an innovative project focused on the promotion of entrepreneurship education and social entrepreneurship activities among young people, trying to engage, connect and empower them while always counting in social inclusion.

The project aims: Developing youth workers competences for empowerment of youth with fewer opportunities through ECO-friendly entrepreneurship education and social inclusion based on group sewing.

Objectives:

Developing the method for group sewing workshops as a tool for social inclusion and youth empowerment.
Developing the tools for ECO-friendly entrepreneurship education based on up cycling, sewing techniques and hand crafts.
Developing the youth workers competences of partners organization in the field of youth empowerment, social inclusion, eco-friendly entrepreneurship, sewing and handcrafting.
Promoting social inclusion, eco-friendly entrepreneurship and eco-lifestyle
Developing the networking and cooperation between partners organizations and their youth workers.

Five important steps and here is your own eco business!!

Nowadays many people think seriously to open their own business and a quite enough number of them are oriented to the green way of life respecting the environment.
Through this tool we tried to describe in the better possible way, always combining the knowledge with the experience the five steps one needs to open a successful eco business.

Contents:

Entrepreneurial And Eco Way Of Thinking

Entrepreneurial thinking skills refer to the ability to identify marketplace opportunities and discover the most appropriate ways and time to capitalize on them. Sometimes, it is simply referred to as the ability to find and pursue the problem-solution fits. Entrepreneurial thinking is the ability to see things differently than the rest of the world but, it is not necessarily an inherent trait and can be easily developed or improved. It is more like a state of mind that opens your eyes to new learning opportunities and helps you grow in your role. Now that we are well aware that entrepreneurial thinking skills are not innate and can be learned, you will find the following tips helpful in your efforts to improve them.

Be passionate about your work. We all know that passion is the ultimate key to career success as well as contentment. So if you still spend half of your day at work fantasizing about how you'd rather be working elsewhere, it's time to consider pivoting your career.

Try to be a risk-taker. Almost all business owners are aware of the phrase 'high risk, high reward'. What sets an employee with entrepreneurial thinking apart from the average ones is his appetite for risk. Nobody ever said it's easy to put all you have at stake, but it does pay off!

Last but not the least; dream big! Never limit your dreams because the most important aspect of entrepreneurial thinking skills is the boundlessness that is required. Throughout our lives, we are all conditioned to be practical and realistic. The one thing that has the tendency to set you apart is your ability to dream big and think different. That's where entrepreneurial thinking begins!

Eco thinking or Thinking Ecologically refers to a process we all go through in our mind as we try to make sense of our own and others' thoughts, feelings, and intentions in context, whether we are co-existing, actively interacting, or figuring out what is happening in the environment which surrounds us. Our ability to think ecologically is part of social-emotional learning that begins at birth and evolves across our lifetime. Also, eco thinking is said to be the process of interpreting information to better understand and respond to the needs that mother nature express very often to us as a society . By understanding these needs as sustainability, environmental education, respect to the nature etc, individuals are better able to engage and share space with them. A person' eco skills and development have a considerable effect on relationships and workplace/school success as it affects a person's; self-awareness and self-regulation, social skills, and of course respect on what nature orders.

2. Business Plan Overview

- Cover Page
- Table of Contents
- Executive Summary
- Section 1 -- Company Introduction
- Section 2 – Market Analysis/Marketing and Sales
- Section 3 -- Management and Operations
- Section 4 – Financials
- Section 5 – Greening your processes
- Appendix

Most everyone needs help in putting a business plan together.

1. COMPANY INTRODUCTION

Introduce and describe your company. How/why was your company formed? How long has your company been in operation? Where is the company located and what is its legal entity?

• Overview of company history/capabilities
• Location and hours, legal entity
• Product or service description, present state of development (if applicable)
• Mission and vision • Intellectual property status (patents, copyrights, etc., if applicable)
• Commercialization strategies (brief summary, if appropriate)
• SWOT analysis (your strengths; weaknesses; how you will overcome those weaknesses)

Industry Analysis

Paint a picture of what is happening in your specific industry overall so you can plan how to take advantage of market opportunities.

- Current industry size, status, and trends (to understand how to position your company for market opportunities and to identify areas of growth or decline)
- New products or services in the industry
- Trade associations that support your product/service (potentially a great resource of industry and market information)
- Opportunities and threats affecting the industry (and how you will capitalize on the opportunities and handle the threats)

Market Analysis

Provide a good description of your market (all who might buy your product or service), then group them into primary and secondary markets. Your primary market is the group that is likely to buy the largest quantity of your product, or that is likely to buy more of your most profitable product. Secondary market includes those customers who will buy, but probably not at the same volume level as your primary target. Next you should estimate how large your target markets are (number of potential customers, how much are they likely to spend in a given year). Then, predict how fast your target markets will grow. Be realistic.

- Market size and trends
- Quantify available markets (number of potential customers, how much are they likely to spend in a given year)
- Predicted annual growth rate of markets
- Define your primary and secondary markets

Customers

Describe your ideal customer in terms of their attributes or demographics 14 (age, gender and income or business type, size and location) so that your selling approach will make sense to them.

- Description of target market (who is your ideal customer?)
- Geographic area for target market (within 60 mile radius? nationwide?)
- Problem that company is solving for the market (what do they need?)
- Buying behavior (how often, how many products?)
- Decision making process (how much lead time, is it a group decision?)

Competition

Competitors include other suppliers who provide similar products (direct competitors) as well as those who provide a product in the same general category (indirect competitors)

- Indirect & direct competitors? Who are they and where are they?
- Competition analysis (what they do, how they do it, their strengths and weaknesses, how you might differentiate)
- Market share held by competitors (or annual sales volume)

Marketing/Sales Plan

Your Marketing and Sales Plan needs to focus on the key characteristics of your target customers, their demographics and buying behavior, and their attitudes about your product. Why will a customer buy from you and not a competitor?

- Marketing and sales objectives
- Current customer profile (if applicable)
- Potential customers feature/benefit analysis (what are they looking for or do they need?)
- Potential teaming partners (who they are, why selected, if appropriate)
- Pricing: price points, margins and levels of profitability at various levels of sales
- Sales plan (methods and process, sales expectations for sales people, distribution channels, margins for intermediaries, customer service and warranties)
- Advertising: Year 1 detailed marketing communications plan including implementation plan; Year 2-5 general plan, marketing budget/costs, assumptions.)

3. MANAGEMENT AND OPERATIONS

Human Resources

Plan Who is on your management team? How many staff members will you hire and in which roles? How much money will you spend? What are your goals for staffing?

- Management team
- Organizational structure (chart)
- Staffing objectives (job duties and basic work schedules – this may include outsourced roles)
- Board of Directors, Advisory Board (if appropriate)

3. MANAGEMENT AND OPERATIONS

Operations Plan

- Basics on how work will be processed
- Use of subcontractors for work activity
- Quality control
- Facility needs (site and/or floor plan are helpful visuals)
- Manufacturing needs (equipment, work flow)

Research and Development Plan (if applicable)

- Research and Development objectives
- Milestones and contingency plans
- Difficulties and risks and how to overcome them
- Special budget needs

4. FINANCIALS

In a narrative as well as charted, identify the financial goals and plans for your company.

The following elements should be included in this section:

• Assumption page - A list of your explanations for the numbers in the financial projection. An uninformed reader should be able to understand how the figures being presented were derived.

• Cash flow projections -This will compare the money coming in to the money going out on a month-by-month basis. Can you pay your monthly bills?

• 2-5 years profit & loss statements - Different than cash flow, a P&L includes some different categories and will show you and a potential lender if your company is projected to grow or is growing financially and according to your targeted goals. • Start-up or growth capital needed - An itemized or categorized list of how the money borrowed/invested will be spent.

• Financing needed and equity/debt options - Ask for what you have assumed in the financial projection. For example, if the projection assumes a $50,000 at 7.0% for 10 years, that is what you ask for.
• Alternative scenarios option - You may want to present a "best case" and "worst case" scenario.
• Terms and conditions of any previous financing - Include information on any existing debt and equity arrangements.
• Commercialization/strategy (if applicable). Some business plans take an idea or invention from conception to the market place. One needs to address those issues as the timeframe for such a project is usually very long.
• Exit strategy - How is the money going to be extracted from the business? Do you plan to sell the business? Will your children inherit it?

5. GREENING YOUR PROCESSES

Greening your processes covers a range of elements, starting from how environmentally friendly your raw materials are to how you get your product to your final consumers. To ensure the environmental-friendliness of your enterprise, you should set up an environmental management system (EMS). This system will help you track and improve your performance in key areas such as procurement, energy and water consumption, pollution prevention, distribution and waste management.

- Procurement: using environmentally friendly and locally available materials.
- Energy and water consumption: using energy and water from renewable sources and saving energy and water where possible.
- Pollution prevention in production/service provision: using low-emission equipment and techniques.
- Distribution: using environmentally friendly transport methods and avoiding long distances.

• Waste management: reducing, reusing and recycling where possible and disposing what needs to be disposed of in a responsible way

. The setting up of this system is discussed in more detail in the next chapter; please refer to it in order to develop yours!

Tips for greening your processes

You will think of many ways of making the processes of a business greener. Here are some further tips on how to go green:

• Pay attention to your raw materials: When selecting your raw materials, think sustainable. This may mean organic, biodegradable, recyclable or renewable. Organic agricultural products, biodegradable plastic, or wood from sustainable forestry are examples of raw materials that make your business footprint greener.

- Green your energy and water consumption: Your business is likely to require energy and/ or water. You can go green by using energy from renewable sources such as solar energy, and by using harvested rainwater, for example. You can also reduce your energy consumption by making use of more energy-efficient equipment. Energy and water usage can also be minimised by technologies that help you to use as little as possible, such as light switches or taps with sensors. These changes are good for the environment, but they are also good for your business: the less you use, the less you spend!
- Minimise your emissions: Switch to fuels that are as green as possible and use equipment that produces the smallest amount of emissions possible. Sometimes a switch from a diesel generator to an electric machine reduces costs while cleaning the local air. In case of any remaining emissions, look into appropriate filtration technologies.

- Reduce, reuse and recycle waste: Reduce by using as little as possible. Could your product be packaged with less material, for example? Reuse whatever can be reused. Your raw materials may be supplied to you in packaging that you can in turn reuse for packaging your own product. For waste that you can't reuse yourself or provide to others for reuse, give it in for recycling. In many cities, waste collectors will pay for your recyclables, so don't miss the opportunity! Finally, for waste that cannot be reused or recycled, dispose of it in a responsible way.
- Transport responsibly: Minimise distances used for transport, reduce weight and volume through efficient packaging options, avoid less than full loads, plan efficient journeys, and when transporting, choose the least environmentally harmful options available. Also think of sharing transport with others when possible.

• Think outside of the box: Use your creativity to make a profit while helping the environment. Eco-entrepreneurs tend to be innovators. Sometimes, sophisticated technologies, scientific expertise or a large amount of money are needed to make an innovative idea a reality. But sometimes you can also use resources that are already available in your community and transform them to make a profit. You may have heard of innovative ideas such as eco-coolers made from discarded plastic bottles, or cups and plates made from coffee grinds, or even of entrepreneurs creating services from products: because a consumer is often interested in the quality of the service (e.g. light) rather than the product itself (e.g. a lantern), entrepreneurs have started selling light by charging solar lanterns during the day and bringing them fully-charged to households in the evening. Be creative in your thinking and you may become an eco-innovator too!

THE 3R STRATEGY

If you manage your waste using the 3R strategy, you can help the environment:

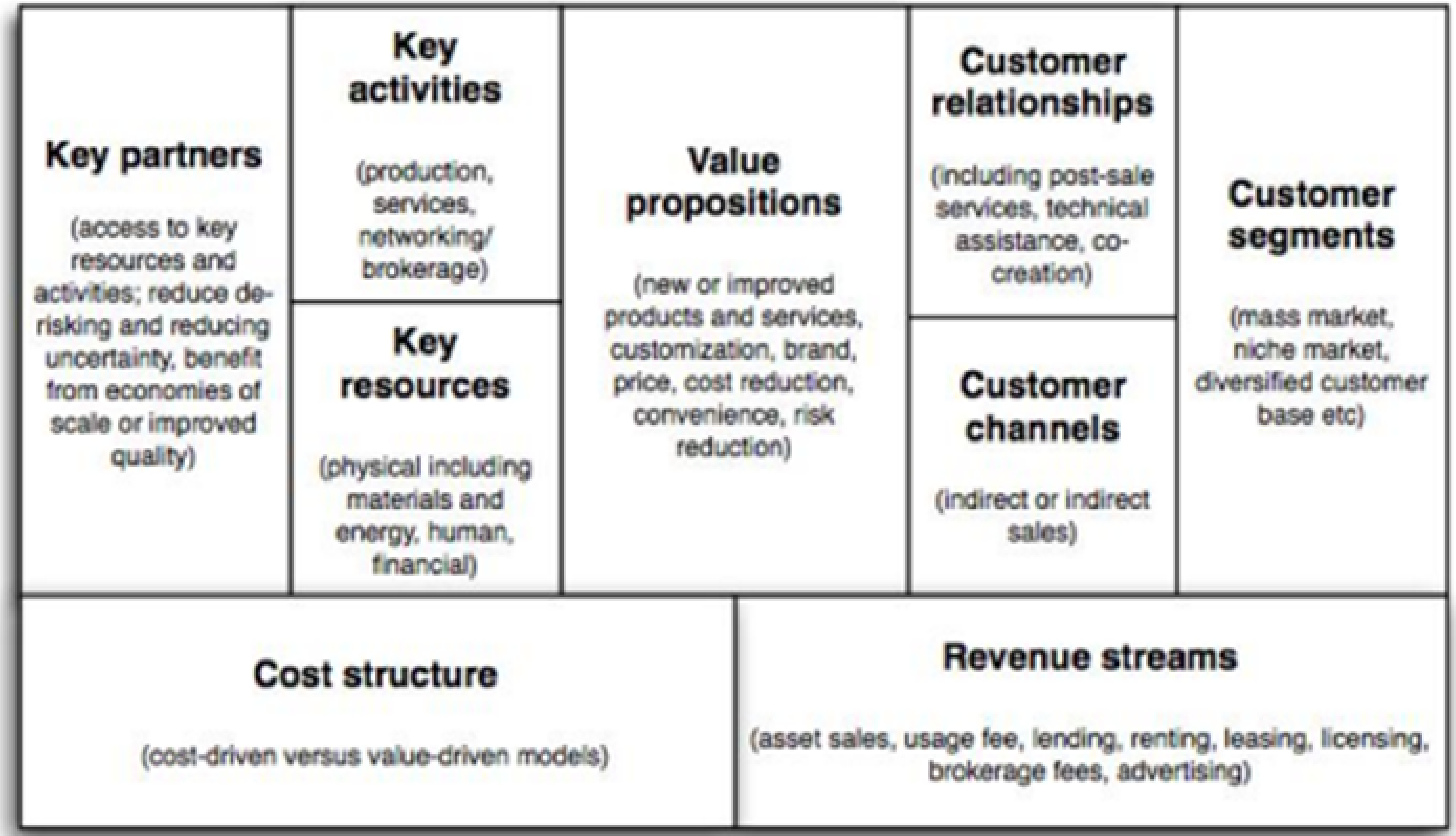
- Reduce: The creation of waste can be minimized by reducing our consumption. We can buy less, and we can buy more durable products that last longer, meaning less new products and less waste.
- Reuse: We can also reuse things in another way to diminish the amount of waste we produce. Old objects can be re-used in a different way instead of being thrown away.
- Recycle: When reduction or reuse are not possible, recycling can be used to produce new raw materials from waste; in this way, waste is not simply disposed of, and in addition, raw materials do not need to be extracted from the natural environment for the creation of new products.

APPENDIX

Supporting documents related to content you have referenced in your plan, which you or another reader may wish to refer to for more detail or verification, may include the following:

- Principal’s resumes and/or list of owners with over 20% of the stock
- Personal income tax forms if required
- Letters of recommendation, purchase orders, other
- Site/floor plans
- Contracts

Figure 3. Main components of business models



Source: Osterwalder and Pigneur (2010).

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3. Marketing

The **concept of marketing** is present in every economic and social activity and entity, including company, government, Non governmental Organisations, political parties, education, tourism, sport, arts and health. The term “marketing” means different things to different individuals. Some people view it as advertising, some as selling and someothers as trading. Advertising, selling or trading are only few aspects of marketing; they do not reflect the entire concept of marketing. Marketing is a much broader concept.

There are many different definitions of marketing but generally speaking, marketing is a bridge that connects companies and consumers (Veseli, Ramadani and Rexhepi, 2010).

You have a story. You are not just a business, you tackle sensitive public issues, which are likely of interest to many people, including your clientele. Entrepreneurs have a clear motivation for starting their business, often having to do with personal stories.

It will be easier if you answer the following questions:
What is your company's mission?
What are the key attractive features of your services / goods?
What values and benefits would you like to be associated with? What are your three main competitors?
What are the aspects of their image you like?
What you do not like in their image? Where does your uniqueness lie?
Why should customers choose your product / service?
Does your company have a unique story behind your name or logo?
What 5 adjectives best describe your company? What is your ideal client? Describe them in five adjectives.
What is the primary message you want to convey to your customers?
Which company's image inspires you? Why?

How the entrepreneurship and marketing interface

Entrepreneurial Marketing is a process that includes business planning, identifying the needs and wishes of consumers, building brand awareness, designing a compelling message to promote the product, and maintaining customer relationships.

Entrepreneurship and marketing have been regarded traditionally as two distinct fields of study, but a growing awareness of the importance of marketing to successful entrepreneurship has led to attempts to combine the two disciplines as "entrepreneurial marketing". The main thrust of entrepreneurial marketing is an emphasis on adapting marketing to forms that are appropriate to small and medium-sized enterprises, acknowledging the important role of the entrepreneur in any marketing activities.

Entrepreneurial marketing addresses environments where firms and products are rather new; entrepreneurial marketing means: innovation, risk taking, and being proactive and the marketing campaigns attempt to highlight the company's greatest strengths while emphasizing their value to the customer.
Focusing on innovative products or exemplary customer service is a way to stand out from competitors even making a smart use of cheap and accessible tools like videos, Tweets, Facebook pages, and email marketing. Any marketing strategies can be considered as long as they produce the desired result. In fact, entrepreneurial marketing is beneficial because it does not require a lot of money and since the cost side of operating a business is often high, an economic marketing plan can be a vital asset.
Also, entrepreneurial marketing allows entrepreneurs to have more freedom in how they market their product or service.

How does entrepreneurial marketing differ from traditional marketing? Some of the differences between traditional and entrepreneurial marketing are summarized along four dimensions: business orientation, collecting information, tactical perspective, and strategic perspective (Stokes, 2000). In terms of business orientation, entrepreneurial marketing is oriented towards entrepreneurs and innovations, while traditional marketing is more customer oriented[1].

[1] Chapter 1: Entrepreneurial marketing: Entrepreneurship and marketing interface Robert D. Hisrich and Veland Ramadani: https://www.elgaronline.com/view/9781788111317/chapter01.xhtml

Some of the several definitions of entrepreneurial marketing are presented in the table below:

Traditional Marketing	Entrepreneurial Marketing
An essentially reactive stance with respect to the external environment	The firm attempts to influence or redefine aspects of the external environment
Marketing strives to follow customers, serving existing markets	Marketing strives to lead customers, creating new markets
Focal point is efficient management of the marketing mix	Focal point is new value creation for the customer through relationships, alliances, resource management approaches, and the marketing mix
Risk is to be minimized	Risk is necessary and marketing's job is to manage the firm's risk profile in a calculated fashion
Marketing as an objective, dispassionate science	While acknowledging the value of science and learning, recognition is given to the roles of passion, zeal, and commitment in successful marketing programs
Reliance on proven formulas and established rules of thumb	Psychology of challenging commonly shared assumptions
Marketing supports the innovation efforts of other functional areas of the firm, most notably R&D	Marketing is the home of the entrepreneurial process in the organization
Marketing as a functional silo	Marketing as a cross-disciplinary and inter-functional pursuit
Promotion and customer communication receive the greatest amount of attention from marketers	The relative investment or resources in different areas of the marketing mix are context specific
Scarcity mentality, zero-sum game perspective on resources	Opportunity is pursued regardless of resources controlled; philosophy of resource leveraging is paramount
Heavy dependency on survey research	Skeptical use of conventional research; employment of alternative methods (e.g., lead user research, "backward" research)
Marketing facilitates transactions and control	Marketing facilitates speed, change, adaptability, agility

Source: Based on Morris, Schindehutte and La Forge (2002).

Entrepreneurial marketing strategy

An entrepreneurial marketing strategy is a plan or an idea that a business owner uses to advertise its services or products. It enables the company to be successful in making more sales while still making a profit.

Entrepreneurial marketing often consists of different types of campaigns such as promotions, new products, and advertising. The entrepreneur would then have to decide which campaign would work best for the company and its needs.

Marketing strategies for entrepreneurs:

Relationship Marketing – Focuses on creating a strong link between the brand and the customer.

Expeditionary Marketing – Involves creating markets and developing innovative products.

One to One Marketing – Where marketing efforts are personalized

Real Time Marketing – Uses the power of technology to interact with a customer in a real time.

Viral Marketing – Places marketing messages on the Internet so they can be shared and expanded on by customers.

Digital Marketing – Leverages the power of Internet tools like email and social networking to support marketing efforts[1].

[1] https://www.marketing-schools.org/types-of-marketing/entrepreneurial-marketing/

Examples of Entrepreneurial marketing

First of all, the word-of-mouth advertising: a customer tells their acquaintances, friends and family about the product or service they bought or experienced;

Social media includes the use of different social media networks to share information about the company and its products.

Email campaigns: when an entrepreneur sends out emails with information on their product to customers.

Direct marketing involves utilizing different forms as banners, television ads, postcards, newspapers, magazines ads, etc.

Conclusions

Entrepreneurial marketing is less about a single marketing strategy and more about a marketing spirit that differentiates itself from traditional marketing practices.

It supports entrepreneurs because they do not have to pay for ads, slogans, billboards, newspapers, television commercials, etc. Instead, they can choose what works for their business and customers by setting up a campaign to enhance awareness about their firm and main products. This only by creating a product or service that people want and distributing it to the public.

Also customers benefit from entrepreneurial marketing because they do not have to pay for ads, slogans, billboards, television commercials, etc.

References:

https://peepstrategy.com/what-is-entrepreneurial-marketing/

https://www.marketing-schools.org/types-of-marketing/entrepreneurial-marketing/

Chapter 1: Entrepreneurial marketing: Entrepreneurship and marketing interface Robert D. Hisrich and Veland Ramadani

4. Function

Where does income come from? - Costs Management

Running a business give opportunity to earn money through selling the products (f.e. Eco bags) or provide certain services (providing workshops for children, students or adults). You are earning money (profit) when you sell products or services for more money than costs of maintaining the company, materials, tax, employees, rents etc.

Income

Income of the company is the amount of money which have been earned from selling the services of produtcs.

Profit

Is the income minus all of the costs which company had to sell the products and services.

Costs of production company might be different than costs of the service company. It's important to be awere of all the costs of the company in short and long term (f.e. You know that in 6 months you need to buy new sewing machine or you pay for website one time per year). Knowing your costs would help you to set the minimum prices for your products or services, keeping in mind that it needs to be higher than costs and the profit needs to cover the tax and your sallery.

Regular costs of the company focusing on the production (f.e. Eco bags) could be easily predicted f.e.:

-rental of office

-rental of warehouse where you stack your products

-rental of production of warehouse

-rental of shop or server for online shop

-costs of accounting

-costs of materials to produce ecobags (f.e. textiles, strings, threads, buttons)

-costs of maintaing the production equipment f.e. Sewing machines (oil, needles, reperation)

-costs of employees

-costs of production machines (f.e. tables, sewing machines, chairs)

Regular costs of the company focusing on the services (f.e. Workshops for adults about communication):

-rental of workshop room (either monthly either per workshop)

-costs of employees

Regular costs of running the companies

-costs of bank account and its transfers

-costs of accounting

-costs of marketing

-costs of Insurance and social services

-taxes

-costs of electricity, internet etc

Additional costs of the company

-creating the logo

-creating the website

-updating the website

-training of employees

Unexpected costs

-moving the warehouse

-flood in the warehouse

-production stop due to lack of materials

-increased prices of rent/petrol/salleries

-changes in the law regarding the employment of people or rental of spaces

-new taxes for companies

-new regulation for companies

Additional costs of the company

-creating the logo

-creating the website

-updating the website

-training of employees

Unexpected costs

-moving the warehouse

-flood in the warehouse

-production stop due to lack of materials

-increased prices of rent/petrol/salleries

-changes in the law regarding the employment of people or rental of spaces

-new taxes for companies

-new regulation for companies

Lowering the costs

You can lower the costs of the company through better management of resources (materials, electricity, employees)

Lean management

Lean management is an approach to managing an organization which supports the athmosphere of continuous improvement, its a long-term approach of systematic work to seek small changes in process of developing the products or servicesto increase its efficiency and quality.

The main goal of the lean management is to create the valued product or service which is seeked by the customer in the most optimal way, through optimalising the resources. It support to eliminate waste of time, materials, efforts, money, optimalising the worktime by cutting every step in the process which is not needed and do not bring the seeked value to customer.

Lowering the costs

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5 principles of lean management

1)Identify value – finding the problem that the customer is struggling with and our product or service is the solution for the problem. It helps to see what do not bring value to the customer, what may be useless for customer and/or the company.

2)Value stream mapping – mapping all of the processes in company which are needed to create, develop or deliver the product or service to the customer. The visualisation helps to see what part of the proces are not giving the value to the workflow

3)Creating a continuous workflow – ensuring that each team or team members are working without interruptions, the communication flow is good and the process of development the product or service is constant. Understanding small processes and team members involved in them helps to understand where could be some interruptions which could be removed.

4)Developing a pull system - developing the continues workflow which is stable and ensure the development of the product or service faster and with less effort. It decrease the waste of any production process and resources needed for that.
5)Facilitating continuous improvement - engage the team for constant evaluating and improvement of the processes. The constant evaluation helps to spot the waste of capacities, resources and foresees any possible conflicts or interruptions.

5S

Workspace organisation method which refers to Seiri (sort), Seiton (set in order), Seison (shine), Seiketsu (standarise), Shitsuke (standarize). It is a basic lean concept as it stands for constant improvements of the workplace and creating the clean, well organised, effective and quality workplace. As a result it lower the losses and failures, improve the safety and quality of the workspace.

The 5S elements are:

•Sort (Seiri) – when its needed to decide and separate or remove the unnecessary things in the workplace

• Set in order (Seiton) – which create the logical order for each often used item and asign it a proper place in the workplace

• Shine (Seison) – which request deep cleaning to eliminate the sources of dirt and simplify cleaning process

• Standardize (Seiketsu) – which creates the storage ares which are easy to use by making the supportive visual rules along with team training to maintain standards to reduce search time and avoid mistakes

•Sustain (Shitsuke) – which engage to constant monitoring and evaluation of the activities to improve them

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Full article:

https://iopscience.iop.org/article/10.1088/1757-899X/95/1/012127/pdf

Resources:

https://www.techtarget.com/searchcio/definition/lean-management

Having a team or do everything on your own?

Running a company means that there is lots of tasks to do to deliver the services or products with desire quality to the customers, often it require more work and time than the owner has.

Working with a team

It is possible to open company with a partner then you have a team who is working together to reach the common goal. It has pluses and minuses as it might recuire more time to discuss different issues and agree on further actions, it brings support in crises or in taking the decision, it bring more people to work on your goal. The team members could specilise in specific sector so each is doing something different to reach the same goal or they could cooperate in the same sort of activities.

Outsourcing

It is possible to hire an employee or outsource some tasks to external companies or freelancers. It is popular solution when the specialised competencies are required. It is also possible to outsource the simple tasks which amount is big (f.e. Packing boxes, checking the emails, sending the requests for materials, generating the invoices, making posts on social media). There are also services which you can outsorce once for a while f.e. Creating a website, logo, creating the marketing strategy.

Communication in the team

Worth to mention - Feedback

Feedback is well known word, however sometimes people who use it are not awere of its meaning. The feedback is the direct information after some activity to the person who perform some activity to support their development in reaching better outcomes in future. Feedback is not a tool to punish somebody, feedback is the tool to support the person in growth and development through giving that person information from our perspective about the impact of the persons activity. Following on that there is no negative or positive feedback as the feedback is to help someone to develop their competencies.

Running the company requires good cooperation and team work between the company members, customers, services providers, suppliers. Good communication is very important, when everything goes well its usually good and once there is a problem which is not adressed and not solved it can create unhealthy athmosphere or create some crisis.

There are many different stereotypes about feedback and feedbacking, we recomend to use the AID model which consist of three parts: Action, Impact, Desire Behaviour.
To give feedback we recomend to use direct communication (speak directly to person f.e. 'When you shook my hand' not 'When Mark shook my hand'). Feedback is always personal and individual as the same action can have diverse impact on different people.

Action

First part is dedicated to describe the action as precise as possible, describe the action/activity/behaviour which feedback is about.
f.e.
"While describing the concept of the lean management you were moving your legs."

Impact

Second part is dedicated to describe the impact of this action on you, how did it make you feel. f.e "Your moving legs reminded me of dance what make me feel comfortable and relax as I felt that i could be natural in my movements during the meeting"
Or "Movements of your legs made me feel nervous and impatient as i felt that we are running out of time"

Desire behaviour

The third part is dedicated to description of the behaviour which you would desire in future, the behaviours which would help you to reach the goal or the activity.

f.e.

“In future the presentation and moving legs would help me to concentrate and feel comfortable, please keep it on doing”

Or

“in future pleas stand still or stand behind a table so i do not see the moving legs while presenting.”

For future resources

For further development of your company, organisation we recomend to learn more and discover more methods, approaches which could help you to manage the team or the process.

How to better manage the company, improve the competencies of stuff, what to focus in developing the companies and what are the trands in management.
https://hbr.org

More about strategy for start-ups based on lean management
https://www.effectusresearch.com/wp-content/uploads/Lean-Strategy.pdf

5. Finances

Managing finances can be a challenge for any small business owner. Often, the reason your small business is successful is because of the skills you bring to making your product or providing your service. If you don't have a lot of experience with managing business finances, it can feel like a chore and you could be slipping into bad financial habits that could one day harm your business.

Education and organization are two keys to ensuring your business is financially healthy. Properly managing your finances stabilizes your company and makes your business less likely to fail. To manage your company's finances, make sure to pay yourself, keep good credit, monitor your books and plan ahead. Debt funding for small businesses means interest fees alongside repayments, while equity funding excludes interest but may come with less control over your company affairs.

The most important step for any business owner is to educate themselves. By understanding the basic skills needed to run a small business – like doing simple accounting tasks, applying for a loan or drafting financial statements – business owners can create a stable financial future and avoid failure. In addition to education, staying organized is a major component of sound money management.

If you're running **a small business,** it can be easy to try and put everything into day-to-day operations. After all, that extra capital can often go a long way in helping your business grow. Alexander Lowry, a professor and director of the master of science in financial analysis program at Gordon College, said small business owners shouldn't overlook their own role in the company and should compensate themselves accordingly. You want to ensure that your business and personal finances are in good shape.

Many small business owners, especially at the outset, neglect to pay themselves. They believe it's more important to get the business up and running and pay everyone else. But, if the business doesn't work out, you won't have ever paid yourself. Remember, you're part of the business and you need to compensate yourself as much as you pay others.

In addition to paying yourself, it's important to set aside money and look into growth opportunities. This can allow your business to thrive and move in a healthy financial direction. Edgar Collado, chief financial officer of Tobias Financial Advisors, said business owners should always keep an eye on the future.

A small business that wants to continue to grow, innovate and attract the best employees should demonstrate that they are willing to invest in the future. Customers will appreciate the increased level of service. Employees will appreciate that you are investing in the company and in their careers. And ultimately you will create more value for your business than if you were just spending all your profits on personal matters.

Don't be afraid of loans. Loans can be scary. They can lead to worrying about the financial repercussions that accompany failure. However, without the influx of capital you obtain from loans, you may face substantial challenges when trying to purchase equipment or grow your team. You can also use loan proceeds to boost your cash flow and thus face fewer issues paying employees and suppliers on time.

As your company grows, you may want to purchase more commercial real estate, acquire additional insurance policies and take out more loans to facilitate all these pursuits. With poor business credit, getting approval for all these transactions and acquisitions can be more difficult. To keep good credit, pay off all your debt funding as soon as possible. For example, don't let your business credit cards run a balance for more than a few weeks. Likewise, don't take out loans with interest rates that you can't afford. Only seek funding that you can quickly and easily repay.

Every business owner has a client that is consistently late on its invoices and payments. Managing small business finances also means managing cash flow to ensure your business is operating at a healthy level on a day-to-day basis. If you're struggling to collect from certain customers or clients, it may be time to get creative with how you bill them.

Too much cash tied up in unpaid invoices can lead to cash flow problems, a leading cause of business failure. If you have a chronic late-paying customer, which we all do, instead of badgering them with repeated invoicing and phone calls, try a different approach. Change the payment terms to '2/10 Net 30.' This means if the customer pays the invoice within 10 days, they receive a 2% discount off the total bill. If not, the terms are full payment due in 30 days.

If you have trouble saving for your quarterly estimated tax payments, make it a monthly payment instead. That way, you can treat tax payments like any other monthly operating expense.

Monitor your books. This is an obvious practice, but a very important one. Do your best to set aside time each day or month to review and monitor your books, even if you're working with a bookkeeper. It will allow you to become more familiar with the finances of your business, but also provide you with a window into potential financial crime. Do not neglect bank reconciliations and spending some time each month on reviewing outstanding invoices. Failing to do this, especially if a bookkeeper is involved, opens up the business to wasteful spending or even embezzlement.

Measuring **expenditures and return on investment** can give you a clear picture of what investments make sense and which may not be worth continuing. Small business owners should be wary of where they spend their money. Focus on the return on investment that comes with each of your expenditures. Not doing this means that you can lose money on irrelevant or bad spending bets. Know where you are spending your hard-earned money and how that investment is paying off. If it isn't paying off, cut back and spend a bit more on the initiatives that do work for you and your business.

Set up good **financial habits**. Establishing internal financial protocols, even if it's as simple as dedicating set time to review and update financial information, can go a long way in protecting the financial health of your business. Keeping up with your finances can help you mitigate fraud or risk. As a small business, we are often strapped for time, money and have vastly inferior technological capabilities, but it shouldn't prevent any small business owner from implementing some sort of internal control. This is especially important if you have employees. Weak internal controls can lead to employee fraud or theft, and can potentially get you into legal problems if you or an employee are not abiding by certain laws.

Plan ahead. There will always be business issues that need to be addressed today, but when it comes to your finances, you need to plan for the future. If you're not looking five to 10 years ahead, you are behind the competition.

Obtaining a loan for your small business is a great way to cover important costs or grow your business when the time is right. You might have heard some grumblings about small business loans: They're hard to obtain; your credit has to be flawless; don't ask for too much money or you'll be denied. Fortunately, these prevalent ideas surrounding small business lending aren't necessarily true.

It's important to manage debt properly, but doing so can help grow your business at a faster rate than scrimping and saving. To help you obtain a small business loan for your company, here are some questions and answers about a business loan.

1. Is getting a small business loan the hardest thing you'll ever have to do?

No. Like other forms of financing, obtaining a small business loan is all about preparation. Ensuring your books are transparent and you maintain the reserve liquidity to encourage the lender that you'll be able to service your debt consistently on time will lead to success. And experts agree the best way to avoid unnecessary snags is to prepare for the application process.

"A lot of the frustration around obtaining small business financing can be eased by doing your due diligence", said Michael Adam, founder and CEO of Bankmybiz, a site that connects business owners with business funders. "Be prepared, and have all your documents ready to present to lenders."

2. Do you need perfect credit to get a small business loan?

No. A low credit score is a concern for some lenders, but banks aren't the only lenders out there. In fact, it's far from impossible to get a business loan with bad credit. Alternative and private lenders are often able to offer more flexible terms, including which level of creditworthiness they can approve.

"While traditional banks may be restrictive when it comes to obtaining credit, there are alternative options," said Michael Kevitch, founder of Small Business Funding. Alternative lending sites such as Small Business Funding tend to base lending decisions on the financial realities of a business rather than the financial history of business owners. Specifically, Kevitch said, alternative lenders take a close look at business performance, industry type, time in business and cash flow before handing out a loan.

3. Is the best way to obtain a loan for your business through a bank?

Not always. Entrepreneurs have more than one option for obtaining financing; banks are not the only game in town. There are alternative and private lenders, as well as creative types of lending like invoice factoring, which can help business owners shore up their capital without going through the lengthy and restrictive application process required by conventional lenders.

For business owners looking to borrow a relatively small sum (between 5,000 euros and 250,000 euros), getting a bank loan is likely to be more trouble than it's worth, Kevitch said. Banks are more suitable for businesses that are interested in borrowing a large amount of cash and repaying the loan over a long period of time at a relatively low interest rate. Kevitch advised business owners to make sure they fall under those categories before applying through a bank.

4. Is the worst way to obtain a loan for your business through a bank?

There is no “worst” type of financing; it depends on your business’s circumstances and your ability to reliably service any debt you take on. Just because you can obtain financing elsewhere doesn’t mean conventional lenders and bank loans are not for you.

Sometimes, a bank offers exactly the funding option you need. In fact, for established businesses looking to grow at a moderate rate, traditional bank funding is generally a great option, Adam said. It’s when a business doesn’t fit those criteria that business owners should consider shopping around.

If you are a younger company, pre-revenue or low revenue, but plan to grow very quickly due to the industry that you're in – e.g., healthcare, IT or software consulting – then a traditional bank loan may actually limit your growth. To decide whether a bank loan is right for your business, research both traditional loans and alternative funding sources. It's also important to know your business inside and out.

If you anticipate steady growth over the next few years, then a traditional bank may be best. If you are growing like crazy and you know you will need to keep increasing your loan size by large increments each quarter, then entertain a nonbank lending partner, as banks may not be able to keep up with your needs.

5. Is it true that the more money you ask for, the less likely you are to be approved for a small business loan?

No, the requested principal amount of the loan should not have an adverse impact on whether or not you get approved. Lending institutions are generally prepared to fulfill large financing requests for the right borrower; it's more lucrative for them in the long run anyway. Don't be afraid to ask for the amount of money that you really need!

According to Jess Harris, content and social manager of business lender Kabbage, banks prefer lending larger amounts because they make more profit from large loans in the long run. In turn, banks are cutting back on smaller loans.

Evan Singer, president and CEO of online Small Business Administration loan program SmartBiz Loans, said a business should apply for the amount it needs – no more and no less. He recommends considering both how much money you really need to grow your business and how much money you can afford to pay back every month. Make sure that you have cash flow to make your loan payments. That's the biggest thing that a lender is going to check – that the business owner can actually afford to make their loan payments.

6. Is the interest rate the most important factor to consider?

It's easy to put too much emphasis on the interest rate of the loan. Essentially, the interest rate determines just how much the loan is going to cost by the end of the repayment period. It's certainly a crucial piece of information, but it's just one aspect of the entire deal.

Although the interest rate is an important aspect to consider when choosing a lender, there are many other factors to keep in mind. One suggestion is to ask what the terms of the loan are, how soon you need to repay the money and what you can use the loan for.

7. What is the first step when seeking a business loan?

The first step when trying to get a business loan is gathering everything you need to apply. These needs include tangible items and process considerations, such as the following:

- Knowledge on how well bank term loans, small business administration loans and alternative lenders do or don’t fit your needs
- Proof of your credit history, small business age and yearly revenue
- A sense of how much you can afford per month in loan repayments and attendant fees
- An idea of which items you might put up as collateral, if necessary
- A list of potential lenders
- Documents such as tax returns, bank statements, financial statements, legal documents and a business plan.

8. What is the best way to fund a small business?

Although there's no objective answer to this question, you could argue that small business loans are a top option. After all, they're so frequently used for a reason: If you appropriately plan for them, you can budget for monthly payments fairly easily. On the other hand, you might prefer angel investors or venture capitalists, since they might not ask you to repay them if your business fails. But you do give up quite a bit of business control and equity to work with these investors.

You can also turn to loans from friends and family, credit cards, crowdfunding, or business lines of credit. Each of these options has its pros and cons. For example, think about what could happen in your personal life if you fail to repay a loved one. Credit options have problems, too: They may come with high fees that make them untenable. Crowdfunding also doesn't guarantee that you'll reach your desired funding level.

9. How long does it take to repay a business loan?

The answer to this depends almost entirely on your loan term. A loan with a five-year term should take that long to repay. That said, if you can pay your loan off early, that's a good thing, as long as you don't incur a prepayment fee for doing so. If there is a fee, you might want to hold on to that loan a bit longer. Your monthly expenses might be less than the potential fee.


CASH
FLOW

Cash flow

Proper cash flow management is a key strategy that every business owner must master for long-term financial success. Managing cash flow can be one of the biggest challenges business owners face.

A recent study from Intuit found that 61% of small businesses around the world struggle with cash flow. Nearly one-third of those surveyed are unable to pay vendors, loans, themselves or their employees because of cash flow issues.

To combat this struggle and stabilize your cash flow, you can incorporate several tactics into your business model.

Cash flow is important to a small business because it shows how much money is actually moving in and out of your company, not how much money you're awaiting from accounts receivable. If your cash flow is positive, you'll know you're earning more money than you're spending, and you'll have cash on hand to cover payroll, equipment purchases and upgrades, loan repayments and other key business needs. If your cash flow is negative, you may find yourself unable to pay your employees and suppliers, cover your monthly rent and have the money needed for any other daily business costs.

For these reasons and more, you should always prioritize cash flow strategies in your business planning. When you properly utilize such planning, you'll know exactly which times of the month you can expect money to be deposited into or withdrawn from your bank account.

With this information, you'll know when you actually have the cash on hand to cover your expenses. Think about it like this: Even if you've invoiced a client for a substantial amount of money, you can't use that money until you actually have it, and cash flow strategies help you know just when that will happen.

Cash flow management is vital to your business's success. If you can accurately project cash flow, you will steer your company in the right direction. If you understand cash flow techniques, you can get ahead of the market. You'll even be able to predict cash flow, because you understand the revenue cycles of customers, vendors, suppliers and contractors.

Every business has high and low seasons; understanding upcoming expenses for employee overtime, replacement equipment and other needs goes a long way to ensure your business is well positioned to handle any bump in the road.

9 ways to manage cash flow

The most important aspect of managing cash flow is to constantly monitor it. You need to know how much money your company is taking in as well as how much of that money you have on hand to use. If you have an accurate idea of your company's cash flow, you can follow these simple tips to increase cash flow and manage your business.

1. Don't wait to send invoices.

Again, a key reason cash flow matters is that it distinguishes between invoices you've sent and invoices that have actually been paid.

2. Adjust your inventory as needed.

Check your inventory to identify items that aren't selling well. These products harm your cash flow, as the cash you've spent to obtain them isn't converting to sales and thus revenue. You can address this cash flow concern by selling these less frequently purchased items for discounted prices and not buying additional stock after you deplete what you currently have. Similarly, you can always invest more into stocking items that do sell well.

3. Lease your equipment instead of buying it.

Even though it's usually cheaper over the long term, buying new equipment and updating outdated equipment can be costly in the short term (not to mention time-consuming). Leasing your equipment instead can lessen your short-term financial burden.

4. Borrow money before you need it.

The best time to solve a cash flow problem is before it happens. If your business is running smoothly or is in the beginning stages of production, now is the time to borrow money. By opening a business line of credit when your numbers are good, you can avoid the risk of rejection later. This will also provide you with resources to fall back on should you experience any growing pains associated with starting a business.

5. Reevaluate your business operations.

Continually review your cost structure to find efficiency gaps and implementations that can be modified to increase savings. You should identify parts of the operation that can be outsourced to freelancers and third-party providers. This will allow you to get the job done without providing salary and benefits.

6. Restructure your payments and collections.

Depending on whom you're working with, you may be able to put off some payments to your vendors until your business is financially healthy. Do your best to maintain a healthy relationship and avoid late fees.

Restructure your payments to your vendors to create a more balanced income for your business. By doing this, you can turn your vendors into lenders. If you are unable to restructure payment dates, consider restructuring payment costs. You can do this by meeting with new vendors that can potentially provide inventory and supplies at a better cost. Even if you are not looking to replace your current vendors, you can use the information from competitors as leverage to get better pricing.

7. Monitor where your money is going.

Taking on debt isn't always a bad thing. Sometimes borrowing money can be a temporary fix until your business is healthy enough to make it on its own. However, anytime you take on debt, you should carefully monitor and evaluate the extent of your cash flow.

8. Take advantage of technology.

As a business owner, you should take advantage of technological advances and artificial intelligence-enabled solutions, like new apps and software updates. These can streamline your business processes and increase efficiency. Although technology can help with any sector of your business, Shvarts specifically recommends using it to create budgets and project cash flow.

9. Consider loan options.

Sometimes, all a company needs is a quick cash injection. Look at what line of credit, business loan and other financing options are out there. Invoice factoring and invoice financing are also great ways to get advanced payment on outstanding invoices. It can help your company get the money it deserves earlier than a client is willing to pay. Remember, you should be taking on debt only if it’s advantageous for your company.

6. Evaluation

What is business evaluation? (Plus Reasons To Conduct One)

Company leaders conduct many types of tests to measure how well the company is performing and how much capital is available to them for expansion or sale. One key type of measurement is the business evaluation, which focuses on how much the company is worth. If you're a management or financial professional, learning about business evaluations can help you gain a deeper understanding of how businesses operate.

In this article, we define business evaluations, describe reasons a company's leadership team might conduct them, explain how they work and provide tips for professionals working on one of these evaluations.

What is a business evaluation?

A business evaluation is another term for a business valuation, which is the process of determining a company's monetary value. This process might involve counting the company's assets, analyzing its costs and estimating how much market value it currently holds. A company's owner and leadership team might perform an internal valuation, but many companies hire external finance firms for valuation to get an unbiased report of the company's value

Reasons for doing a business evaluation

Here are some reasons a business's owner or leadership team might choose to perform a valuation:

Regular maintenance

Many companies have regular valuations by a trained financial professional. The valuator might analyze the company's financial standing every year or six months, depending on the company's rate of growth. At a company experiencing rapid growth, the leadership team might have valuations more often than they might at established companies. Understanding the rate of growth for a company's monetary value can help the leadership team make decisions about expanding or raising capital.

Mergers and acquisitions

One of the most common events that can trigger a business valuation is a merger or acquisition. A merger is when two companies become one entity under the same name, while an acquisition is when one business buys another and owns it. Before a merger, both companies might go through valuations, so the leaders of both companies understand the financial status of the other. Typically, before an acquisition, only the company being bought has a valuation, which tells the directors of the purchasing company how much capital their company is gaining.

Loan applications

One way a company can get capital to expand is through a business loan from a financial institution. Many financial institutions require a business evaluation before granting a loan. The business valuation tells the loan administrators how much the business is currently worth, which might serve as collateral on the loan.

Succession planning

Some companies are owned by families, and the leadership team at this company might conduct a valuation at the business owner's request for estate planning purposes. If someone wants to leave their business to a family member or other close companion, knowing how much it's worth allows them to work with their financial planner and document their assets. If you're a professional valuator, you might have specific topics to address if the valuation is connected to succession planning.

Administering an ESOP

Some companies have an employee stock ownership plan, or ESOP, which allows them to purchase shares in the company, often for a discounted rate. Issuing stock to employees allows a company to get capital to expand or purchase other companies, and it gives the employees an opportunity to invest in the firm.

Planning for IPO

If a company's leadership team plans to sell shares in the company on the stock market, a process called initial public offering or IPO, they might hire a valuator to estimate the company's value before this process begins. While the company might not disclose the value of the company to new public investors, the leadership team might need this information to estimate the impact of issuing shares on the company's overall financial status.

How do business valuations work?

There are several different methods for conducting business valuations. Each method provides a specific measurement of value for the company and might be appropriate for different situations. For example, a valuator might use a different measurement to prepare a company for IPO than they might to get a valuation for succession planning. Here are some key valuation methods:

·Asset-based value: Asset-based value subtracts liabilities from assets to get an idea of a company's equity. The results of this method might depend on whether the company leaders plan to sell assets in the near future.
·Market value: Market value is a general comparison between the company's estimated value and the value of other businesses like it. Because this number is imprecise, it is often paired with other types of valuations to provide a comprehensive view of the company's value.
·Discounted cash flow: Discounted cash flow predicts the overall value of incoming cash that a company might experience in the future. This can be a useful valuation in companies that rely on accounts payable.
·Market capitalization: Market capitalization estimates the company's value in the market by multiplying the price of shares with the number of outstanding shares. This method is usually more effective for publicly traded companies that rely on investor capital.

Tips for effective business valuations

If you're on a business valuation team, you might perform a variety of tasks, including reviewing profit trends, analyzing expenses and researching the value of key assets, like real estate and mechanical equipment. Here are some tips you can use to complete your valuation tasks effectively:

·Learn about the industry. While market value only provides a broad view of a company's value, it can be helpful to understand how a company ranks compared to others in the industry. Conduct research to find the stated value of key competitors or leaders in the field.

·Work with other departments. If you're on an internal valuation team, consider asking experienced members of the finance or operations team for help valuing assets. This can be helpful if the company owns the equipment or other items with depreciating value.

Combine quantitative and qualitative reporting. While spreadsheets can be valuable resources for documenting earnings and accounts payable, some types of assets, like property in a key market area, benefit from a written assessment. Consider creating a report that blends numbers with descriptive evaluations

Ok, But what about your green business?
Tips to evaluate your Green business

1. Evaluate your providers and the sources they use in order to product or buy the products you are going to buy from them. Many times some providers in order to reduce the cost of the products they sell as green they promote face green products as the real ones. Always ask for certification and standardization of the products
2. Evaluate your customers satisfaction relevant with your products and if the impact they have is the desired one.
3. At least evaluate your satisfaction as the entrepreneur if you "sleep well" with the job you do and the products you sell. Aaand believe us. If the last one is positive then your business is a really Green business

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