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# W-RISE

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Project Code: **2023-1-IT02-KA220-ADU-000162162**

## Collection of Training Modules 1-6

**ENGLISH  
VERSION**

# W-RISE LEARNING REPORT



**W-RISE**

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	Introduction to Entrepreneurship	Module Overview
Module Number	1	1. <b>Introduction to Entrepreneurship</b> 2. Business models 3. Marketing basics 4. Financial Basics 5. E-commerce 6. Business Plan
Classroom Hours	6	
Assessment	Quiz (10 questions)	Designed by Fundacja Educational Trip

## Module's Overview

### Introduction to Entrepreneurship

Have you ever wondered what it truly means to guide someone on their entrepreneurial path? Is entrepreneurship a natural talent, or can it be nurtured through the right support and tools? As an adult educator, you hold a powerful position – you are not just sharing knowledge, but helping others discover their potential, gain confidence, and imagine new futures. For many of your learners, this may be their first real step toward independence, financial empowerment, and self-defined success. And that's where your role becomes transformative.

This chapter is designed to provide a clear, accessible introduction to the

fundamentals of entrepreneurship, not from the perspective of abstract theory, but as a practical, empowering journey. You'll help learners explore definitions of entrepreneurship, understand the difference between innovation and implementation, and discover key theories that explain what drives entrepreneurs to act. The material is presented in plain language, suitable for participants who may be unfamiliar with the business world, and is especially mindful of adult learners returning to education or considering a career shift.

Together, you and your learners will reflect on what it means to be an entrepreneur: What traits support this mindset? Can entrepreneurship be learned? What types of business models might suit different personalities, motivations, or lifestyles? Through interactive exercises and discussions, participants will begin to look at themselves with new awareness, recognizing their resources, identifying areas for growth, and considering where their energy and values align with business opportunities.

As an educator, your mission is to create a safe and motivating space where women, often balancing multiple roles and barriers- can feel encouraged to dream, explore, and take action. This isn't just another training session. It's a turning point. By the end of this module, your learners won't just understand what entrepreneurship *is*- they will see that it can belong to them.

You are not just delivering content; you are walking alongside future entrepreneurs, many of whom are discovering their agency for the first time. Let's begin that journey, together.

## **Unit 1 – Basics of Entrepreneurship**

**Content:** This chapter introduces the world of entrepreneurship, defining the concept and presenting the difference between innovation and entrepreneurship. It then discusses key theories of entrepreneurship, dividing them into economic (Schumpeter's innovation theory, Kirzner's "alertness" theory, Knight's theory of the entrepreneur, and Cantillon's theory of entrepreneurship) and psychological theories, illustrating each with an

example.

**Key concepts:** Entrepreneurship (definition and characteristics), Innovation, Schumpeter's Innovation Theory, Kirzner's "Alertness" Theory, Knight's Theory of the Entrepreneur, Cantillon's Theory of Entrepreneurship, Psychological Theories of Entrepreneurship.

## **Unit 2 – Who is an Entrepreneur?**

**Content:** This chapter defines an entrepreneur, debunking the myth of the ideal model. It presents helpful personality traits (e.g., resilience, creativity, self-confidence) and skills (e.g., organization, communication, problem-solving). It emphasizes that entrepreneurship can be learned.

**Key concepts:** Entrepreneur/Female Entrepreneur; Personality Traits of an Entrepreneur; Entrepreneurial Skills; Entrepreneurship Development.

## **Unit 3 – My Needs – How to Build a Business That Fits Me**

**Content:** This chapter emphasizes building a sustainable and fulfilling business by aligning it with one's personal rhythm, values, and long-term vision. It guides individuals through exploring their needs in four key areas: understanding strengths and talents, discovering core motivations, identifying ideal work styles and environments, and designing a business model that fits their lifestyle. The chapter introduces various self-assessment tools and frameworks to facilitate this self-discovery process, promoting authenticity and preventing burnout in entrepreneurship.

**Key concepts:** Personal Needs, Strengths, Talents, Motivations, Work Style, Lifestyle Alignment, Self-awareness, Authenticity, 16Personalities, CareerExplorer, Gallup CliftonStrengths, DISC Personality Test, VIA Character Strengths, Motivation Code, Reiss Motivation Profile, MAPP Career Assessment, WorkGenius, Kolbe Quickstart, Ikigai, Business Model You.

## **Unit 4 – Types of Business Activities**

**Content:** The text provides an overview of four common types of business structures that exist in most European countries. It compares their features, legal names, advantages, and disadvantages in countries such as Poland, Germany, Spain, Italy, Sweden, and Lithuania. The aim is to help aspiring entrepreneurs understand which form of business best suits their goals and resources.

**Key concepts:**

Business Structure Variety – Entrepreneurs can choose from different forms: sole proprietorship, partnership, capital company, or franchise, depending on control, risk, and goals.

Legal and Financial Responsibility – Each form involves different levels of liability, from full personal responsibility (sole proprietorship) to limited liability (capital companies).

European Parallels – Although country names differ, the core principles of these business models remain similar across many EU countries, enabling cross-border understanding and comparison.

**Unit 1: Basics of Entrepreneurship**

1.1 Definitions of Entrepreneurship

1.2 Theories of Entrepreneurship

1.2.1 Schumpeter’s Innovation Theory

1.2.2 Kirzner’s “Alertness” Theory

1.2.3 Knight’s Theory of the Entrepreneur

1.2.4 Cantillon’s Theory of Entrepreneurship

1.2.5 Psychological Theories of Entrepreneurship

Gamified Exercise: The Entrepreneurial World – A Game of Theories

**Unit 2: Who is an Entrepreneur?** Gamified Exercise: Entrepreneurship BINGO. Who is an Entrepreneur?

**Unit 3: My needs – How to build a business that fits me**

- 3.1. Understanding your strengths and talents
- 3.2. Discovering what truly motivates you
- 3.3. Knowing your ideal work style and environment
- 3.4. Designing a business model around your lifestyle
- 3.5. Building a business that reflects who you truly are

Gamified Exercise: Discovering Your Interpersonal Style – Hartman Personality Test

**Unit 4: Types of business activities**

- 4.1. Sole proprietorship
- 4.2. Partnerships
- 4.3. Capital companies
- 4.4. Franchise

Gamified Exercise: Choose Your Business Path

# Learning Outcome

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

**Knowledge:** Basic definitions and characteristics of entrepreneurship and the role of innovation; Key theories of entrepreneurship (Schumpeter, Kirzner, Knight, Cantillon, and psychological theories); Characteristics of an entrepreneur, including useful personality traits and skills; Basic definitions and characteristics of building a business aligned with personal needs, values, and long-term vision; Key self-assessment tools and frameworks for understanding individual strengths, talents, motivations, and ideal work styles (e.g., 16Personalities, CliftonStrengths, Ikigai).

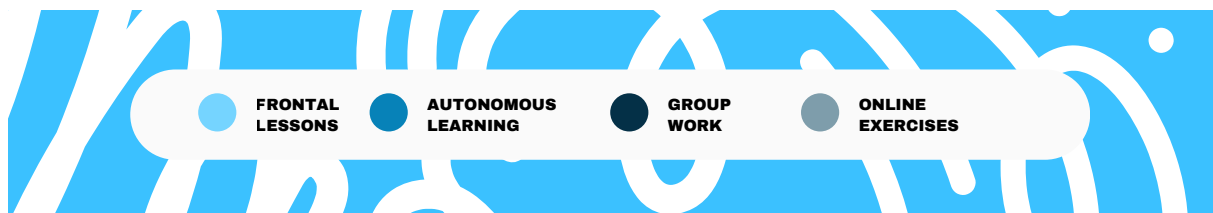
**Skills:** Differentiating between the concepts of entrepreneurship and innovation; Identifying different theoretical approaches to entrepreneurship; Recognizing key characteristics and skills of entrepreneurs; Differentiating and applying various self-discovery tools to identify personal strengths, motivations, and preferred work environments; Designing a business model that integrates personal values and lifestyle priorities for long-term sustainability.

**Competencies:** Consciously reflecting on one's entrepreneurial potential; Understanding one's existing resources and what can be developed; Feeling that one is on the right path to entrepreneurial development; Consciously reflecting on one's entrepreneurial potential and personal alignment with the business journey; Feeling confident in building an authentic business that reflects one's true self, fostering fulfillment and preventing burnout.

## Learning Unit 1:

# Basics of Entrepreneurship

Time	Short Description	Method	Equipment
15 Min	<b>Activity 1:</b> Greeting	FRONTAL LESSONS	Laptop/Beamer
40 Min	<b>Activity 2:</b> Knowledge Input	FRONTAL LESSONS	Laptop and PPT Presentations
45 Min	<b>Activity 3:</b> The Entrepreneurial World – A Game of Theories	GROUP WORK	Gamification Toolkit
20 Min	<b>Securing results:</b> Summary after the exercise	ONLINE EXERCISES	Whiteboard



## 1.1 Definitions of Entrepreneurship

Entrepreneurship is a broad and dynamic concept that goes far beyond just launching a company. At its core, entrepreneurship is the ability to recognize opportunities in the environment, respond to them creatively, and take initiative to build something new – whether it's a business, a service, a product, a social project, or even an internal innovation within an existing organization.

True entrepreneurship involves a combination of vision, action, risk-taking, and resilience. It requires not only noticing what is missing or what

could be improved in the world around you but also having the courage to act on that observation. Entrepreneurs are people who don't just dream – they plan, execute, adapt, and take responsibility for the outcomes of their decisions.

### **Key Characteristics of Entrepreneurship:**

- Opportunity recognition – spotting gaps in the market or unmet needs.
- Innovation – introducing something new or significantly improved.
- Initiative – taking proactive steps without waiting for external direction.
- Organization – gathering the resources, people, and systems needed to make an idea a reality.
- Risk management – facing uncertainty and making decisions with incomplete information.
- Responsibility – owning the outcomes, both successes and failures.

### **Example:**

Kasia, a working mother, realized that many parents in her community were struggling to find time to prepare nutritious meals for their children. Supermarkets were full of pre-packaged food, but few options were healthy, kid-friendly, and convenient. Seeing this gap, she began preparing healthy lunchboxes from home and offered them to her neighbors. The feedback was overwhelmingly positive, and as demand grew, she formalized her activity into a small business. Today, Kasia's company delivers personalized lunchboxes to schools and families through a subscription model, helping parents and improving children's diets.

Kasia didn't invent a new kind of food – what made her entrepreneurial was the ability to spot a problem, respond creatively, and turn a solution into a sustainable business.

### **More Real-Life Micro-Examples:**

- A woman in a rural village begins organizing weekend tours for visitors to experience local traditions, creating income for herself and artisans in the region.
- A university student develops a budgeting app tailored to freelancers after struggling with irregular income herself.
- An unemployed nurse starts an on-demand care service for elderly people in her area, bridging the gap between hospitals and families.

These examples demonstrate that entrepreneurship can start small, be personal, and grow from lived experience. It's about seeing what others don't – or acting when others won't.

### **Innovation vs. Entrepreneurship: What's the Difference?**

The terms *innovation* and *entrepreneurship* are closely related but not identical. Innovation refers to the creation or significant improvement of a product, service, process, or idea. It is the spark – the “what's new.” It may come from technological development, a fresh way of delivering services, or even a novel approach to an everyday problem.

Entrepreneurship, on the other hand, is about taking that innovation and applying it in the real world in a way that adds value. Without entrepreneurship, an innovative idea might remain a theory, a prototype, or a good intention.

Think of innovation as the engine, and entrepreneurship as the driver who uses it to get somewhere.

### **Example:**

Ania owns a beauty salon in a busy city. She began to notice that more of her clients felt awkward or anxious about calling to book appointments,

especially younger customers who preferred digital communication. Instead of sticking with traditional booking methods, Ania implemented a simple online appointment system through a mobile app. As a result, the number of bookings increased, no-shows decreased, and her clients appreciated the convenience.

This is a clear case where innovation (new booking system) met entrepreneurship (strategically implementing it to benefit the business). Ania didn't invent the app, but she recognized a need, adapted a solution, and created value – for her customers and her business.

### **More Everyday Examples:**

- Innovation: A new biodegradable packaging material is developed in a research lab.

Entrepreneurship: A businesswoman launches a packaging company that uses this material for eco-conscious brands.

- Innovation: A data scientist builds an AI tool that predicts weather patterns.

Entrepreneurship: An entrepreneur partners with farmers to use this tool to optimize irrigation and reduce crop waste.

- Innovation: A designer creates a new, more ergonomic backpack style.

Entrepreneurship: She sets up an online store targeting remote workers and students with back pain.

### **Why Both Are Important:**

- Innovation fuels progress – it's what pushes industries, communities, and technologies forward.
- Entrepreneurship makes progress real – it turns potential into products, solutions, and services that people use and pay for.

Without innovation, entrepreneurship might lack a competitive edge. Without entrepreneurship, innovation often stays stuck in the idea phase.

### **Entrepreneurship as a Personal and Social Tool**

For many women entering the world of business, especially those starting later in life or after career breaks, entrepreneurship offers more than just an income – it offers autonomy, purpose, and the ability to design a life aligned with one’s values. Whether driven by necessity, passion, or a combination of both, women entrepreneurs across Europe are reshaping industries, solving local problems, and empowering others.

Remember: you don’t need to have a tech startup or a big investment to be an entrepreneur. You need curiosity, the courage to act, and the persistence to keep going when things get tough.

Entrepreneurship is a mindset. Innovation is your toolbox. And you – with your story, background, and dreams – are the key.

## 1.2 Theories of Entrepreneurship

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These are different ways of explaining who an entrepreneur is and how they operate. Explanations of individual theories are below.

### **1.2.1 Schumpeter’s Innovation Theory**

#### **Definition:**

Schumpeter believed that an entrepreneur is someone who creates something new – a new product, service, or way of doing things. Thanks to this, they change the market and push out older solutions.

**Example:**

Magda created an app for managing household chores for families with children. No one had offered such a solution before. Her idea turned the planner market upside down.

**1.2.2 Kirzner's "Alertness" Theory****Definition:**

Kirzner argued that an entrepreneur is someone alert – they see opportunities that others do not see and seize them before anyone else does.

**Example:**

Ola noticed that no one was selling coffee in the local park, and many people walked there in the morning. She bought a mobile cart and started brewing takeaway coffee at the park entrance.

**1.2.3 Knight's Theory of the Entrepreneur****Definition:**

Knight said that an entrepreneur is someone who takes risks because they operate in conditions of uncertainty – they don't know if their idea will succeed, but they try anyway.

**Example:**

Basia quit her full-time job and opened a store with eco-friendly household chemicals. She was not sure, if there had been demand, but she believed in the idea and took the risk.

**1.2.4 Cantillon's Theory of Entrepreneurship**

**Definition:**

Cantillon believed that an entrepreneur is someone who buys at one price and sells at another, taking the risk that prices will change. They operate between the producer and the customer.

**Example:**

Dorota buys local food products from farmers and sells them in her city store. Her profit depends on whether she correctly predicts prices and demand.

**1.2.5 Psychological Theories of Entrepreneurship****Definition:**

Psychological theories say that entrepreneurship depends on personality traits – e.g., self-belief, the need to achieve goals, independence, or creativity.

**Example:**

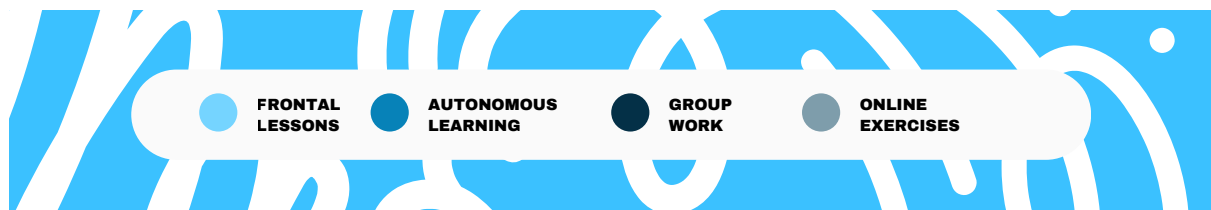
Ewa had always liked to have an impact on what she did, couldn't stand bosses, and loved organizing various events. Thanks to her energy and perseverance, she founded an event company.

***Gamified  
Exercise Unit1:  
The  
Entrepreneurial  
World – A Game  
of Theories***

Go to Gamification Toolkit!

# Learning Unit 2: Who is an Entrepreneur?

Time	Short Description	Method	Equipment
5 Min	<b>Activity 1:</b> Introduction	FRONTAL LESSONS	Whiteboard
20 Min	<b>Activity 2:</b> Knowledge Input	FRONTAL LESSONS	PPT Presentations
40 Min	<b>Activity 3:</b> Entrepreneurship BINGO. Who is an Entrepreneur?	GROUP WORK	Gamification Toolkit
30 Min	<b>Securing results:</b> Group sharing	ONLINE EXERCISES	Whiteboard



An entrepreneur is someone who sees an opportunity, takes a risk, and creates something new, most often a company or a project. They organize people, resources, and ideas to achieve a specific goal. You don't have to be perfect to act entrepreneurially!

Sometimes, when we read about what the ideal female entrepreneur "should" be like, it's easy to think: "This is probably not for me...". But the

truth is, there isn't one ready-made recipe for the ideal entrepreneur. None of us has the full set of traits that will always and everywhere work. And that's perfectly fine.

Each of us is different; we have different talents, experiences, and temperaments. One person is great at planning, another shines in interpersonal relationships, and yet another has a head full of ideas. Entrepreneurship is not perfection, it's consciously developing yourself and your strengths, as well as learning what you lack.

Below you will find a set of traits and skills that often help in running your own business. Treat them as inspiration, not a to-do list. See what you already have within you and what you can start practicing in small steps. Because entrepreneurship is primarily about acting with courage, even if you don't feel 100% ready.

### **Personality traits:**

Resilience to stress – doesn't give up when something goes wrong.

Creativity – comes up with new ideas and solutions.

Self-confidence – believes in herself and her decisions.

Independence – acts without constant external control.

Ambition – wants to grow and achieve more.

Perseverance – doesn't give up after the first failure.

### **Skills:**

Work organization – can plan and manage tasks.

Communication – clearly says what she wants and listens to others.

Problem-solving – finds solutions to difficult situations.

Time and money management – knows how to plan a budget and a workday.

Can you learn to “be an entrepreneur”? Yes! Entrepreneurship is not just an innate trait; it’s also a set of skills that can be developed: planning, management, and decision-making. Every woman can learn to act like an entrepreneur if she is willing and open to learning.

### **Inspiration: Sage Lavine – Founder of Women Rocking Business**

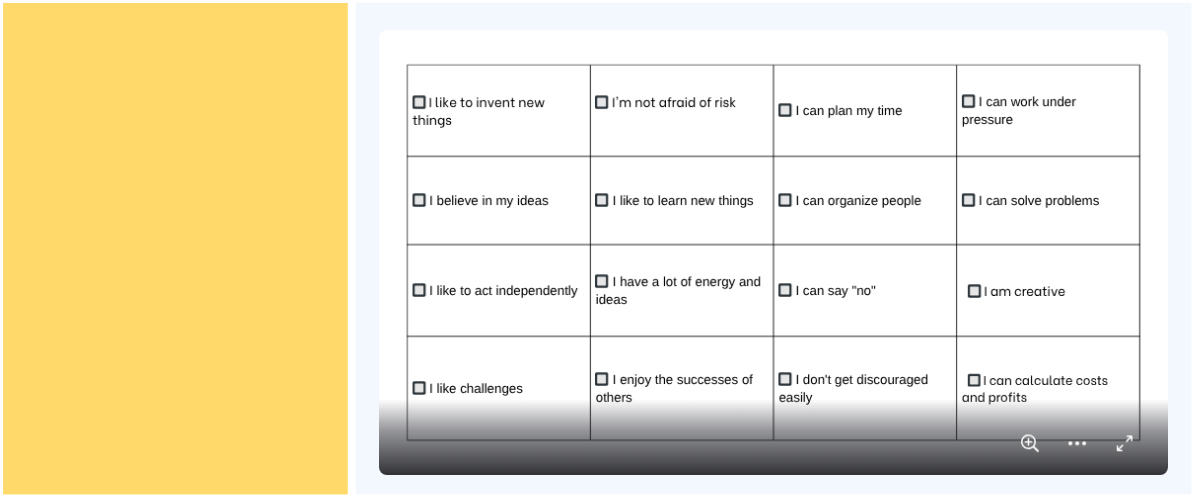
Sage Lavine is a leadership coach who founded Women Rocking Business, a coaching organization to help women entrepreneurs grow successful businesses. She presented at TEDx on the secret power of female entrepreneurs.

Watch her TEDx Talk: Sage Lavine: The Secret Power of Female Entrepreneurs

### ***Gamified***

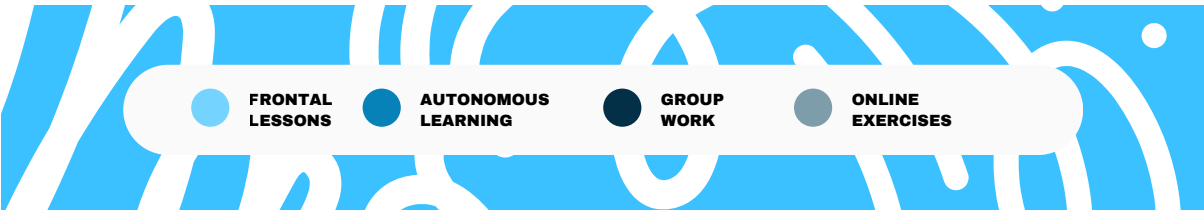
***Exercise Unit 2:  
Entrepreneurship  
BINGO. Who is an  
Entrepreneur?***

Go to Gamification Toolkit!



# Learning Unit 3: My needs – How to build a business that fits me

Time	Short Description	Method	Equipment
15 Min	<b>Activity 1:</b> Introduction	FRONTAL LESSONS	PPT Presentations
50 Min	<b>Activity 2:</b> Mini lecture	AUTONOMOUS LEARNING	PPT Presentations
15 Min	<b>Activity 3:</b> Discovering Your Interpersonal Style – Hartman Personality Test	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Group reflection	ONLINE EXERCISES	Laptop/Whiteboard



Building a business is not only about the market – it’s about *you*. A sustainable and fulfilling business should support your rhythm, values, and long- term vision for life. This chapter encourages ou to explore your needs deeply and align your entrepreneurial journey with them. Below are four key areas and tools to help you create a business truly *for yourself*.

## 3.1. Understanding your strengths and talents

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Before choosing a business model or industry, it’s crucial to know what you’re naturally good at. Strengths-based development focuses on building from your talents, rather than fixing weaknesses.

### **Free tools:**

**16Personalities (based on MBTI)** <https://www.16personalities.com>

### **Purpose of the Test**

The 16Personalities test helps individuals understand their personality type, including how they perceive the world and make decisions. It is based on the Myers-Briggs Type Indicator (MBTI) and presents results in 16 archetypes like “The Architect (INTJ)”, “The Campaigner (ENFP)”, or “The Defender (ISFJ)”.

This insight helps you determine how you manage time, handle risk, collaborate, lead teams, and make decisions – all crucial when designing a business model that works for you.

### **Who It’s For:**

Anyone considering entrepreneurship, especially those unsure about their best working style or how they relate to clients, partners, or tasks. It’s ideal for freelancers, solopreneurs, or those considering partnerships.

### Sample Questions:

Respondents answer on a scale from “Strongly Agree” to “Strongly Disagree”.

Here are examples:

- *You enjoy having a wide circle of acquaintances.*
- *You often rely on other people to be the ones to start a conversation and keep it going.*
- *You prefer to finish one project before starting another.*
- *You are more inclined to follow your head than your heart.*
- *You think that everyone’s views should be respected regardless of whether they are supported by facts or not.*

There are approximately 60–70 statements to assess your tendencies in four dimensions:

- **Mind** (Introvert–Extrovert)
- **Energy** (Intuitive–Observant)
- **Nature** (Thinking–Feeling)
- **Tactics** (Judging–Perceiving)
- Plus an additional identity layer: **Assertive vs. Turbulent**[\[1\]](#)

### How to Use the Results for Your Business Design

- Understand your **communication style** – e.g., ENFPs love brainstorming and social outreach, while ISTJs prefer structured tasks and independence.
- Recognize your **natural leadership and teamwork inclinations** – are you more comfortable delegating, collaborating, or working solo?
- Identify how you **respond to stress and uncertainty**, which is crucial during the early days of entrepreneurship.
- Adapt your **daily workflow** and even choose tools/platforms that suit

your strengths (e.g., project management tools for Judging types; creative freedom for Perceiving types).

- Use it as a starting point for **team-building** or seeking complementary co-founders or collaborators.

## **CareerExplorer (Free & Paid Options)**

### **Overview:**

CareerExplorer is a comprehensive career test that helps users identify careers and paths that align with their interests, personality, and workplace preferences. It is particularly useful for individuals seeking to align personal values with long-term professional goals.

### **Main Focus Areas:**

- Interests and passions
- Personality traits
- Work environment preferences
- Ideal industry and job types

### **Sample Questions:**

- Do you enjoy solving complex problems?
- How do you feel about leading a team?
- Would you rather work with data, people, or things?
- Are you energized by creative challenges or structured tasks?

### **Benefits for Entrepreneurs:**

- Helps clarify whether entrepreneurship aligns with your personality.
- Identifies industries and tasks that best suit your preferences.
- Encourages deeper reflection on daily work satisfaction and motivation.

**Website:** [www.careerexplorer.com](http://www.careerexplorer.com)

**Paid insights:** Gallup CliftonStrengths, *Insights Discovery*

These tools help you identify your preferred working style, leadership approach, and how you respond to challenges.

## Gallup CliftonStrengths (formerly StrengthsFinder)

**Type:** Paid

**Website:** <https://www.gallup.com/cliftonstrengths>

### Why it matters in business creation

CliftonStrengths is a well-known psychometric tool designed to help individuals discover what they naturally do best. Understanding and using your strengths can transform how you approach your business, from choosing the right niche to delegating tasks and managing energy. It's especially helpful for solopreneurs and founders to focus on roles where they thrive rather than trying to master everything.

### How the test works:

The assessment presents **177 paired statements** (e.g., “*I like to make decisions*” vs. “*I like to gather input before acting*”), and you must choose the one that best describes you within 20 seconds. Based on your choices, the system identifies your **Top 5 Strengths** (with the basic plan) or a **full 34-strength profile** (in the full report).

The strengths are divided into 4 domains:

- **Strategic Thinking** (e.g., Learner, Futuristic)
- **Executing** (e.g., Achiever, Responsibility)
- **Influencing** (e.g., Command, Communication)

- **Relationship Building** (e.g., Empathy, Developer)

#### **What you gain:**

- **Top 5 Strengths Report:** Understand your dominant patterns of thought and behavior.
- **Actionable insights:** Tips on how to use your strengths in daily work and leadership.
- **Team application:** Helps when building a team or choosing a co-founder.

#### **How it helps shape your business “around you”:**

- Allows you to **design your business model** to play to your natural strengths (e.g., if you’re great at building trust, consider a service-based business).
- Helps you **prioritize roles and tasks** you should keep or delegate.
- Boosts confidence through self-awareness, especially in uncertain phases like launching or scaling.

#### **Cost & access**

1. Top 5 Strengths Report: approx. USD 19.99
2. Full 34 Strengths Report: approx. USD 49.99
3. Reports are very detailed and include development suggestions[2].

#### **Tip for use**

Start with the **Top 5** version to get clear initial guidance. Revisit your profile regularly as your business evolves – it’s a strong tool for **ongoing reflection and team dynamics**.

## **DISC Personality Test**

**Type:** Free & Paid Versions Available

**Free Version Website:** <https://www.123test.com/disc-personality-test/>

**Paid Versions:** Available via DISC Insights, TalentLMS, and Extended DISC

### **Why it matters in business creation:**

The DISC test helps entrepreneurs understand their **behavioral tendencies**, communication style, and how they interact with others in different situations – all essential for solo work, teamwork, or leadership. DISC identifies your dominant traits in how you make decisions, deal with risk, or navigate client relations. It's especially relevant for women balancing assertiveness with empathy in entrepreneurship.

### **How the test works:**

DISC stands for four personality traits:

1. **D – Dominance** (direct, results-oriented)
2. **I – Influence** (persuasive, enthusiastic)
3. **S – Steadiness** (calm, dependable)
4. **C – Conscientiousness** (detail-oriented, analytical)

You are asked a series of short statements and must choose which one is **most** and **least** like you. In the free version, this usually includes **28 questions**.

### **Example Questions (Free version):**

1. I am motivated by success and competition.
2. I prefer a predictable and calm environment.
3. I like working according to rules and procedures.
4. I am enthusiastic and like talking to people.

The answers generate a graph or description showing your dominant DISC type or a blend (e.g., “High I, Medium S”).

### What you gain:

- Clarity about how you prefer to work and communicate
- Understanding of how to **build teams** or collaborate better with others
- Guidance for dealing with stress, feedback, and decision-making

### How it helps shape your business “around you”

- Helps match your **communication style** with the type of clients, partners, or co-founders you work best with
- Supports choosing the **right business model** – whether solo consultancy, collaborative teams, or structured franchises
- Prepares you for **self-leadership** by understanding your strengths and blind spots

### Cost & access

- Free version: Immediate results with a basic summary (approx. 10–15 mins)
- Paid versions: In-depth analysis (30–60 mins), often used for team development or coaching; prices range from €30 to €150 depending on provider[3]

### Tip for use

Use DISC together with other tools like **Ikigai** or **CliftonStrengths** to build a complete picture of your entrepreneurial style. It’s also helpful for conflict resolution, hiring, or branding your communication tone.

[1] Website: <https://www.16personalities.com> Source: Neris Analytics Limited

[2] Website: <https://www.gallup.com/cliftonstrengths>, Source: Gallup Inc. (Buckingham & Clifton, *Now, Discover Your Strengths*)

[3] Free Test: <https://www.123test.com/disc-personality-test>, Paid Providers: Extended DISC, DISC Insights, Thomas International

## 3.2 Discovering what truly motivates you

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What drives you to take action? Is it independence, security, creativity, or impact? Knowing your core motivators helps you avoid burnout and stay energized in the long run.

- **Free tools:** VIA Character Strengths
- Simplified *Motivation Code* quizzes

### **VIA Character Strengths**

#### **Overview:**

Developed by the VIA Institute, this test reveals your strongest character traits and how they influence your actions and motivations. It is grounded in positive psychology and offers insight into how your values align with leadership and business building.

#### **Main Focus Areas:**

1. 24 universal character strengths (e.g., perseverance, creativity, fairness)
2. Strength ranking from most to least dominant
3. Strength-based personal development

#### **Sample Questions:**

1. I always finish what I start.
2. I enjoy coming up with new ways to do things.

3. I frequently help others without expecting anything in return.

**Benefits for Entrepreneurs:**

- Helps you build a business around your intrinsic strengths.
- Useful for creating mission-driven brands.
- Supports emotional resilience and authentic leadership.

**Website:** [www.viacharacter.org](http://www.viacharacter.org)

**Simplified Motivation Code Quizzes (Free & Paid Options)**

**Overview:**

Based on the Motivation Code (MCODE) framework, these quizzes aim to uncover what drives you to do your best work. The free version offers a basic glimpse, while the full assessment is paid.

**Main Focus Areas:**

1. Core motivations (e.g., problem-solving, meeting challenges, developing others)
2. Task enjoyment
3. Internal success drivers

**Example Prompts (Paid Version):**

- Describe a time you were deeply proud of something you accomplished.
- What type of praise or recognition feels most satisfying to you?

**Benefits for Entrepreneurs:**

- Helps you build a business structure that aligns with intrinsic drivers.
- Encourages motivation-based decision making.

- Prevents burnout by identifying energizing tasks.

**Website:** [www.motivationcode.com](http://www.motivationcode.com)

**Paid tools:** *Reiss Motivation Profile, MAPP Career Assessment*

These assessments offer clarity on your personal “why” – the foundation of a purpose-driven business.

## **Reiss Motivation Profile (Paid)**

### **Overview:**

The Reiss Motivation Profile (RMP) assesses 16 basic desires that drive behavior and decision-making. It helps users understand how their motivation influences leadership, risk-taking, and business alignment.

### **Main Focus Areas:**

1. 16 life motivations (e.g., status, order, curiosity, independence)
2. Personal motivational profile
3. Behavioral triggers and avoidances

### **Typical Exploration Areas (Paid):**

1. How important is independence to you?
2. Do you thrive under competition or collaboration?
3. What does “success” mean to you emotionally?

### **Benefits for Entrepreneurs:**

- Aids in creating a company culture that reflects personal values.
- Encourages better hiring and team-building choices.
- Reduces inner conflict in high-stress entrepreneurial roles.

**Website:** [www.reissprofile.com](http://www.reissprofile.com)

## **MAPP Career Assessment (Free & Paid)**

### **Overview:**

MAPP (Motivational Appraisal of Personal Potential) measures preferences related to work motivation, temperament, and skills. The free version offers a brief overview, while paid reports provide in-depth career alignment guidance.

### **Main Focus Areas:**

1. Career compatibility
2. Work traits and preferences
3. Temperament and abilities

### **Sample Questions:**

1. Would you prefer starting new tasks or completing existing ones?
2. Do you prefer working independently or with a team?
3. How do you feel about repetitive tasks?

### **Benefits for Entrepreneurs:**

- Identifies whether entrepreneurship fits your behavioral style.
- Helps match business roles with personal strengths.
- Useful when deciding between solo and team-based ventures.

**Website:** [www.assessment.com](http://www.assessment.com)

## 3.3 Knowing your ideal work style and environment

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Do you thrive in collaboration or prefer quiet focus? Are you a planner or improviser? Understanding your workstyle helps you shape a business that works *with* you, not against you.

- **Free tools:** *Work Genius, Kolbe Quickstart (basic)*

## **WorkGenius (Free basic version)**

### **Overview:**

WorkGenius evaluates your strengths in digital freelancing and independent project work. It highlights job readiness and strengths relevant to online entrepreneurship and remote work.

### **Main Focus Areas:**

1. Soft skills and professional behavior
2. Productivity and accountability
3. Ideal freelance projects

### **Sample Questions:**

1. How do you stay organized while managing multiple deadlines?
2. How do you deal with client feedback?
3. What is your preferred method of communication?

### **Benefits for Entrepreneurs:**

- Supports transition into digital and freelance business models.
- Clarifies what types of online work are a good fit.
- Enhances self-awareness for remote business operations.

**Website:** [www.workgenius.com](http://www.workgenius.com)

## **Kolbe Quickstart (Basic Free & Paid Full)**

### **Overview:**

Kolbe assesses how you instinctively take action – a useful insight for entrepreneurs needing to understand their natural decision-making and problem-solving styles.

### **Main Focus Areas:**

1. Conative strengths: Fact Finder, Follow Thru, Quick Start, Implementor
2. Action modes
3. Problem-solving and decision patterns

### **Free Quickstart Questions:**

1. Do you prefer thorough research before acting or trying things out immediately?
2. How do you approach risk-taking?
3. Are you more comfortable with structure or improvisation?

**Benefits for Entrepreneurs:**

- Helps design work processes that suit natural instincts.
- Improves team role clarity and collaboration.
- Increases decision-making confidence.

**Website:** [www.kolbe.com](http://www.kolbe.com)

## 3.4 Designing a business model around your lifestyle

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Once you know what you're good at, what drives you, and how you work, it's time to create a business idea that respects your life priorities. Use tools like:

### **Ikigai diagram**

**Type:** Free

**Website (tool templates):** <https://www.ikigaicanvas.com> or available as printable worksheets on various self-development blogs.

### **Why it matters in business creation.**

The Ikigai Canvas is a reflective, strategic tool that helps entrepreneurs align their business idea with their **values, passions, and strengths**. Originating from the Japanese concept of *ikigai* ("reason for being"), it helps you explore what you love, what you're good at, what the world needs, and what you can get paid for. It's ideal at the early stage of business ideation or rebranding.

### **How the test works:**

Unlike standardized tests, Ikigai Canvas is a **self-reflection worksheet** with guiding prompts. You write answers into overlapping circles that explore four key areas:

1. What do I love? (passions)
2. What am I good at? (skills, talents)
3. What can I be paid for? (market potential)
4. What does the world need? (purpose and impact)

From the intersection of these four, your “ikigai” emerges – a mission or calling that feels authentic and sustainable.

### **Example Questions:**

1. What do I enjoy so much that I lose track of time?
2. What problems do people ask me to solve?
3. If I had no financial pressures, what would I still want to work on?
4. Which global/local issues resonate deeply with me?

### **What you gain:**

- **Clarity** on your motivation and purpose
- A **business idea or pivot** that feels emotionally rewarding
- A **compass** for decision-making when you're overwhelmed with choices

### **How it helps shape your business “around you”:**

- Encourages you to **design a business model based on your values** rather than trends or pressure
- Helps prevent burnout by focusing on **meaningful and energizing work**
- Promotes **personal alignment**, which is especially powerful for female entrepreneurs balancing many roles

### Cost & access

- Free templates are widely available online
- Can be done using paper, whiteboard, or digital tools like Miro, Canva.

### Tip for use

Revisit your Ikigai every 6–12 months as your experiences and motivations evolve. It's especially powerful when combined with journaling or vision boarding<sup>[1]</sup>.

**Business Model You:** Adapt your business to your life, not the other way around.

- **Empathy mapping and creative brainstorming tools:** Use platforms like Canva Whiteboards or Miro to visualize your ideas.

[1] Inspired by: García, H., & Miralles, F. (2016). *Ikigai: The Japanese Secret to a Long and Happy Life*. Resource: Ikigai worksheet via PositivePsychology.com and School of Life Design

## 3.5 Building a business that reflects who you truly are

---

Starting a business is more than creating a service, product, or company – it is a deeply personal journey. At its core, entrepreneurship is about aligning your inner world – your motivations, values, strengths, and working style – with the external reality of a marketplace. The tools and assessments explored in this chapter offer a unique window into who you are and how you operate best. They are not only a mirror but also a map.

Each test – whether focused on character strengths, personality traits, motivation drivers, or cognitive styles – provides you with new language

to describe your aspirations and capabilities. Tools like the VIA Character Strengths or the CareerExplorer help you recognize the value you naturally bring to the table. Others, such as the Gallup CliftonStrengths or Reiss Motivation Profile, dive deeper into your inner engines – what drives you to act, persevere, and innovate. Still others, like WorkGenius or Kolbe, highlight how you execute tasks, relate to others, and make decisions under pressure.

What these tools have in common is not just their scientific or psychological background, but their power to shift how you think about yourself in the context of work. They give you clarity when the entrepreneurial path feels overwhelming. They permit you to do business on your terms – to design a company that reflects your values, habits, and rhythm, not one that imitates others.

It's easy to follow trends or compare ourselves to highly visible entrepreneurs. But real fulfillment – and often, real sustainability – comes from creating something that is authentic. These self-discovery tools help ensure that the business you build is grounded in who you are, not just what the market seems to want. They also help you anticipate challenges. Knowing, for instance, that you prefer independent work over teamwork might help you decide whether to pursue a sole proprietorship or build a team-based venture. Understanding your intrinsic motivation can keep you grounded during difficult phases of growth.

These tools are also invaluable for ongoing reflection. Your business will evolve, and so will you. Periodically revisiting your test results, re-taking them, or using them as journaling prompts can ensure your business continues to grow in alignment with your values and aspirations.

So take what you've learned from these assessments seriously. Explore them with curiosity, but also with compassion. There are no right or wrong

outcomes – only insights waiting to be turned into action. Your entrepreneurial journey does not have to start with a perfect idea. It can start with self-awareness – a deep understanding of what kind of life you want to build, and what kind of work helps you feel alive.

The most successful business you can build is one that allows you to be fully yourself.

**Gamified Exercise**  
**Unit 3: Discovering**  
**Your Interpersonal**  
**Style**  
**– Hartman**  
**Personality Test**

Go to Gamification Toolkit!



# Learning Unit 4: Types of business activities

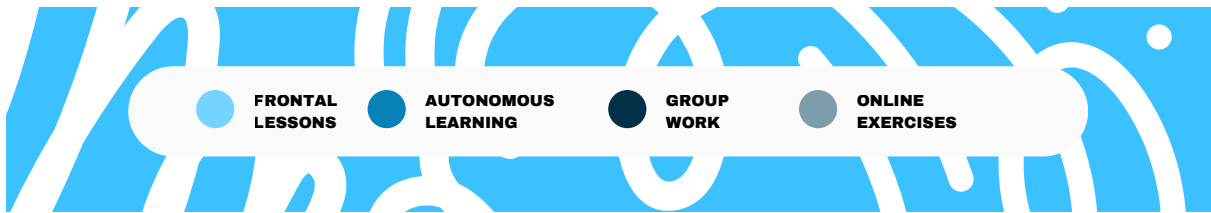
Time	Short Description	Method	Equipment
30 Min	<b>Activity 1:</b> Mini lecture “Types of business activities”	FRONTAL LESSONS	PPT Presentations
15 Min	<b>Activity 2:</b> Guided discussion	AUTONOMOUS LEARNING	Whiteboard
120 Min	<b>Activity 3:</b> Choose Your Business Path	GROUP WORK	Gamification Toolkit

5 Min

**Securing results:** Group brainstorming + Q&A

ONLINE EXERCISES

Laptop/Beamer



## 4.1 Sole proprietorship

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This is the simplest and most popular form of business activity across Europe. You register the business under your name (you may add a trade name), manage it independently, and are fully responsible for its operations. Ideal for freelancers, consultants, artisans, and service providers.

- **Poland:** *Jednoosobowa działalność gospodarcza*
- **Germany:** *Einzelunternehmen*
- **Spain:** *Autónomo*
- **Italy:** *Ditta individuale / Libero professionista*
- **Sweden:** *Enskild firma*
- **Lithuania:** *Individuali veikla*

### Pros:

- Quick and low-cost registration (often online)
- Full control and flexibility
- Low operating costs

### Cons:

- Full personal liability for business debts
- Difficult to separate personal and professional finances

## 4.2 Partnerships

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A partnership involves two or more people cooperating in business, sharing profits, tasks, and liability. It's a good choice for family businesses or professional practices like lawyers or architects.

- **Poland:** *Spółka cywilna / osobowa (np. jawna)*
- **Germany:** *GbR (Gesellschaft bürgerlichen Rechts), OHG*
- **Spain:** *Sociedad Civil, Comunidad de Bienes*
- **Italy:** *Società semplice (SS), Società in nome collettivo (SNC)*
- **Sweden:** *Handelsbolag (HB)*
- **Lithuania:** *Mažoji bendrija (MB)* – partly similar in operation

### Pros:

- Shared responsibilities and costs
- Combines different skills and strengths
- Easier entry than capital companies

### Cons:

- Joint liability for partners' decisions
- Requires strong trust and clear agreements
- Potential for conflicts

## 4.3 Capital companies

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These are independent legal entities separate from their founders. The most common is the limited liability company (LLC), which protects owners from personal liability beyond their capital contributions. Suitable for startups, larger businesses, or those seeking investors.

- **Poland:** *Spółka z o.o. (LLC), S.A.*

- **Germany:** *GmbH (LLC), AG (Joint-stock company)*
- **Spain:** *Sociedad Limitada (SL), Sociedad Anónima (SA)*
- **Italy:** *Società a responsabilità limitata (SRL), Società per azioni (SpA)*
- **Sweden:** *Aktiebolag (AB)*
- **Lithuania:** *Uždaroji akcinė bendrovė (UAB)*

**Pros:**

- Owners are not personally liable for company debts
- Professional, investor-friendly image
- Easier to scale and attract capital

**Cons:**

- Higher registration and maintenance costs
- Full accounting and legal requirements
- Slower decision-making processes

## 4.4 Franchise

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Franchising allows you to operate under a well-known brand using a proven business model. You receive training, tools, and brand recognition in exchange for startup fees and ongoing royalties. Franchising is widely used across Europe in industries such as food, retail, and education.

- **Poland:** *Franczyza*
- **Germany:** *Franchise*
- **Spain:** *Franquicia*
- **Italy:** *Franchising / Affiliazione commerciale*
- **Sweden:** *Franchise*
- **Lithuania:** *Franšizė*

**Pros:**

- Ready-to-go business model and support
- Operate under a recognized brand
- Lower startup risk

**Cons:**

- Startup and recurring costs
- Limited freedom of operation
- Brand performance impacts your success

**Inspiration: Daniella Pierson – Founder of *The Newsette* & Co-founder of *Wondermind***

At 29, Daniella Pierson built *The Newsette*, a media company generating \$40 million in annual revenue. She co-founded *Wondermind* with Selena Gomez and launched *CHASM*, an initiative aimed at closing the gender gap in venture capital by supporting aspiring female founders with mentorship and financial resources.

Read about her journey: <https://www.businessinsider.com/daniella-pierson-help-women-raise-venture-capital-side-hustle-newsette-2025-5>

**Gamified**

**Exercise Unit 4:  
Choose Your  
Business Path**

Go to Gamification Toolkit!

## Final Test Module 1:

# Introduction to entrepreneurship

## **1. What is entrepreneurship according to the general definition?**

- A) Exclusively charitable activities
- B) The ability to undertake and carry out business ventures
- C) The skill of using accounting software
- D) A form of work only for the self-employed

*Correct answer B) The ability to undertake and carry out business ventures*

## **2. Which theory of entrepreneurship emphasizes the role of “alertness” to market opportunities?**

- A) Schumpeter’s Theory
- B) Knight’s Theory
- C) Kirzner’s Theory
- D) Cantillon’s Theory

*Correct answer: C) Kirzner’s Theory*

## **3. According to Schumpeter, an entrepreneur is a person who:**

- A) Ensures market stability

- B) Reduces risk to zero
- C) Introduces innovations, disrupting the existing order
- D) Reacts passively to market needs

*Correct answer: C) Introduces innovations, disrupting the existing order*

**4. Knight's theory of the entrepreneur focuses on:**

- A) The use of natural resources
- B) Taking risks under conditions of uncertainty
- C) Analysis of supply and demand
- D) Supporting non-governmental organizations

*Correct answer: B) Taking risks under conditions of uncertainty*

**5. Which of the following traits is NOT typical of an entrepreneur?**

- A) Creativity
- B) Propensity to take risks
- C) Avoiding responsibility
- D) Independence

*Correct answer: C) Avoiding responsibility*

**6. Why is it important to understand your strengths and talents before**

**starting a business?**

- A) To ensure your business follows current market trends
- B) To build a business based on what you're naturally good at
- C) To copy the approach of other successful entrepreneurs
- D) To avoid the need for any external support

*Correct answer: B) To build a business based on what you're naturally good at*

**7. What is the purpose of the Ikigai diagram in business planning?**

- A) To align your passions, strengths, and values with your business model
- B) To analyze market competition and pricing strategies
- C) To help identify potential investors for your business
- D) To organize financial projections in a visual format

*Correct answer: A) To align your passions, strengths, and values with your business model*

**8. Which tool is designed to help entrepreneurs understand how they instinctively take action and make decisions?**

- A) CareerExplorer
- B) Kolbe Quickstart
- C) DISC Personality Test

D) VIA Character Strengths

*Correct answer: B) Kolbe Quickstart*

**9. How can the Gallup CliftonStrengths test support entrepreneurs?**

A) By identifying their weaknesses to fix

B) By offering legal advice and business registration

C) By helping them understand their top natural strengths and how to use them in business

D) By generating automatic business plans

*Correct answer: C) By helping them understand their top natural strengths and how to use them in business*

**10. What is a key takeaway from using personality and motivation assessments in entrepreneurship?**

A) They eliminate all business risks

B) They guarantee business success

C) They make you more competitive in every market

D) They help design a business that reflects your true self

*Correct answer: D) They help design a business that reflects your true self*

**Recommendation for self study**

This section provides a curated selection of books, articles, and websites to support further self-study on the topics covered in Module 1.

### **Enterprise Europe Network**

A vast network co-funded by the EU, the Enterprise Europe Network assists SMEs in innovating and growing internationally. It offers services like partnership opportunities, market intelligence, and advice on EU laws and standards. [Wikipediaen.ec.europa.eu](https://www.en.ec.europa.eu)

### **Eurostat – Business Statistics**

Eurostat provides statistical data on various aspects of European businesses, including structural business statistics, innovation, and performance indicators. This data is crucial for market analysis and strategic planning.

### **Social Economy in the EU**

This resource delves into the social economy sector, highlighting enterprises that prioritize social objectives over profit. It includes information on cooperatives, mutual societies, and non-profit organizations. [Rynek Wewnętrzny i MŚP+2Rynek Wewnętrzny i MŚP+2Employment, Social Affairs and Inclusion+2](#)

### **OECD – Entrepreneurship at a Glance**

The OECD provides insights into entrepreneurial activities across member countries, including Europe. This resource offers data and analysis on trends, policies, and the impact of entrepreneurship on economic growth.

### **Ahrefs Blog (EN)**

One of the best SEO blogs in the world. Specific tutorials with examples.

### **Elementor Blog (EN)**

If you create pages on WordPress, tutorials for design, UX/UI, and conversion.

**Wix Blog** (PL and EN)

For beginners – easy building of a page without coding + online marketing.

## Bibliography and external resources

### Forms of Business Activity in Poland

- Entrepreneur's Guide – overview of legal forms
- Accessible comparison of business forms: sole proprietorship, civil partnership, partnerships, and capital companies.
- [poradnikprzedsiębiorcy.pl](http://poradnikprzedsiębiorcy.pl)
  - [Bankier.pl](http://Bankier.pl) – analysis of business forms
- Concise summary of business activity forms with a discussion of their advantages and disadvantages.
- [bankier.pl](http://bankier.pl)
  - EY Poland – business activity in a nutshell
- Description of business forms from a tax and legal perspective.
- [ey.com](http://ey.com)
  - Santander Bank Polska – types of business activity

- Practical comparison of business activity forms taking into account financial aspects.

- santander.pl

### **SEO and Website Positioning**

- Google Search Central – official SEO guide

- Basics of website optimization according to Google guidelines.

- developers.google.comYouTube+1Google for Developers+1

- KS.pl – beginner’s guide

- Introduction to website positioning, covering on-site and off-site optimization.

- ks.plAgencja KS

- Widzialni.pl – SEO guide 2025

- Current information on search engine algorithms and content optimization.

- widzialni.plWidzialni.pl

### **Website Creation**

- Octamedia – website creation step by step

- Guide to planning, designing, and implementing websites.

- octamedia.pl

- Studio Kreacja – beginner’s guide

- Discussion of tools and technologies needed to create websites.

▪ [studiokreacja.pl](http://studiokreacja.pl) Studio Kreacja

# W-RISE LEARNING REPORT



**W-RISE**

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	Business Models	Module Overview
Module Number	2	<ol style="list-style-type: none"> <li>1. Introduction to Entrepreneurship</li> <li>2. <b>Business models</b></li> <li>3. Marketing basics</li> <li>4. Financial Basics</li> <li>5. E-commerce</li> <li>6. Business Plan</li> </ol>
Classroom Hours	4	
Assessment	Questionnaire (10 questions)	Designed by REGWI

## Module's Overview

### Digital and Green Start-ups: Sustainable Business Models

This module provides learners with a comprehensive understanding of how business models function and how they can be designed to contribute to regenerative sustainability. It starts by defining what a business model is – a strategic framework that explains how a company creates, delivers, and captures value (Teece, 2010). Drawing on established theories such as Teece's hypothesis-based view and Gassmann's "Magic Triangle," the module introduces four core questions that form the basis of any business model: Who is the customer? What value is provided? How is this value delivered? And how is revenue generated?

Learners are then introduced to the Business Model Canvas (BMC), a widely used tool for visualizing and structuring business models. The nine building blocks of the canvas are explored in depth, with a particular focus on customer segments and value propositions. The example of *Faith in Nature* is used to illustrate how sustainable business models work in real-world

contexts.

The module also addresses the urgent need for future-proof business strategies. Using frameworks like Doughnut Economics and Earth Overshoot Day, learners examine how conventional business models often ignore ecological and social limits. As a response, the module presents the Sustainable Business Model Canvas (SBMC), which incorporates socio-environmental costs and benefits into the original BMC.

In the final phase, participants are encouraged to generate ideas for adapting or creating business models that are economically viable and positively impactful. Through reflection and application, they gain the ability to design entrepreneurial solutions that align with both market needs and the well-being of people and planet.

### **Unit 1 – Business Model:**

*Content*

*Introduction to the concept and purpose of a business model  
The importance of having a clear business model for any organization  
Overview of the four central questions a business model must answer*

*Key concepts*

*The magic triangle*

*4 key questions:*

*Value Proposition: What value is created for customers?*

*Value Creation: How is this value produced?*

*Value Delivery: How is the value delivered to the customer?'*

*Value Capture: How does the business generate income?*

### **Unit 2 – Business Model Canvas:**

*Content*

*Introduction to the BMC as a practical tool  
Deep dive in the blocks customer profile and value proposition  
Explanation of the nine building blocks and how they relate (best practice; company faith in nature)*

*Key concepts*

*Business Model Canvas (BMC)*

### **Unit 3 – Future-Proof Business Models:**

*Content*

*The need for sustainable business models  
Understanding how future-oriented models address global challenges and contribute to regeneration  
Characteristics of business models that are environmentally and socially responsible*

*Key concepts*

*Doughnut economics  
Earth overshoot day  
Regenerative entrepreneurship  
Sustainable BMC*

#### **Unit 4 - Sustainable Business Model Canvas:**

*Content*

*Learners develop their own business idea  
Reflection on social or environmental impacts*

*Key concepts*

*SBMC  
Entrepreneurial Responsibility and Purpose*

## **Learning Outcome**

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

#### **Knowledge:**

- *Understanding the definition and purpose of a business model*
- *Knowledge of the “Magic Triangle”*
- *Understanding the structure and components of the BMC*
- *Awareness of the differences between conventional, sustainable, and regenerative business models*
- *Familiarity with key concepts such as Doughnut Economics, Earth Overshoot Day, and the SBMC*
- *Understanding the significance of socio-environmental costs and benefits in business modeling*

#### **Skills:**

- *Apply the BMC to real-world companies*
- *Analyze and map business models systematically using the 9 (11) blocks*
- *Integrate sustainability into business model thinking (e.g., social-ecological cost-benefit integration)*
- *Use tools like the SBMC*
- *Collaborate in teams to evaluate and communicate business models*

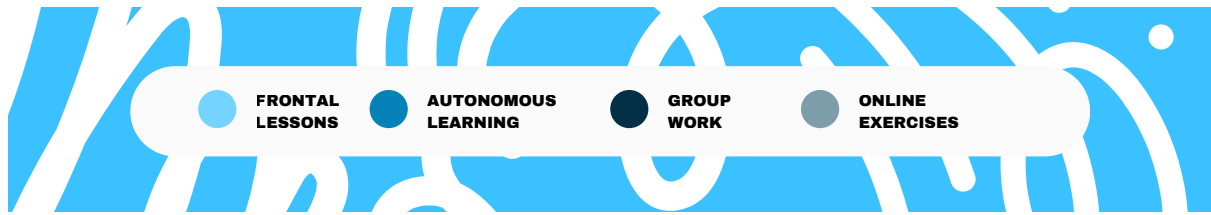
### Abilities:

- *Develop and structure their own sustainable business idea*
- *Reflect on and articulate potential social and environmental impacts*
- *Demonstrate entrepreneurial responsibility and purpose through regenerative thinking*
- *Present and defend a business model idea clearly and briefly in team settings*
- *Generating ideas for adapting existing business models to meet future-oriented, sustainable goals*

## Learning Unit 1: Business Model

### Unit planning (75 Min)

Time	Short Description	Method	Equipment
10 Min	<b>Activity 1:</b> Welcome & Agenda	FRONTAL LESSONS	Laptop / Beamer / PPT - Presentation
15 Min	<b>Activity 2:</b> What is a Business Model?	FRONTAL LESSONS	Laptop / Beamer / PPT - Presentation
20 Min	<b>Activity 3:</b> Why Every Company Needs a Business Model & the Magic triangle	FRONTAL LESSONS	Laptop / Beamer / PPT - Presentation
20 Min	<b>Activity 4:</b> Analyze Company Models	GROUP WORK	Handouts
10 Min	<b>Securing results:</b> Group Presentations (2 min each)	GROUP WORK	-



## Theoretical part:

### 1. Introduction and definition of the Business Model

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After exploring initial ideas and practical examples from participants, it is helpful to turn to a more formal and widely recognized definition of the term “business model.” One of the most influential voices in the field of innovation and strategic management, David Teece, describes a business model as follows: “A *business model essentially represents management’s hypothesis about what customers want, how they want it, and how a company can meet those needs profitably*” (Teece, 2010). This definition provides a useful foundation for deeper analysis. To fully grasp its meaning, it is beneficial to unpack the key elements step by step. The term *business model* describes how a business works as a whole – not just what it sells, but how everything fits together. It refers to the way in which all internal and external elements of the enterprise fit together:

- **Who** the business serves (i.e., its customers or stakeholders),
- **What** it offers them (its products, services, or value proposition), and
- **How** it generates income and sustains operations.

In this sense, a business model can be understood as the “**invisible engine**” that drives the organization. It forms the structural logic behind how value is created, delivered, and captured in practice.

Teece’s statement can be broken down into several key elements:

- The phrase “**management’s hypothesis**” implies that a business model is not a fixed truth or a guarantee of success. Instead, it reflects a strategic assumption or informed guess that company leaders make based on their understanding of the market. In essence, it says: “*We believe this will work – let’s test and adapt it.*”
- “**What customers want**” refers to the process of identifying and addressing real customer needs and desires. These can include functional demands, emotional expectations, or social aspirations. Successful businesses start by thoroughly understanding the problems people face

and what they value.

- **“How they want it”** shifts the focus from product design to delivery mechanisms. This includes the channels through which the offering is provided (e.g., online or offline), the pricing strategy (e.g., affordable or premium), and the user experience (e.g., fast or personal).
- Finally, **“meet those needs profitably”** emphasizes that even the best ideas must be executed in ways that are financially viable. A business must create and deliver value in such a way that it also secures its own sustainability and growth through revenue generation.

This means: A business model is **more than just an idea**. It is a **holistic system** that demonstrates how an organization works in practice – balancing the goal of creating value for customers with the necessity of securing income for the enterprise. In summary, a business model can be formally defined as: “A plan or framework that defines how a company creates, delivers, and captures value.” Its purpose is to outline the key components that enable a business to generate revenue and sustain profitability. The Business Model is important: As we learned, every company needs a business model to understand and communicate its approach to achieving value.

## 2. Why every company needs a business model

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A business model plays a crucial role in structuring and guiding a company’s activities. It supports various essential functions that are relevant across all stages of business development:

**Identification of Key Components:** A business model helps identify the essential building blocks of a company, such as key resources, strategic partners, and core activities. It illustrates how these elements interact in a meaningful way to create and sustain value.

**Clarity:** By providing a comprehensive overview, the business model offers clarity on how the business operates. It ensures that all stakeholders understand how the company delivers its value proposition and how different parts of the organization contribute to this objective.

**Feasibility Analysis:** From the early stages of a startup to later phases of growth, the business model serves as a central tool in evaluating feasibility. It continuously prompts the question: Does this business idea make sense, and can it be sustained under current conditions?

**Strategic Guidance:** The business model acts as a reference point for strategic

decision-making. It helps define priorities, set clear objectives, and align operational choices with long-term goals.

**Investor Attraction:** A well-defined business model is essential for attracting investors. It communicates the value proposition, market potential, and revenue logic clearly and convincingly.

### 3. The Magic Triangle

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One well-known framework for summarizing a business model is the “Magic Triangle“, developed by Oliver Gassmann and colleagues as part of their research on business model innovation. The concept was popularized through their book “*The Business Model Navigator*“, which is based on an empirical study of 55 innovative business models across various industries. This tool focuses on four interrelated questions that define the structure of a business model:

**Who?** This refers to the target customer. For whom is the company creating value? Understanding the customer segment is fundamental to shaping the rest of the model.

**What?** This defines the value proposition. What product or service is offered? Which customer needs, problems, or desires are being addressed?

**How?** This concerns value creation. How is the offering delivered? Which resources, capabilities, and internal processes are required?

**Value.** This element deals with value capture. How does the company generate income? What revenue streams and cost structures are involved to ensure financial viability?

The triangle metaphor emphasizes the interdependence of these four elements. A change in one area will often require adjustments in the others. For instance, a new customer segment (Who?) may necessitate a different value proposition (What?) or a new delivery mechanism (How?). Therefore, the Magic Triangle is particularly useful when analyzing or designing business models in a dynamic or innovative context.

### Practical Part:

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#### 4 Key Questions Exercise

##### Objective

The aim of this activity is to apply theoretical knowledge about business models to real-world examples. Participants are expected to understand and describe how companies create, deliver, and capture value by answering four key questions using a structured template.



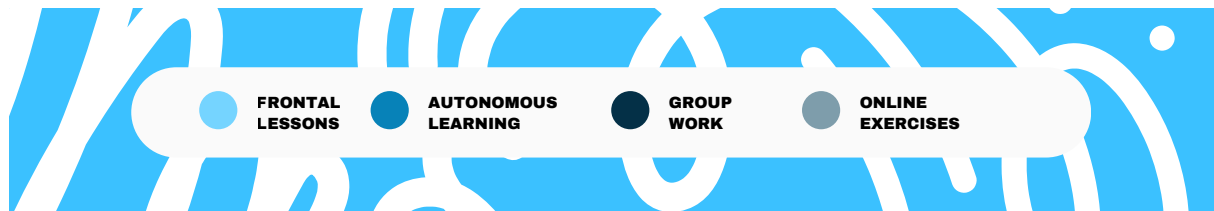
Go to the Gamification Toolkit for a detailed description of the exercise.

## Learning Unit 2: Business Model Canvas

### Unit planning (75 Min)

Time	Short Description	Method	Equipment
05 Min	Transition to new topic after the break		
10 Min	<b>Activity 1:</b> Intro: structure and features of a Business Model Canvas	FRONTAL LESSONS	Laptop / Beamer / PPT - Presentation /Internet-Connection /speakers
10 Min	<b>Activity 2:</b> Block 1: Customer profile	FRONTAL LESSONS	Laptop/Beamer / PPT- Presentation
10 Min	<b>Activity 3:</b> Block 2: Value proposition	FRONTAL LESSONS	Laptop/Beamer / PPT- Presentation

30 Min	<b>Activity 4:</b> Business Model Canvas – 9 blocks example: Faith in Nature	FRONTAL LESSONS	Laptop / Beamer / PPT – Presentation /Internet- Connection /speakers
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## Theoretical part:

### 1 Introduction

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Structure and features of a BMC: Play the video to make the participants understand the BMC. Then explain the key idea and origin of the BMC and afterwards explain all the blocks of the BMC. Start with the customer profile and the value proposition.

What is the BMC? One of the most widely used frameworks for designing, analyzing, and communicating business models is the BMC.

It was developed by Alexander Osterwalder and was popularized through the book “Business Model Generation“ (2010), which became an international standard in business model innovation. The key idea behind the BMC is to provide a visual, simple, and flexible tool that allows entrepreneurs, managers, and innovators to map out the key components of a business model on a single page. It promotes a holistic perspective and creates alignment and clarity within teams.

BMC blocks: The BMC consists of nine interrelated building blocks that together describe how an organization creates, delivers, and captures value. The blocks are typically arranged in a visual template on one page, which is filled out individually or preferably collaboratively.

It begins with Customer Segments: this defines for whom the company is creating value. Who are the target customers or user groups? What are their needs, behaviors, and characteristics?

Next is the Value Proposition, the heart of the business model: what value does

the company offer to its customers? What products, services, or experiences solve their problems or satisfy their desires?

Channels describe how the company reaches its customers. Through which communication, distribution, and sales channels does the company deliver its value proposition? How do customers want to be reached, and how are they being reached today?

Customer Relationships define what kind of relationship the company establishes with each customer segment. Is it personal or automated? Self-service or community-driven? How does the company foster customer loyalty and engagement?

Revenue Streams explain how the company captures value. How does it earn revenue from each customer segment? What are customers really willing to pay for, and what pricing models are used (subscriptions, one-time sales, usage-based fees, etc.)?

Key Resources describe the assets required to make the business model work. These can be physical, intellectual, human, or financial resources—anything essential to delivering the value proposition and operating the business.

Key Activities cover the most important actions the company must perform. What must be done to deliver value, reach customers, maintain relationships, and generate revenue? This includes core processes, production, and problem-solving.

Key Partnerships identify external partners and suppliers that help the business succeed. Who are the key partners? What critical resources or activities do they provide?

Finally, the Cost Structure outlines the major costs involved in operating the business model. What are the biggest cost drivers? Which resources and activities are most expensive? Is the business cost-driven or value-driven?

## 2 Block 1 Customer Profile

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After gaining an initial understanding of the overall structure of the BMC, it becomes clear that two elements are at the heart of every business model: the Customer Segments and the Value Proposition. These two blocks define the core relationship between the business and its customers:

- Who are we creating value for? (Customer Segments)

- What value are we creating for them? (Value Proposition)

To design a truly effective and compelling business model, we need to deeply understand our customers – their needs, desires, problems, and expectations.

At the same time, we must be able to precisely articulate how our products and services address these needs and create meaningful value.

This is where tools like the Value Proposition Canvas (VPC) come into play. The VPC helps us analyze and design the fit between what customers expect and what we offer. It complements the BMC by providing a more detailed view of these two critical blocks. In the next two sections, we will therefore:

1. First explore Customer Jobs - to gain a richer picture of what our customers are trying to achieve, and what pains and gains are part of their experience.
2. Then, we will look at the Value Proposition - to clearly map how our products and services create value by addressing these customer jobs, pains, and gains.

By doing this, we lay the foundation for designing business models that truly resonate with customers - because they are based on a deep understanding of what customers really need and value.

### **Customer Jobs:**

To identify the customer tasks of each segment, the following questions can be helpful:

- What tasks does my customer want to accomplish?
- What goals does my customer want to achieve?

Since we are dealing with people and not machines, it is essential to consider not only the purely functional tasks. Social factors (e.g., status, power) and emotional aspects (e.g., affection, security) should not be overlooked.

### **Pains (challenges, problems):**

Before or during the completion of these tasks, challenges may arise that make their fulfillment partially or even entirely impossible. In the Value Proposition Canvas (VPC), these represent the pains or problems of the customers. To identify the pains and problems of each segment, the following questions can be helpful:

- What is my customer lacking to complete their task?

- What is preventing my customer from completing their task?
- Why does my customer feel bad?

### **Gains (Benefits):**

In addition to pains and problems, the positive aspects – the gains – must not be overlooked. These describe the outcomes that customers desire and expect. To identify the gains of each segment, the following questions can be helpful:

- What can make it easier for my customer to solve their task?
- What does my customer dream of?
- How does my customer feel after achieving their goals?

## 3 Block 2 The Value Proposition

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Now that we've taken a closer look at our customers – their jobs, pains, and gains – the next step is to turn the focus to our own offering: How can we create value that truly addresses these customer needs?

This brings us to Block 2 of the BMC: the Value Proposition. The Value Proposition is the core promise of our business: it defines why customers should choose our product or service, and how it improves their lives or solves their problems. A strong Value Proposition is always built on a deep understanding of the customer – that's why we started by analyzing their jobs, pains, and gains. Now, we will explore how our products and services, along with pain relievers and gain creators, can be designed to match what customers really need and care about.

In the following section, we'll break this down in more detail and provide tools and questions to help you design a Value Proposition that really resonates.

### **Products and Services**

This section lists the specific offerings – products and/or services, as well as individual product features – that are intended to fulfill the value proposition. Just like with customer tasks, the products and services should be evaluated from **functional**, **social**, and **emotional** perspectives. The following questions can help create a comprehensive list:

- Which of my products/services help my customers accomplish their tasks?

- Which of my products/services satisfy my customers' needs?
- Which components of my products/services are important to my customers?

### **Pain Relievers**

Pain relievers are the counterpart to the pains and problems of customers. Specifically, they describe how the products/services improve or completely prevent negative situations for the customers. To identify the pain relievers, the following questions can be helpful:

- How does my offering reduce the obstacles hindering my customers from completing their tasks?
- How does my offering eliminate difficulties for my customers?
- How can negative consequences for my customers be avoided?

### **Gain Creators**

Unsurprisingly, gain creators are the counterpart to the gains of our customers. In this final step of the Value Proposition Canvas (VPC), we consider solutions intended to provide additional value to customers. The following questions can help identify the gain creators:

- How and in what way do I make my customer's tasks easier?
- How can my customer's desires be fulfilled?
- How can I pleasantly surprise my customer?

### **Testing the Value Proposition**

Now that we've explored the concept of the Value Proposition, this slide helps us reflect and test whether what we offer really connects with what our customers need. We see three key questions here – let's go through them one by one:

#### **1. Do the products or services support our customers in accomplishing their tasks?**

This is about *customer jobs* – what they are trying to get done.

These tasks can be: Functional (like completing a project), social (like improving their image), or emotional (like feeling safe).

→ Ask yourself: Do our products or services actually help the customer do this

better, faster, or easier?

## 2. Do the products or services solve the relevant problems of our customers?

Here we focus on *pains* – frustrations, risks, or obstacles customers face.

→ Ask yourself: Are we helping reduce those pains?

Are we removing barriers, reducing risks, or solving annoying issues for them?

## 3. Do the products or services offer value to our customers?

This brings it all together.

Are we delivering something meaningful that the customer truly values?

This could be:

- Saving time,
- Saving money,
- Improving results,
- Feeling better – whatever matters to them.

### Visual support:

The diagram helps you visualize this:

- On the right is the **Customer Segment**: their jobs, pains, and gains.
- On the left is the **Value Proposition**: our products/services, pain relievers, and gain creators.

The goal is alignment between the two – the better the fit, the more valuable our offer becomes.

### Final reminder to students:

Creating value is not just about what we want to offer – it's about what the customer really needs and cares about. These questions help us check if we're on the right track.

## 4 Real-Life example: Faith in nature

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The BMC details the structure and main ideas of a business idea and is an internationally known and recognized tool. Osterwalder and Pigneur designed it.

NOTE: This slide is combined with a practical exercise. Please have a look at the next chapter.

Let's dive into the details; after watching the videos, take the participants through the BMC for faith in nature:

### **Block 1 Customer segments:**

- **Eco-conscious individuals** seeking plant-based, cruelty-free, and sustainable products.
- **Health & wellness enthusiasts** who prefer natural and organic personal care.
- **Businesses** like eco-hotels, spas, or salons interested in offering environmentally friendly products.
- **Environmental activists** looking for brands that actively restore nature.

Note: If you do have totally different customer segments with differing needs: Make different Canvases!

### **Block 2: Value Propositions:**

- **Regenerative Products:** Faith in Nature focuses on offering products that not only reduce harm but regenerate natural systems by using organic, ethically sourced ingredients.
- **Cruelty-free & Vegan:** Offering a guarantee that products are not tested on animals and are vegan-friendly.
- **Eco-packaging:** Minimal and biodegradable packaging to reduce waste and contribute to circular economy models.

### **Block 3 Channels:**

- **Online platforms** (e-commerce): Direct sales through the website, emphasizing transparency of the supply chain.
- **Retail distribution:** Ethical retailers, health food stores, and eco-conscious supermarkets.
- **Partnerships:** Collaborations with other eco-friendly brands and networks.

#### **Block 4: Customer Relationships:**

- **Community engagement:** Cultivating a community of like-minded individuals who share sustainable lifestyle tips and environmental news.
- **Transparency:** Through storytelling, highlighting the regenerative impacts of the products and sourcing practices, building trust.
- **Loyalty programs:** Rewarding eco-conscious behaviors, such as refilling bottles or contributing to conservation efforts.

#### **Block 5: Revenue Streams:**

- **Product sales:** Direct sales of personal care products like shampoos, conditioners, and body washes.
- **Subscription models:** For regular delivery of eco-friendly products, appealing to the loyal customer base who want consistent impact.
- **Collaborations:** Partnering with businesses to co-create regenerative or eco-conscious solutions for broader applications.

#### **Block 6: Key Resources:**

- **Natural ingredients:** Sustainably sourced, regenerative raw materials.
- **Brand reputation:** Built on ethics, sustainability, and positive environmental impact.
- **Strong supplier relationships:** Focus on suppliers with regenerative practices in agriculture or ingredient sourcing

#### **Block 7: Key Activities:**

- **Product innovation:** Research and development of regenerative products that restore ecosystems through sourcing practices.
- **Sustainability advocacy:** Campaigning for broader adoption of regenerative principles in the personal care industry.
- **Packaging innovation:** Advancing zero-waste initiatives with biodegradable or reusable packaging.

#### **Block 8: Key Partnerships:**

- **Sustainable suppliers:** Partnerships with suppliers practicing regenerative agriculture and ethical trade.
- **Environmental NGOs:** Collaborations on ecosystem restoration projects, aligning with the brand's regenerative goals.
- **Retail partners:** Distribution through eco-conscious outlets that share similar sustainability values.

### Block 9: Cost Structure:

- **Sustainable sourcing costs:** Prioritizing higher costs for regenerative raw materials and ethical labor practices.
- **R&D investment:** Continuous development of regenerative formulations and eco-friendly packaging.
- **Community and advocacy funding:** Supporting environmental initiatives that align with Faith in Nature's regenerative ethos.

## Practical part

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### Exercise: 9 Building Blocks

#### Objective

To deepen participants' understanding of the nine building blocks of the BMC by applying them to a real-world example. The goal is to identify how a sustainable business like Faith in Nature creates, delivers, and captures value.



Go to the Gamification Toolkit for a detailed description of the exercise.

# Learning Unit 3: Future-Proof-Business Models

## Unit planning (75 Min)

Time	Short Description	Method	Equipment
05 Min	Transition to new topic after the break	FRONTAL LESSONS	
20 Min	<b>Activity 1:</b> Sustainability Quiz (interactive warm-up)	GROUP WORK	Sustainability Jeopardy PDF / Laptop/Beamer /PPT- Presentation /Flipchart
15 Min	<b>Activity 2:</b> Introduction Sustainability	FRONTAL LESSONS	Laptop/Beamer /PPT- Presentation
15 Min	<b>Activity 3:</b> Inspiration: Regenerative Business Models	FRONTAL LESSONS	Laptop/Beamer /PPT- Presentation
20 Min	<b>Activity 4:</b> Sustainable Business Model Canvas – Extended Elements	FRONTAL LESSONS	Laptop/Beamer /PPT- Presentation

Note that this application is meant to introduce into the Unit and is therefore carried out before the theoretical part.

### Practical part

#### Exercise: Sustainability Quiz

#### Objective

To introduce participants to key concepts of sustainability and regeneration in

an engaging, accessible way. The quiz promotes active learning and reinforces core ideas across five thematic areas.



Go to the Gamification Toolkit for a detailed description of the exercise.

## 1 Why do we need sustainable business models?

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Today, it is no longer sufficient for business models to focus solely on generating profit. What we require are sustainable business models – models that take into account not only economic outcomes but also the well-being of people and the protection of the planet. A useful way to understand this shift is through the concept of Doughnut Economics, developed by economist Kate Raworth. This model uses the image of a doughnut to represent two crucial boundaries for human activity.

The inner circle of the doughnut defines the social foundation: the essential elements every human being needs to lead a dignified life. These include access to food, healthcare, education, income, and other fundamental social rights.

The outer circle marks the ecological ceiling: the environmental limits of our planet, such as the boundaries related to climate change, biodiversity loss, land use, and pollution.

Between these two boundaries lies what Raworth calls the “safe and just space“ for humanity: a zone where social needs can be met without overburdening ecological systems.

However, most **traditional business models** operate without considering these boundaries. They prioritise financial profit and often disregard the environmental damage or social inequality their activities may cause.

In contrast, **sustainable business models** are fundamentally different. They ask critical questions:

- *How can we create value without harming the environment?*
- *How can we actively support social well-being?*

And yet, they still maintain financial viability—ensuring that the business can remain operational and competitive over time.

Such models are designed to fit within the doughnut: These models help businesses fit inside the “doughnut” – so they are good for people, good for nature, and still make a profit. This is why we cannot rely on conventional business models any longer. To build a future that works for everyone, we need sustainable business models – models that enable businesses to thrive within planetary boundaries while contributing to a more just and inclusive society.

**Earth Overshoot Day: A Reminder of Ecological Limits:** Another powerful illustration of why we need sustainable business models is the concept of Earth Overshoot Day.

Earth Overshoot Day marks the date each year when humanity’s demand for ecological resources **exceeds what Earth can regenerate in that year** – in other words, the day we go into **ecological “debt”**. In the early 1970s, humanity was still living largely within the planet’s ecological means: Earth Overshoot Day fell in late December or didn’t occur at all. However, since then, our global consumption of resources has consistently outpaced Earth’s capacity to regenerate them. The Overshoot Day has been moving steadily earlier in the calendar:

- In 1971, it occurred in late December.
- By the 1990s, it had moved to October.
- In 2010, it fell in early August.
- In 2024, Earth Overshoot Day was in late July: meaning that in just seven months, humanity has used more resources than the planet can replenish in a year.

This trajectory highlights an unsustainable pattern of production and consumption – and underscores why it is no longer enough to focus on profit alone. Business models of the future must be designed to stay within planetary boundaries, helping to push Earth Overshoot Day later in the year, rather than accelerating ecological overshoot.

## 2 Regenerative Business Models

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Explaining the graphic presented on the slide: This diagram helps us understand that sustainability is not the end goal – it is merely the middle of a much bigger journey.

On the left side of the spectrum, we see conventional business practices. These models typically comply with existing laws and regulations, but they often still cause harm to the environment and society. Even green strategies,

which aim to reduce harm, remain embedded in a degenerating system. They may slow down environmental degradation, but they do not stop it. At the sustainable stage, a business operates in a way that does not harm the ecosystem. However, it also does not actively contribute to its recovery or improvement. It simply maintains the status quo - neither making things worse nor making them better. This is where restorative and regenerative business models become relevant. Restorative models aim to fix what has been broken. This can include actions like replanting deforested areas or cleaning polluted rivers - measures that address past damage and seek to return systems to a previous, healthier state.

Regenerative models, however, go even further. These businesses don't just repair—they actively improve ecosystems and communities. They operate according to the principle of giving more than they take, fostering conditions for natural and social systems to thrive.

This represents a significant shift: from doing less harm to doing more good. But it is not only a shift in business strategy - it is also a change in mindset. Instead of viewing nature as a limit or a resource to be managed, regenerative thinking encourages us to see ecosystems as living partners in value creation.

This regenerative approach offers a powerful opportunity. Businesses can move beyond risk management and compliance. They can become drivers of positive change, contributing to the resilience of both society and the planet.

When we talk about regenerative business models, we are not just talking about reducing impact. We are talking about the future - a future in which businesses help life thrive.

### 3 Sustainable Business Model Canvas

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We've now spent quite some time exploring the BMC. But an important question remains: "What's missing in the BMC?" The answer is: social and environmental costs and benefits.

Let's take a moment to look at the graphic to better understand what this means. It's time to dive deeper and explore these missing elements together.

Now that we've talked about why business as usual is no longer enough, let's look at how we can update the traditional BMC to reflect the world we actually live in today. We've seen from the Doughnut Model that a business shouldn't just aim to be profitable - it should also stay within planetary boundaries and support human well-being. The Earth Overshoot Day shows us that most

current business models are using more resources than our planet can regenerate. Ask the participants: How do we respond to that as future business thinkers? The answer: With the Sustainable Business Model Canvas, or SBMC.

Most of this canvas looks like the original BMC. But now, it also includes two additional but essential fields at the bottom: Socio-Environmental Costs and Socio-Environmental Benefits.

About the Socio-Environmental Costs we need to ask the following question:

What negative impacts do our business activities have on people or the planet?

It can include things like:

- Resource extraction
- Pollution or waste
- Labor exploitation
- Contribution to inequality

We don't just want to externalize costs anymore - we want to make them visible and take responsibility.

About the Socio-Environmental Benefits we need to ask the following question:

What good do we do - beyond just offering a product? For example:

- Do we restore nature, reduce emissions, or support biodiversity?
- Do we create fair jobs, strengthen communities, or improve health?
- A sustainable business doesn't only try to minimize harm: it actively tries to create positive impact.

This version of the BMC helps us think more holistically.

It reminds us: A good business model isn't just viable (makes money). It should also be responsible and regenerative. As you go forward, try to think about business models not just as economic engines - but as tools for building a thriving future for people and the planet.

## **Learning Unit 4: Sustainable Business Model Canvas**

# Unit planning (75 Min)

Time	Short Description	Method	Equipment
05 Min	Transition to new topic after the break		
05 Min	<b>Activity 1:</b> Exploring the upcoming exercise	FRONTAL LESSONS	Laptop/Beamer / PPT-Presentation
5 Min	<b>Activity 2:</b> Group formation and selection of business idea	GROUP WORK	Printed SBMC worksheets
60 Min	<b>Activity 3:</b> Station-based rotation through the 11 blocks of the BMC+	GROUP WORK	11 prepared posters Indicators of where to start (block 1 + 2) and where to end (block 10 + 11)
10 Min	<b>Activity 4:</b> Group-internal discussion/reflection after rotation	GROUP WORK	worksheets
25 Min	<b>Activity 5:</b> Short presentation of the SBMC from each group	GROUP WORK	Completed worksheets
10 Min	<b>Feedback</b>	GROUP WORK	Laptop/Beamer PPT-Presentation

## Theoretical part

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Why apply the SBMC in practice? Understanding sustainable business models is not just about learning concepts – it's about learning how to think in systems and how to design value in a way that balances economic, social, and environmental dimensions. Applying the SBMC in a hands-on exercise helps participants move from abstract theory to practical application. By actively working through all 11 building blocks, they experience:

- how different elements of a business model are interconnected,
- how sustainability considerations can be integrated into core business logic,
- and how trade-offs, synergies, and innovation opportunities emerge when we look at a business holistically.

In this sense, using the SBMC fosters critical thinking, creativity, and systems thinking: all essential skills for designing business models that fit within the safe and just space of Doughnut Economics.

Moreover, the collaborative "Canvas Walk" format encourages peer learning and helps participants to challenge their own assumptions – which deepens understanding even further.

How to introduce the theoretical idea behind the exercise to participants: "Now we will take the Sustainable Business Model Canvas and put it into practice. This is where you move from thinking about individual concepts to actually designing a holistic business model. By working through the 11 building blocks, you'll not only deepen your understanding of what makes a sustainable business model – you'll also experience how these elements interact and influence each other. The goal is not perfection, but to experiment, explore, and learn."

## Practical part

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### **Exercise: Sustainable Business Model Canvas Walk**

#### **Objective**

The objective of this exercise is to engage participants in the practical application of the SBMC, covering all 11 components in a hands-on, collaborative format. By working on their own or selected business ideas, participants will critically reflect on how sustainable value can be created, delivered, and captured within a holistic business model framework.

## Expected Outcome

- Completed SBMC for a real or fictional business idea
- Critical engagement with all 11 SBMC elements, including socio-environmental dimensions
- Enhanced group collaboration and problem-solving skills
- Deepened understanding of how sustainable and regenerative principles are integrated into business model development



Go to the Gamification Toolkit for a detailed description of the exercise.

## Assessment Test Module 2 – Sustainable Business Models

	Question	Answer
1	What does a business model describe?	a) The daily tasks of employees b) The legal structure of a company c) How a company creates, delivers, and captures value d) The number of products sold
2	What is one key reason a business model helps a company?	a) It reduces the number of products offered b) It creates a legal structure for the business c) It helps explain how the business creates value d) It lists the daily duties of employees

3	What is the purpose of the Business Model Canvas?	<ul style="list-style-type: none"> <li>a) To track project deadlines</li> <li>b) To analyze businesses in a structured way</li> <li>c) To organize customer complaints</li> <li>d) To create website content</li> </ul>
4	In the Customer Profile section, what are 'pains'?	<ul style="list-style-type: none"> <li>a) Company expenses</li> <li>b) Problems that prevent customers from reaching their goals</li> <li>c) Health problems caused by products</li> <li>d) Issues with employee satisfaction</li> </ul>
5	What are 'gain creators' in the Value Proposition block?	<ul style="list-style-type: none"> <li>a) Ways to improve customer experience and fulfill desires</li> <li>b) Methods to increase company revenue</li> <li>c) Employees in sales and marketing departments</li> <li>d) Customer service agents</li> </ul>
6	What role do "key partners" play in a business model?	<ul style="list-style-type: none"> <li>a) They create advertisements for the business</li> <li>b) They reduce the number of employees needed</li> <li>c) They support the company by providing essential resources or services</li> </ul>

		d) They invest in the company's marketing team
7	What is added to the Business Model Canvas to integrate sustainability?	a) Salary structures b) Customer complaints c) Socio-ecological costs and benefits d) Employee performance reviews
8	What is the main goal of a regenerative business?	a) To regenerate financial risk regularly b) To generate PR and marketing benefits c) To create a net positive impact on ecosystems d) To expand to international markets
9	Which of the following business types causes the most harm to ecosystems?	a) Green b) Degenerative c) Restorative d) Regenerative
10	Why is regenerative entrepreneurship considered beneficial?	a) It increases short-term profits for investors b) It avoids responsibility for environmental damage c) It actively improves ecosystems and strengthens social systems d) It focuses only on complying with laws

## Recommended Reading:

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**Reed, B.** (2007). Shifting from “sustainability” to regeneration. *Building Research & Information*, 35(6), 674–680.

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# W-RISE LEARNING REPORT



**W-RISE**

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	Marketing Basics	Module Overview
Module Number	3	<ol style="list-style-type: none"> <li>1. Introduction to Entrepreneurship</li> <li>2. Business models</li> <li>3. <b>Marketing basics</b></li> <li>4. Financial Basics</li> <li>5. E-commerce</li> <li>6. Business Plan</li> </ol>
Classroom Hours	8	
Assessment	Quiz (10 questions)	Designed by KAUNAS UNIVERSITY OF TECHNOLOGY

## Module's Overview

### Marketing Basics

This module is designed for adult educators, using the gamification educational method to engage learners actively. It is the third module of the entire course and is focusing on the assessment of the marketing environment, marketing strategies and marketing tactics. The content is structured to accommodate learners with low educational backgrounds, ensuring concepts are explained in a simple and accessible way. The central theme of the module is marketing, which means that all examples, best practices, and strategies will be presented in the marketing context. The aim of the module is to provide knowledge about launching products to the market and to develop the ability to make strategic and tactical marketing decisions while operating in the domestic as well as in international market. This module covers

the three stages of developing a marketing plan: assessing the marketing environment (i.e. situational analysis), marketing strategies and marketing tactics.

The **UNIT 1** focuses on understanding the broader marketing environment. The assessment of the marketing environment involves several analyses, including PESTEL analysis, market and competitor analysis, as well as the reliable and suitable marketing research methods. Key concepts of this unit are PESTEL analysis, cultural and social environments, green consumers, market, consumer and competitors analysis, marketing research.

Subsequently, **UNIT 2** explores the development of effective marketing strategies, focusing on the STP (Segmentation, Targeting, and Positioning) framework and competitive strategies. Learners will also delve into market entry strategies, gaining practical knowledge to identify and approach potential markets. Key concepts of this unit are segmentation, targeting, positioning, competitive strategy, market entry strategy.

Finally, the **UNIT 3** covers the practical implementation of marketing strategies through the marketing mix (product, price, place, promotion (marketing communication)). Learners will explore product and brand development, pricing methods, distribution channels, as well as the practical aspects of designing marketing communications campaigns. Key concepts of this unit are product, pricing, marketing channels (place), marketing communications, green marketing.

**Unit 1 – Assessing marketing environment**

1.1 Introduction to marketing

1.2 Marketing environment assessment

1.2.1 PESTEL analysis fundamentals

1.2.2 Cultural differences in international markets

1.2.3 Market and competitors' analysis

1.2.4 Marketing research basics

Gamified Exercise: My product and persona

## **Unit 2 - Marketing strategies**

2.1 Introduction to marketing strategies

2.1.1 Segmentation

2.1.2 Targeting

2.1.3 Positioning

2.1.4 Competitive strategy

2.1.5 Entry strategy

Gamified Exercise: Positioning map & statement

## **Unit 3 - Marketing tactics**

3.1 Introduction to marketing tactics

3.1.1 Product and brand

3.1.2 Pricing

3.1.3 Marketing channels (place)

3.1.4 Marketing communications

Gamified Exercise: Brand creation challenge: learner designs a green brand and present it using brand Canva worksheet

# **Learning Outcome**

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

### **Knowledge**

- Understand the basics of the marketing environment, marketing strategies and

marketing tactics.

- Explore marketing strategic and tactical decisions, marketing macro-environment, market, competitors analysis, segmentation, targeting and positioning.
- Discover strategies for gaining and competing competitive advantage and ways of entering the market, considering the possibilities of their application and developing marketing mix strategies.
- Understand the green consumers and green marketing and learn how to design marketing approaches that align with sustainability principles and appeal to environmentally conscious audiences.

### Skills

- Ability to assess the marketing environment, its impact on marketing decisions
- Competence to conduct market, competitors analysis and marketing research
- Ability to develop marketing strategies through segmentation, targeting, and positioning (STP).
- Ability to design effective marketing tactics using the marketing mix (product, price, place, promotion).

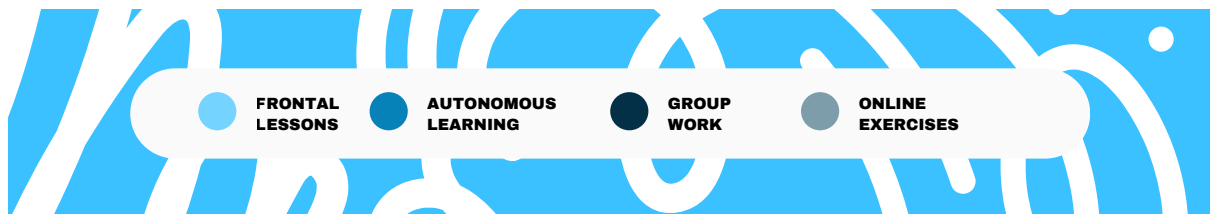
### Abilities

- To start their own business by evaluating the marketing environment and creating marketing strategies and marketing tactics.

## Learning Unit 1: Assessing marketing environment

Time	Short Description	Method	Equipment
10 Min	Welcoming and Icebreaking	FRONTAL LESSONS	Laptop/Beamer

35 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
75 Min	<b>Exercise:</b> My product and persona	GROUP WORK	Gamification Toolkit (Miro)
30 Min	<b>Securing results:</b> Debriefing after practical activities	ONLINE EXERCISES	Laptop/Beamer (Mentimeter)



## 1.1 Introduction to marketing

Marketing is defined as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association). Marketing also can be understood as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler et al. 2019). The central point of marketing activity is the customer. Marketing strategies and plans that guide marketing are key activities of the management process. The main task of marketing is to develop strategies that deliver customer-perceived value.

A marketing plan is a strategic document that describes how a company will achieve its marketing objectives through specific tactics and activities. The marketing plan usually should follow 4 steps from situation analysis, strategic decisions, marketing tactics to planning, implementation and monitoring. The first step, situation analysis, involves examining the company's micro and macro environment through marketing environment analysis and marketing research to understand market trends, consumer behavior, and the competitive landscape.

The second step, strategic decisions, includes defining segmentation, targeting, and positioning strategies, as well as selecting a competitive strategy and, in the case of international marketing, a market entry strategy. The third step, marketing tactics, focuses on developing the marketing mix, including product or brand development, pricing, marketing channels, and marketing communications. Finally, the fourth step, planning, implementation, and monitoring, involves creating a detailed action plan, ensuring its execution, and tracking performance to make necessary adjustments.

## 1.2 Marketing environment assessment

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A company operates in a constantly changing environment and, to be successful, it needs to constantly observe the environment, respond to changes and adapt accordingly. **The marketing environment** can be defined as the set of all internal and external forces that directly and indirectly influence a company's activities and its marketing decisions. Both the macro environment and the micro environment can influence marketing decisions.

**The micro environment** can be described as the set of external forces that affect the marketing decisions of a company and on which it can have some influence. Micro environment consists of competitors, consumers, suppliers, intermediates. **Consumers** are people who buy and consume products or services for their personal use. **Competitors** are other firms offering similar products or services and competing for the same customers. **Suppliers** refers to organizations or individuals that provide the raw materials, components, or services a company needs to produce its offerings. **Intermediates** refers to third parties such as agents, wholesalers, or retailers that assist in promoting, selling, and distributing the company's products to end consumers.

**The macro environment** can be understood as the set of external forces acting in a given area that influence a company's marketing decisions and over which the company has no direct control. The macro environment consists of the political, economic, social, technological, environmental and legal environment.

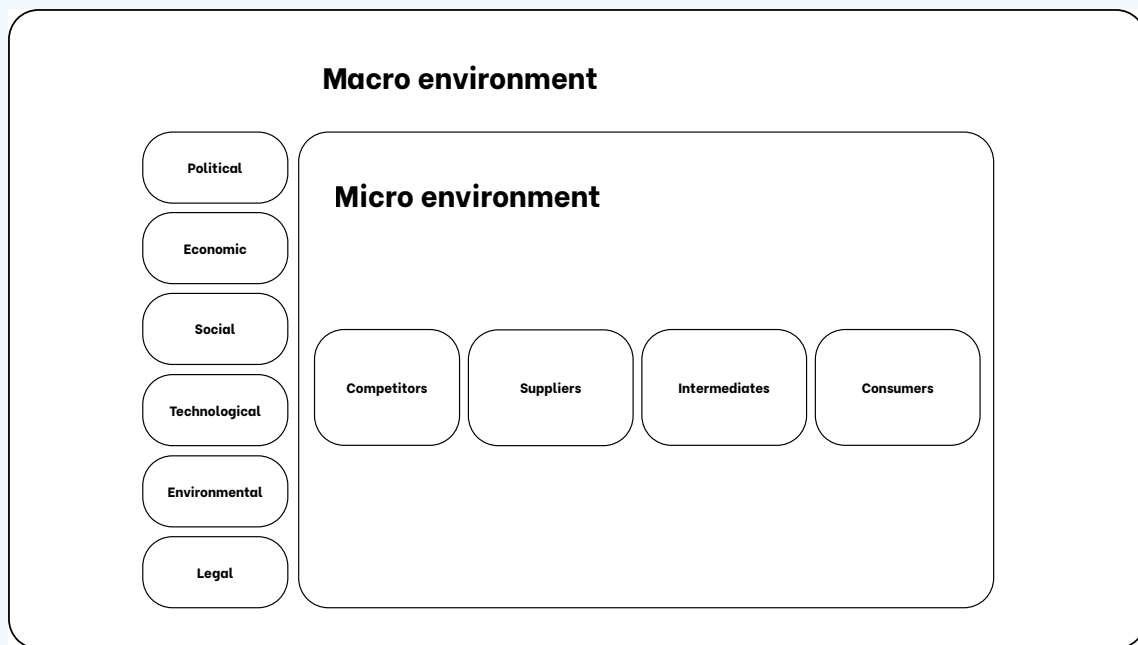


Fig. 1 Marketing environment

To assess the marketing environment, the first step is to conduct the situation analysis, which examines factors related to the marketing environment: political, economic, social, technological, environmental, and legal factors, also known as the PESTEL analysis. PESTEL is a comprehensive framework for analysing the macro-environmental factors that may influence marketing decisions. If a product is being introduced to a foreign market, it is essential to understand cultural differences in international markets, as they play an important role in shaping consumer behavior and expectations. It is especially important to recognize the role of green consumers—those who prioritize sustainability and environmental impact in their purchasing decisions. A detailed analysis of the market and competitors helps companies identify emerging trends, assess consumers needs, and understand the competitive landscape. In addition, at this stage, marketing research helps to understand the demand for the product or service and the expectations of consumers.

### 1.2.1 PESTEL analysis fundamentals

The macro environment has a significant impact on the success of marketing

activities, and it is therefore necessary to take these environmental factors into account when developing a strategic marketing plan. Taking these factors into account will improve the success of the company's marketing strategy and the reputation of the brand in the long run. A consistent reassessment of these factors is also necessary to ensure that the company is not affected by any new micro- or macro-environmental factors.

The PESTEL examines the political, economic, social, technological, environmental, and legal factors in the macro environment:

- **Political** - Local and national governmental structure, government stability, internal politics that affects business, international relations, terrorist activity.
- **Economic** - Regional economic growth indicators, exchange rates, trade and trade policy, government intervention in the economy, employment/unemployment, inflation, balance of payments.
- **Social** - Demographics, lifestyle, education, living standards (health and welfare), immigration/emigration.
- **Technological** - Technological infrastructure including market opportunities in the electronics high-tech markets, development of biotechnology and information technology industries, and clean technology markets, level of innovation, technology awareness,
- **Environmental/Legal** - Environmental regulations, global warming, pollution, green marketing, legal systems, business legislation, consumer protection, intellectual property issues.

### **Political environment**

**Political environment** can be described as an element of the marketing macro environment that encompasses societal political structures, actions, and legal acts that influence marketing decisions and their implementation. Entrepreneurs must manage the political environment in which the company operates. This means, first, learning to follow the customs of the country in which the firm is operating. Political factors are those determined by government actions and policies. Entrepreneurs have to understand the national strategies of the country.

The political factors in the country include political stability, the predominant ideology towards business, the roles that institutions have in the country (government agencies and the legal systems), and the international links to other countries' legal and ideological structures. It is important to carefully assess the political power structure and mood in a country before making decisions regarding business operations.

Table 1. Political factors (Schlegelmilch, 2022)

Political factors	<ul style="list-style-type: none"> <li>• Government stability/instability,</li> <li>• Corruption level,</li> <li>• Freedom of press,</li> <li>• Government regulation and deregulation,</li> <li>• Competition regulation,</li> </ul>	<ul style="list-style-type: none"> <li>• Level of government subsidies,</li> <li>• Bilateral relationships,</li> <li>• Import-export regulation/restrictions,</li> <li>• Size of government budgets.</li> <li>• Defense expenditures.</li> </ul>
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Government and regulatory institutions, through legal acts, can create favorable conditions for all companies or specific types of enterprises. They may encourage investment by reducing profit tax rates, for example, by lowering the corporate income tax (CIT) for small businesses, or impose restrictions and prohibitions on certain activities. *Lithuania offers a reduced corporate income tax (CIT) rate of 0% for the first year of operations and 6% for subsequent years to small companies with fewer than ten employees and annual income not exceeding €300,000 (PwC (n.d.)).* In marketing activities, legal acts can be divided into three groups:

- The first group regulates the establishment, internal operation and liquidation of companies. The first group of legislation defines the procedure for the establishment, registration, re-registration, reorganisation and liquidation of companies and their branches or representative offices, as well as the types of activities for which licensing is required and the procedure for licensing.
- The second group regulates the relationship between companies and their customers, partners and competitors. The second group includes legal acts that have a direct impact on a company's marketing, shaping its micro environment and regulating relationships with these elements. They set the rules for purchasing and selling goods, competition conditions, consumer rights and their enforcement mechanisms, and the rules for selling goods

and providing services to residents, among other things. *For example, in Ukraine, the Advertising Law expressly prohibits the distribution of unsolicited advertising, such as spam and bulk calls, without prior written consent from the consumer (World Law Group, 2024).*

- The third group regulates specific areas of marketing. The third group covers day-to-day marketing activities, in particular the relevant legislation governing specific areas and elements of marketing. These include legislation on product quality, safety, packaging, labeling, pricing, transportation, and advertising activities. Entrepreneurs must have a good understanding of the main legal rules on competition, consumer rights and the protection of the public interest. *For example, in Germany, the Act Against Unfair Competition (UWG) prohibits misleading advertising and unfair commercial practices to ensure fair competition and protect consumers (Kanzlei Herfurtner, n.d.).*

### **Economic environment**

**Economic environment** can be described as an element of the marketing macro environment, characterized by certain economic conditions and trends that influence marketing decisions and activities. Each company's activities are significantly influenced by macro environmental factors such as the overall economic condition of the country and its level of development. These factors more or less determine the purchasing power of residents, their behavior in the market, the demand for goods, and their sales. All of this is important for marketing activities. The economic environment is characterized by key indicators such as the country's gross domestic product, consumer income, savings levels, price levels of goods, availability of credit, economic development cycles, inflation, and unemployment.

Table 2. Economic factors (Schlegelmilch, 2022)

Economic factors	<ul style="list-style-type: none"> <li>● Growth,</li> <li>● Interest rate,</li> <li>● Inflation,</li> <li>● Exchange rate,</li> <li>● Availability of credit,</li> <li>● Level of disposable income,</li> </ul>	<ul style="list-style-type: none"> <li>● Government budget deficits,</li> <li>● Gross domestic product trend,</li> <li>● Unemployment,</li> <li>● Stock market trends,</li> <li>● Price fluctuations.</li> </ul>
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Inflation can be defined as an increase in the general price level and a decrease in purchasing power. Inflation affects purchasing power and consumer behaviour primarily by changing perceptions of the economic situation and by reducing the value of money. Consumer behaviour depends to a large extent on their expectations of the future inflation rate. If they believe that inflation will fall and their real incomes will rise, they are likely to postpone the purchase of expensive and durable goods. Conversely, if they expect inflation to rise, they will do the opposite: consumers will tend to hoard valuable goods rather than cash, prioritise purchases and take out loans because the loan will be repaid in a devalued currency. Therefore, the company's marketing activities should pay particular attention to pricing policy, market monitoring and other factors. *In Sweden, inflation peaked at more than 10% at the end of 2022, with significant implications for consumer behaviour. Many Swedish consumers have started to reduce discretionary spending, switch to private label brands and seek discounts. In 2025, public dissatisfaction with rising food prices has even led consumers to boycott major supermarket chains, highlighting the wider impact of inflation on shopping habits and consumer activity (The Guardian, 2025).*

### **Social environment**

**Social environment** can be described as an element of the marketing macro environment, reflecting the impact of society on the company, its marketing decisions, and their implementation. A company's operations are influenced by a certain societal structure, which is defined by specific indicators, characteristics, and changes. The social environment encompasses various elements, including the size, structure, and growth of the population, along with prevailing cultural values and norms, societal classes, ways of life, and religious beliefs.

Table 3. Social factors (Schlegelmilch, 2022)

Social factors	<ul style="list-style-type: none"> <li>• Population size and growth rate</li> <li>• Immigration and emigration rates</li> <li>• Life expectancy rates</li> <li>• Wealth distribution</li> <li>• Social classes</li> <li>• Family size and structure</li> </ul>	<ul style="list-style-type: none"> <li>• Health consciousness</li> <li>• Cultural norms and values</li> <li>• Sex roles and distribution</li> <li>• Religion and beliefs</li> <li>• Racial equality</li> <li>• Education level</li> </ul>
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The social environment is primarily characterised by demographic indicators, which identify the potential number of consumers, their distribution by gender, age, marital status, education, place of residence, occupation, ethnicity and other factors. These are important indicators for the company, especially their dynamics. For example, changes in the population of a country or a particular area can lead to market expansion or contraction. As the number of families with children increases, so does the demand for the goods they need. As life expectancy increases, the number of older people with specific needs increases. It is also important to understand the changes taking place. For example, the rapid growth of the world's population in economically weak developing countries, the decline in fertility and aging in developed countries, rising educational attainment, changes in family structure (longer marital age, fewer children, more families with working wives). All these changes have an impact on demand and its structure and require certain marketing actions. *For example, an aging population is expected to significantly increase the demand for long-term care services. In Sweden, the population is aging rapidly, with approximately 20.6% of residents aged 65 and over as of 2024. This demographic trend is driving the demand for health technologies or services for older people (Trading Economics, 2024).*

### **Technological environment**

**Technological environment** is an element of the marketing macro environment, reflecting the influence of scientific knowledge and its practical application on marketing decisions and their implementation. The technological environment mostly has an impact on product development, improvement, and production. Each significant scientific achievement creates the preconditions for the emergence of new products and the formation of new needs. Scientific and

technological advances have significantly impacted the packaging, storage, and labeling of products. They have enabled the extension of the shelf life and consumption period of many food products, expanded their market reach, and introduced new sales methods.

Table 4. Technological factors (Schlegelmilch, 2022)

Technological factors	<ul style="list-style-type: none"> <li>• Technology incentives</li> <li>• Automation</li> <li>• R&amp;D activity</li> <li>• Technological change</li> <li>• Access to new technology</li> </ul>	<ul style="list-style-type: none"> <li>• Level of innovation</li> <li>• Technological awareness</li> <li>• Internet infrastructure</li> <li>• Communication infrastructure</li> <li>• Life cycle of technologies</li> </ul>
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The following trends are observed in the technology environment in developed countries:

- Solar energy solutions. Advances in photovoltaic technology are reshaping how energy is generated and integrated into everyday devices. *For example, Saule Technologies (Poland) utilizes perovskite-based photovoltaic (PV) technology, one of the most promising innovations in solar energy. This lightweight and flexible solution can replace conventional PV panels and is expected to power electronic devices such as laptops and smartphones.*
- Future-proof building materials. Climate-conscious industries are increasingly focused on developing building materials that help reduce carbon emissions and support long-term sustainability. *For example, Paebbl (Sweden) accelerates the natural CO<sub>2</sub> mineralization process—normally taking centuries—by over a million times using minimal energy. By combining captured carbon dioxide with abundant minerals, they create carbon-negative raw materials that can be used across various sectors.*
- Sustainable raw materials The circular economy encourages the extraction and reuse of valuable compounds from organic waste to produce eco-friendly materials. *For example, BI-REX (Italy) has developed an innovative process using Deep Eutectic Solvents (DES) to extract cellulose from agro-food waste such as beer and coffee grounds, and chitin from shrimp shells.*

*These are then converted into fully sustainable paper and bioplastics.*

### **Environmental environment**

**Environmental environment** is an element of the marketing macro environment, which includes the impact of climatic conditions, natural resources, their use and the environmental measures on marketing decisions and their implementation. Growing public concern for environmental protection increasingly requires companies to properly consider ecological requirements when addressing production and marketing issues. Additionally, entrepreneurs must consider the growing public environmental awareness and the changing natural environment in their marketing strategies. Entrepreneurs must account for both the changing natural environment and rising consumer demand for environmentally responsible products and brands.

Table 5. Environmental factors (Schlegelmilch, 2022)

Environmental factors	<ul style="list-style-type: none"> <li>• Weather</li> <li>• Climate</li> <li>• Environmental policies</li> <li>• Climate change</li> <li>• Pressures from NGOs</li> <li>• Natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Air and water pollution</li> <li>• Recycling standards</li> <li>• Support for renewable energy</li> </ul>
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Attention should be paid to trends that offer specific opportunities:

- Sustainable telecommunications. With the development of digital services, there is an increasing search for environmentally responsible telecommunications solutions that reduce the carbon footprint. *For example, WeTell in Germany operates as a carbon-neutral mobile provider, offsetting all CO<sub>2</sub> emissions and specifically investing in renewable energy projects. The company emphasizes transparency and fairness in its contracts, addressing both environmental and ethical consumer expectations (Prokon, n.d.).*
- Carbon offsetting platforms and climate policy services. Digital tools that allow individuals and businesses to measure, reduce and offset carbon

emissions are becoming increasingly available and support voluntary climate action. *For example, ForTomorrow (Germany) offers a platform that enables users to calculate their carbon footprint and offset it through a subscription model supporting reforestation in Germany and the purchase (and cancellation) of EU emission rights (ForTomorrow gGmbH. n.d.).*

- Plant-based and regenerative food production. Consumer demand for clean eating is driving the growth of plant-based food innovation, as it helps to reduce greenhouse gas emissions and improve soil health. *For example, Bärta (Sweden) produces organic, naturally sprouted, and fermented Swedish peas. Rich in plant-based protein and fiber, the product is easy to digest and contributes to lower CO<sub>2</sub> emissions and better ecosystem functioning (Swedish Temptations AB., n.d.).*

### Legal environment

**Legal environment** is an element of the marketing macro environment, which includes the impact of laws and regulations on marketing decisions and their implementation. A country's legal framework significantly impacts how a company can interact with that market. Regulations can dictate specific aspects of how a company advertises or prices its products or services. Companies must consider the copyrights and designs of the products, must obey the health and safety rules, must follow labor and employee safety laws well.

Table 6. Legal factors (Schlegelmilch, 2022)

Legal factors	Discrimination laws Antitrust laws Employment laws Consumer protection laws	Copyright and patent laws Health and safety laws Education laws Data protection laws
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World Trade Organization (WTO) TRIPS (Agreement on Trade-Related Aspects of IP) There are four types of intellectual property:

1. Trademark: a word, phrase, symbol or design that distinguishes one company's products (trademarks) or services (service marks) from those of

its competitors.

2. Patent: A patent grants ownership rights to an invention, allowing the patent holder to prohibit others from making, selling or using the invention. Inventions enable many companies to be successful because they develop new or better processes or products that give them a competitive advantage in the marketplace. Most patents – USA, Japan, China, Germany.
3. Copyright protects original works of authorship, such as literary works, music, dramatic works, pantomime and choreographic works, sculptural, pictorial and graphic works, sound recordings, works of art, architectural works and computer software. In exercising copyright protection, the holder has exclusive rights to modify, distribute, perform, create, display and copy the work.
4. Trade secret – a formula, process, device or other business information that companies keep private in order to give them a business advantage over competitors. Examples: soda formula, customer lists, survey results, computer algorithms.

*In summary the PESTEL framework is a tool used to analyze the macro-environmental factors—political, economic, social, technological, environmental, and legal—that influence a company’s activities and its marketing decisions. It helps identify potential risks and opportunities by assessing elements such as political stability, economic growth, cultural norms, technological innovation, environmental sustainability, and legal regulations. Understanding these factors enables companies to make informed decisions, adapt to changes, and mitigate challenges.*

## 1.2.2 Cultural differences in international markets

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**The cultural environment** can be understood as the shared beliefs, values, customs, and behaviors that characterize a society. To successfully navigate foreign markets, it is essential for entrepreneurs to gain a deep understanding of cultural differences. Culture consists of many interconnected elements that influence consumer behavior. Below are some of the key components that

marketers should consider:

- Language
- Social interactions
- Aesthetics
- Religion
- Education
- Value systems
- High/Low context

Language as a communication medium has two parts: the spoken (vocal sounds or written symbols used for communication) and the so-called silent language (nonverbal communication mechanisms used to convey meaning). A given gesture can have different meanings across cultures. People from different cultures also interpret facial expressions differently. Companies need to decide which languages to use for product labels or advertising copy. To address language issues, companies should rely on local communication agencies, minimize the spoken parts of commercials, or use subtitles.

Social interactions refer to how members of a society relate to each other. In most Western countries, the family unit typically refers to the nuclear family, parents and children. In contrast, developing countries often emphasize the extended family, including more distant relatives. The structure of families has important implications. Role expectations within families also differ across cultures. Identifying key influences within a given culture is often critical to the success of a targeting strategy. Countries also vary in terms of the scope of decision-making authority. Another important aspect of social interaction is an individual's reference groups, people they look to for guidance in values and attitudes. These groups significantly impact consumption behavior. Blackwell et al. (2017) identify three types of reference groups: membership groups (those to which one belongs), anticipatory groups (those one aspire to join), and dissociative groups (those one avoids association with).

Aesthetics refers to a culture's ideas and perceptions of beauty and good taste. Cultures differ greatly in their aesthetic preferences. As a result, companies often

need to customize the design or appearance of products to align with cross-cultural aesthetic preferences. Color is a very important visual element. *For example, black is the most popular car color in Europe, especially in countries like Germany and Sweden, where black and silver are associated with elegance, professionalism, and prestige (Axalta Global Automotive Color Popularity Report, 2023). In contrast, Italians may prefer vibrant colors like red or yellow, reflecting passion and expressiveness – traits often linked with Italian culture and design, as seen with Ferrari and Lamborghini branding.*

Religion plays a vital role in many societies. Religious holidays often drive advertising campaigns or reveal untapped market opportunities. *For example, in Catholic-majority countries like Italy, Spain, and Poland, religious holidays such as Christmas, Easter, and All Saints' Day greatly influence retail cycles, with brands launching themed advertising campaigns and seasonal product lines. In Orthodox Christian countries such as Greece, Ukraine, and Romania, Easter is celebrated on a different calendar, requiring international companies to adjust their promotional timings accordingly.*

Education levels vary considerably between countries. A powerful indicator of education is the national illiteracy rate. In countries with low literacy levels, marketers must be cautious with product labelling, print ads, and survey research. Companies should also consider the quality of education. Additionally, the digital skills of consumers and potential employees are becoming increasingly important. These include the confident and critical use of information society technology (IST) for work, leisure, learning, and communication. This is supported by basic IST skills, such as using computers to retrieve, store, produce, and exchange information and participating in collaborative networks via the internet. Many companies aim to build a local presence by hiring local talent; however, a shortage of qualified people often forces them to rely on expatriates until local staff can be properly trained.

Value systems shape norms and standards. For companies, one essential distinction is a culture's attitude toward change. Societies resistant to change are less likely to adopt new products or production processes. Local attitudes toward foreign cultures also affect product positioning and design. Guidelines for

implementing innovations in cultures resistant to change include:

1. Identifying roadblocks to change
2. Determining which cultural hurdles can be overcome
3. Testing and demonstrating the innovation's effectiveness in the host culture
4. Seeking out values that can support the proposed innovation

While cultures differ, they often share some characteristics. Cultural classifications help entrepreneurs assess how much overlap exists between marketing programs in different markets.

G. Hofstede established five cultural dimensions that define national value systems and consumer attitudes:

- Power distance
- Uncertainty avoidance
- Individualism vs. collectivism
- Long-term orientation
- Indulgence

Globally, individualism is more common in developed Western countries, while collectivism is more prevalent in developing countries. Individualistic societies focus on personal achievements and rights, prioritizing the needs of the individual and immediate family. Collectivism shows that the goals and well-being of the group are given greater importance (Corporate Finance Institute, n.d.).

High-context cultures for example, France, Spain, Italy, and Greece rely on close human relationships, structured social hierarchies, and strong behavioral norms. Communication in these cultures involves many unspoken cues; recipients must read "between the lines" and pay close attention to body language. In contrast, low-context cultures for example Germany, France, UK, Switzerland, Sweden, and Belgium prioritize clear, direct, and linear communication (GLOBIS Insights, n.d.).

*In summary, understanding cultural differences is essential for entrepreneurs*

aiming to succeed in foreign markets. Culture encompasses shared beliefs, values, customs, and behaviours. Key cultural components such as language, social interactions, aesthetics, religion, education, value systems, and communication styles (high- or low-context) greatly influence consumer behaviour and marketing decisions. Entrepreneurs must consider differences in family roles, reference groups, literacy levels, aesthetic preferences, religious practices, and digital skills when entering new markets.

### 1.2.3 Market and competitors' analysis

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The macro environment is largely uncontrollable, while the micro environment is more susceptible to influence or control. It is important to look ahead, especially towards consumers and competitors who form the market. **A market** is a place where buyers and sellers interact to exchange goods and services. Its primary function is to facilitate transactions and value exchange. To understand market dynamics, companies typically conduct a market analysis, which includes (Graham J. Hooley, 2020):

1. Market Identification. Defines which goods or services and which geographical areas the company will compete in. *Example: In the breakfast cereal industry, the market may be defined from a product-based perspective, focusing on dry cereals.*
2. Market Potential. Refers to the maximum possible demand for a product or service in a given time and location.

There are two key methods to estimate this:

- Chain Ratio Method:
  - Step 1: Start with the total population (e.g., EU: 512 million).
  - Step 2: Eliminate non-consumers (e.g., illiterate individuals and children under 12 = 20%), resulting in 410 million.
  - Step 3: Filter further by relevant criteria (e.g., education/income), narrowing down the target to around 287 million.
- Analogy Method:
  - Estimate demand in one market using known data from another.

- *Example:* If the UK sold 1.1 million fridges (population: 60M), Germany (population: 82M) might sell ~1.5 million:  $(82 \div 60) \times 1.1 = 1.5$  million

3. Market Attractiveness. Determined by factors such as market size, growth rate, competitive intensity, and cyclicity.

After assessing the market, competitors should be analyzed. **Competitor analysis** involves assessing competitors to understand their strategic intentions, capabilities, market position and short-term actions so that companies can make informed and proactive marketing decisions. A comprehensive analysis includes:

- Competitors' long-term goals and motivations. Understanding what competitors aim to achieve in the long run helps anticipate their strategic moves.
- Their strengths and weaknesses. Evaluating what competitors do well and where they fall short can reveal strategic advantages.
- Their marketing strategies. Analyzing how competitors position themselves in the market provides insight into their branding and customer targeting.
- Their tactical marketing decisions. Observing short-term actions like pricing, promotions, and product launches helps track competitors' responses to market dynamics.

The competitive landscape should be reviewed to understand the dynamics of the industry and identify potential risks and opportunities **before making strategic decisions**. The most common framework to assess the competitive landscape is **Porter's Five Forces**. Each of Porter's Five Forces is influenced by specific factors:

1. Threat of New Entrants – High when barriers to entry (capital, patents, brand loyalty) are low. The main question should be asked: How easy is it for new companies to enter this industry? This threat is high if: It doesn't take much money to start, existing companies don't have strong brand names, there are few legal or technical barriers (like patents), and products are not very different from each other. *For example: In Lithuania, starting a small e-commerce business is relatively low-cost and the market is still growing. If there are few strong local brands, new players can enter easily. But the*

threat is low if: there are strong brands (like in Germany's automotive industry, where brands like BMW and Mercedes dominate), the market is highly regulated, scale and technology give established firms a cost advantage.

2. Threat of Substitutes – High when alternatives are easily available and switching costs are low. The main question to ask: Are there other products that can replace mine? This threat is high if: customers can easily switch to another product, there are many alternatives, your product doesn't offer unique value. *For example, In Italy, public transport is widely used. So if you want to sell electric scooters, you face competition from buses, trains, bikes, and car-sharing. You'll need to offer something unique (e.g., faster, cheaper, more convenient).* But it's low if: Your product is unique or patented, switching costs are high.
3. Bargaining Power of Buyers – Increases when buyers are few and well-informed, and products are undifferentiated. The main question should be asked: How much power do customers have to influence prices or terms? Their power is high if: there are many sellers, but few buyers, it's easy for customers to switch to a competitor, products aren't very different. *For example, In Poland, supermarkets often buy from many local food producers. A few big chains (like Biedronka) have the power to push prices down because they buy in bulk and have many choices.* But buyer power is low if: products are unique or highly differentiated (e.g., artisan foods in Sweden with protected regional status), there are many buyers and fewer sellers.
4. Bargaining Power of Suppliers – Strong when there are few suppliers or switching is difficult. The main question: How much influence do suppliers have over the costs or supply terms? Their power is high if: there are only a few suppliers, the materials they provide are essential or unique, or it's costly to change suppliers. *Example: In Germany, many high-end car manufacturers depend on specialized electronics and precision parts suppliers.* If one key supplier raises prices or delays delivery, it can seriously affect production. Supplier power is low if: there are many alternative suppliers, or if the buyer accounts for a large share of the supplier's revenue.
5. Competitive Rivalry – High when many firms compete on price, quality, or service, and product differentiation is low. The main question: *How intense is*

*the competition in your industry? Rivalry is high if: there are many competitors offering similar products, market growth is slow, or companies are competing primarily on price. Example: In Spain's fast fashion market, companies like Zara, Mango, and international brands aggressively compete on price, design, and speed of delivery—making the rivalry intense. Rivalry is lower in markets where: companies target different niches or where branding and product uniqueness reduce direct competition.*

After assessing the market and competition, it is essential to review the consumers. **Consumer** – the person who uses the product, but may not be the buyer. A strong marketing strategy considers, by asking:

- Who buys and who uses the product? These are not always the same. *For example, a parent may buy a smartphone, but their teenager uses it every day. So the messages should appeal to both the buyer (value, safety features) and the user (cool design, social apps).*
- Who influences the purchase decision? Sometimes what is bought is determined by others. *For example, a company's purchasing manager may approve the software, but the IT team has a big influence on the decision because they will use it. Both groups should be targeted.*
- What needs does the product fulfill? Understand what practical or emotional needs you are meeting. *In Italy, selling premium coffee is not just about caffeine, but also about quality, ritual and Italian culture. So you are not just selling a drink, you are offering an experience.*
- Why is your brand chosen over others? How are you different? It could be price, quality, design, convenience, values, etc. *For consumers who choose eco-conscious and transparent brands, you need to emphasise the points if your product uses sustainable packaging or donates to environmental causes.*
- Where and when does the customer purchase it? *In Lithuania, younger consumers often shop online late in the evening via their smartphones. It is important to make sure that the website is mobile-friendly and promote ads during those peak hours (Venipak, 2024).*
- How do lifestyle and demographics affect their behavior? *Age, income,*

*education, location, habits—all of these shape what people want and how they shop. German consumers, particularly older demographics, place a high value on product quality and brand trust (Mintel, 2023).*

*The market and competitive environment analysis helps businesses understand the external forces, market demand, competitor dynamics, and customer behaviors that shape success. Tools such as Porter's Five Forces, market potential estimation, and target audience profiling guide strategic decisions in product development, market entry, and positioning. A company that clearly understands its environment—macro, micro, and internal—is better positioned to build sustainable value and outperform competitors.*

## 1.2.4 Marketing research basics

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**Marketing research** is the systematic and objective identification, collection, analysis, dissemination, and use of information to assist management in decision-making regarding the identification and resolution of marketing problems and opportunities (Malhotra, 2020). Like other business functions, marketing heavily relies on information, some of which is already available within corporate records, while the rest needs to be gathered from external sources. Entrepreneurs must determine which information-gathering method is most appropriate and cost-effective. Marketing research serves as a link between an organization and its customers, helping entrepreneurs make better marketing decisions. It plays an important role in decision-making by collecting, analyzing, and interpreting information to solve marketing problems. **Problem-identification research** is conducted to uncover issues that are not immediately visible or may arise in the future. Examples include research on market potential, brand image, market characteristics, sales performance, forecasting, and business trends. **Problem-solving research**, on the other hand, aims to provide solutions. Such research relates to segmentation, product development, pricing, promotion and distribution. The marketing research process consists of five stages: problem definition, developing a research design, data collection, data preparation and analysis, and communicating research results (Malhotra, 2020).

### **Stage 1:** Problem Definition

The first step in the marketing research process is to clearly define the marketing problem that requires research support. *For example, do we need to launch a new product on the market?* At this stage, it is important to consider the research's purpose, relevant background information, and how the information will aid decision-making. Both decision problems (*e.g., should we launch a new product to the market?*) and research problems (*e.g., what are consumers' preferences and purchase intentions for the new product?*) need to be identified. **A decision problem** describes the action needed to solve an issue, while **a research problem** defines the required information to address the decision problem and the most efficient way to obtain it. Right problem identification is essential, as incorrect problem identification can lead to ineffective follow-up. When it is better not to conduct a study:

- when the decision to carry out a study has already been taken,
- when there are insufficient funds,
- when the information already exists,
- when the problem, the objectives, the purpose of the study are not clear,
- when the costs of the study may outweigh the benefits.

### **Stage 2:** Research design

The **research design** is the framework for conducting the marketing research project, outlining the procedures required to obtain the necessary information. It is important to choose the strategy: qualitative or quantitative research. Data collected by qualitative methods do not provide precise figures or correlations, but they do allow us to identify deep motivations, ideas, attitudes and to understand consumers' feelings. Qualitative data is more likely to answer the "why", "how" and "what" questions. **Qualitative research methods** are mostly used when the researcher tries to get a variety of thoughts and ideas about a certain problem, and generates hypotheses. It is appropriate to choose qualitative research when the content of the data or the characteristics is not quite clear, *e.g. what is the quality of the service of a sports centre according to the consumers, how do they perceive it, or what is the atmosphere of a restaurant.*

**Quantitative research** is a way of obtaining marketing information in terms of quantitative indicators. Quantitative data are more likely to answer the questions 'who', 'how much', 'how often'. Data collected by quantitative data collection methods are usually numbers, percentages, statistical indicators reflecting statistical and causal relationships. We conduct qualitative research when we want to gain a deeper understanding of individuals to understand why they make certain choices, in what situations they need to make certain choices, and what their positive or negative experiences are. We conduct quantitative research when we want statistically significant information about individuals (how many, what kind), their preferences, attitudes or behavior. In this stage, it's essential to define the research aim, formulate questions, and identify the information needed to solve the research problem. *For example Ikea conducts annual global research to find out what life at home means today, and how they can help make it better.* The design should aim to answer research questions, providing the needed data for decision-making. This stage also involves defining variables and selecting appropriate measurement scales. Additionally, the method for obtaining data from participants (e.g., surveys or interviews) must be determined. Data can be gathered through:

- **Secondary Data:** Pre-existing data collected by others, such as from commercial market research firms. Issues with secondary data include concerns over accuracy, timeliness, reliability, and comparability.
- **Primary Data:** if secondary data is inadequate or unavailable, primary data is collected through focus groups, interviews, surveys. Entrepreneurs must develop the survey instrument and the sampling plan that is, determining who the participants will be and how they will be selected.

### **Stage 3:** Data collection

At this stage, data is collected in a variety of ways, such as focus group discussions, interviews, surveys. The research method chosen depends on the level of understanding of the problem. Focus group discussions and interviews are qualitative methods. **A focus group discussion** is a discussion with a small group of respondents. A focus group discussion is a useful way to find out how to talk to the market, what language and terms should be used, what new ideas for

an advertising campaign are needed, whether a new product is needed and how to develop it. The focus group discussion method is needed to generate ideas, to understand the consumer's vocabulary, to discover consumer needs, motives, perceptions towards goods and services. Focus group discussions are used when the topic is acceptable and easy to discuss and when group dynamics are needed - *for example, when generating new ideas, evaluating new packaging, examining the role of price in the choice of luxury cars, employees' attitudes towards a new motivation plan, pre-testing an advertisement, or clarifying consumers' understanding of the dictionary.* **Interview** can be described as a personal interview with one person. Interviews are used when discussing sensitive or non-public topics, such as personal finances, illness, dentures or personal hygiene, where it is important to maintain privacy and openness. This method is also used when there are strong social norms and group pressure could influence responses, such as attitudes towards healthy eating or sport. Interviews are particularly suitable when a very precise understanding of behaviour is needed, *for example when investigating consumers' shopping habits in a supermarket or car purchase decisions.* They are also used when topics are of a personal nature, when the target group is physically difficult to reach, such as doctors, lawyers or other busy professionals, or when there may be competition between members of the target group, such as between business competitors. Surveys are quantitative methods. **Survey** - a method of data collection based on communication with individuals (respondents). It is useful to find out people's attitudes towards themselves, politics, business, fashion, the future, etc., as well as their activities such as work, hobbies, holidays, community activities or sport, and interests related to family, profession, recreation, food or personal achievements. Using a standardized measurement instrument - **a questionnaire** - information is obtained from each respondent, allowing for meaningful, statistically valid analysis. For creating questionnaires, it is recommended to use online tools such as SurveyMonkey or Google Forms. These platforms are user-friendly, allow for a variety of question types, support data collection and analysis, and are widely accessible—making them ideal for both academic and business research.

**Stage 4:** Data preparation and analysis.

Before data analysis begins, the data must be carefully prepared through processes such as transcription, editing, coding and validation. Both qualitative and quantitative data are analyzed to generate insights that support informed management decisions. For qualitative data, transcripts must first be created, providing a written record of interviews, focus groups. Once transcription is complete, the data can be analyzed using qualitative data analysis software such as MAXQDA, which enables researchers to code, categorize, and identify patterns and themes within the text efficiently and systematically. One method of analysing transcripts is the content analysis method. The content of the text must be analysed in a step-by-step manner, following clear rules and dividing the text into analytical units. First, the text is read several times in order to get a general idea of its content. The text is then broken down into meaning units or supporting statements - words or phrases that are directly relevant to the purpose of the study and meaningful to the researcher. These units of meaning are grouped into sub-categories and the sub-categories are grouped into broader categories according to their meaning. A category is defined as a summarising group of sub-categories - a broad topic that is elaborated and broken down into smaller, summarising parts of the text, called sub-categories. Tools such as Maxqda are commonly used for content analysis. After the quantitative data collection, a response check is carried out to assess whether the questionnaires are complete and logical, followed by data cleaning - removing duplicate entries, incomplete or erroneous data. Finally, statistical data matching is performed, i.e. checking the internal logic of the data and preparing the basis for further analysis. This is followed by an analysis that depends on the research questions and objectives. The type of analysis should always be chosen according to the purpose of the study, the questions, and the study design. Tools such as SPSS or Microsoft Excel are commonly used for statistical analysis, depending on the complexity and scale of the dataset.

**Stage 5:** Communicating research results.

*Research is just a tool. They help entrepreneurs make decisions. But they are not a substitute for management or marketing decisions. Research does not offer definitive solutions, it provides the information on which decisions are made. The*

information must be relevant, accurate, reliable, correct, up-to-date and effective. For a deeper understanding of individuals' behavior, qualitative research is appropriate, while quantitative research is used when statistically significant data is required. Both types of research can complement each other within the same project.

### Gamified

#### Exercise Unit1: My product and persona

#### Objective of the exercise/activity:

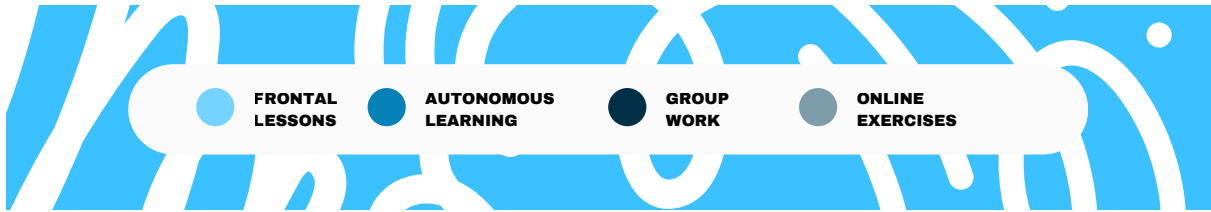
To create a product idea and detailed user personas that reflect the needs, goals, and challenges of the target audience, and to evaluate how the company compares to its main competitors. The goal of this task is to ensure the brand, product, or service is strategically positioned to meet consumer expectations and differentiate itself in the market.

Find the task in the gamification toolkit.

## Learning Unit 2: Marketing strategies

Time	Short Description	Method	Equipment
10 Min	Welcoming and Icebreaking	FRONTAL LESSONS	Laptop/Beamer
35 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
75 Min	<b>Exercise:</b> Positioning map & statement	GROUP WORK	Gamification Toolkit (Miro)

30 Min	<b>Securing results:</b> Debriefing after practical activities	ONLINE EXERCISES	Laptop/Beamer (Mentimeter)
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## 2.1 Introduction to marketing strategies

Marketing strategies are essential for business success and the segmentation, targeting and positioning (STP) model is a key element of effective marketing. It is important to be familiar with STP, whether you are doing business in domestic or international markets, because mistakes in these areas can be costly and lead to failure, and getting them right is the key to sustainable success.

**Segmentation** involves dividing a broad market into smaller, more manageable groups based on common characteristics such as geography, demographics, psychographics, behavior or specific benefits sought. These segments are likely to respond consistently to tailored marketing efforts. **Targeting** follows segmentation and involves assessing the potential of each segment and selecting one or more segments. Companies may adopt a concentrated strategy, focusing on a single segment, or a differentiated strategy, applying tailored marketing approaches to several segments. Thanks to advances in digital marketing, companies can now directly target individuals with a 'one segment' strategy and offer a highly personalized experience. **Positioning** is the last step in the STP process. It involves creating a clear, distinct and attractive image of the product or brand in the minds of the target consumers, relative to competitors. In addition to positioning, a company's **competitive strategy** focuses on outperforming competitors and gaining market share, while the **market entry strategy** defines the approach to entering new markets.

### 2.1.1 Segmentation

**Market segmentation** is the division of a market into parts that respond in the same or similar ways to marketing activities. Through market segmentation companies divide large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs. Effective market segmentation requires segments to meet six key attributes: measurability, accessibility, substantiality, differentiability, actionability, and stability. However, achieving all these criteria in practice can be challenging. For instance, measuring traits like personality can be costly, and ensuring accessibility often requires consumers to self-target. Furthermore, determining whether a segment is large enough to pursue profitably typically relies on managerial judgment. The primary reason for market segmentation is the variation in customer needs. Companies focus on identifying and targeting the most attractive market segments they can serve effectively. Once target segments are chosen, companies must then create a competitive positioning strategy for their products. To effectively reach specific customers, companies must divide the market into identifiable, similar segments. **Market segment** is a subgroup of people or organizations that have one or more characteristics in common that cause them to have the same product needs. It is important to distinguish between “customer” (the individual who purchases the product) and “consumer” (the individual who uses the product but may not necessarily buy it). Through market segmentation, companies divide a large, diverse market into smaller, more manageable segments, which can be targeted with products and services that meet their specific needs more effectively. Successful segmentation begins with comprehensive marketing research. Understanding the needs of potential customers and the characteristics of the target audience is essential before deciding how to meet those needs. The segmentation process typically occurs in three stages:

1. Understanding the needs of customers: this step involves conducting market research or utilizing internal company knowledge to identify the diverse needs within the overall market.
2. Group customers by similar needs and characteristics: customers are grouped based on factors like geography, demographics, behavior (such as brand loyalty, usage rate, or benefits), or lifestyles.

3. Select specific target groups: companies then choose which customer segments to target, often rejecting groups that are unprofitable or don't align with the company's strategic objectives.

Segmentation can be classified into five main types: geographic, demographic, psychographic, behavioral, and benefit-based, each offering unique insights into consumer groups. Together, these types of segmentation help companies to better adapt their marketing strategies to meet different customer needs.

- **Geographic segmentation** divides markets by geographic region, city size, population density, urban, suburban, rural areas. *For example, a clothing retailer may offer warmer, layered collections in Northern Europe while promoting lighter, coastal styles in Mediterranean regions like southern Spain or Italy.*
- **Demographic segmentation** focuses on measurable characteristics like age, gender, income, education, social class and occupation. It is widely used due to data availability and relevance; *for example, teenagers often exhibit similar buying behaviour globally, and high-income "elite" consumers form a cross-border luxury market.*
- **Psychographic segmentation** dives deeper into lifestyle, personality and values, often explaining consumer behaviour more effectively than demographics alone. *For example, Ljöfbergs, Swedish family-owned coffee roastery, targets environmentally and ethically conscious consumers by promoting its fair-trade and organic products, appealing to consumers whose values align with sustainability and ethical sourcing.*
- **Behavioral segmentation** looks at usage patterns, brand loyalty, purchase behaviour, or frequency, making it especially useful in global contexts where cultural or regional factors might be less relevant. *For example, Spotify, a Swedish streaming platform, uses behavioral data to segment users into casual listeners, daily users, or premium subscribers, offering personalized playlists and pricing plans accordingly.*
- **Benefit segmentation** identifies consumer groups based on the specific benefits they seek from a product.

**LOHAS (Lifestyle of Health and Sustainability)** represents a growing segment of

consumers who prioritize personal health, well-being, and environmental sustainability, recognizing the intrinsic connection between individual wellness and the health of the planet. In developed countries, the proportion of consumers who pay attention to sustainability in their purchases can reach 25.0% of the population (Lendvai et al. 2022). The market size is estimated at €500 billion (Chhabra and Kaur 2022). LOHAS consumers are conscious, values-driven buyers who choose brands that align with their beliefs in sustainability, wellness, and social responsibility.

LOHAS consumers value:

- Healthy living – including organic foods, natural products, nutritional supplements, and a wide variety of fitness and wellness activities. *Example: Bärta (Sweden) produces 100% naturally sprouted and fermented organic peas, rich in plant-based protein and fiber. Their product supports gut health and contributes to a sustainable plant-based diet.*
- Alternative healthcare – such as integrative medicine, holistic healing, and disease prevention methods beyond conventional care.
- Personal development – engaging in mind-body-spirit practices, self-help, emotional intelligence, leadership, and achieving life balance. *Example: BlueCall (Sweden) provides a digital mental health platform offering anonymous therapy sessions via app, promoting emotional well-being and mental resilience in both personal and professional life.*
- Ecological lifestyles – supporting recycling, green architecture, ecotourism, and eco-friendly products for the home and workplace. *Example: Lucirmás (Spain) upcycles discarded glass bottles into handcrafted home décor pieces. Their low-impact production process and creative reuse appeal to eco-conscious consumers seeking sustainable home solutions.*
- Sustainable economy – advocating for fair trade, ethical business practices, and preferring companies that reflect their holistic and ethical values. *Example: Vinted (Lithuania) encourages circular consumption by facilitating the resale of secondhand clothing, helping reduce textile waste and promoting ethical fashion habits in line with LOHAS values.*

Segmentation involves two main steps: macro-segmentation, which identifies

*and prioritizes target countries, and micro-segmentation, which analyzes segments within those countries or regions. Companies can target universal global segments, focus on regional similarities, or localize marketing strategies for specific national markets. Segmentation criteria include demographic, geographic, behavioral, psychographic and benefit factors, each helping to identify distinct customer needs. While demographic and geographic segmentation address factors like age, income, and nationality, behavioral, psychographic and benefit segmentation focus on purchasing behavior and lifestyle traits. Successful segmentation requires an understanding of consumer needs.*

## 2.1.2. Targeting

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**Targeting** is the process of selecting one or more market segments, deciding on the most effective marketing approach for each, and transforming these approaches into actionable strategies. This involves analyzing the attractiveness of each segment by considering key factors such as market size, growth potential, competitive intensity, and how well the company's value proposition aligns with the segment's specific needs. Once a target segment is chosen, companies must determine the most appropriate marketing tactics and allocate resources to maximize impact and efficiency.

For segmentation to be useful in targeting, each segment must meet five key criteria:

- Measurable – the segment's size, purchasing power, and characteristics can be quantified.
- Accessible – the segment can be effectively reached and served through marketing channels.
- Substantial – the segment is large or profitable enough to justify the effort.
- Differentiable – the segment is distinct and responds differently to various elements of the marketing mix.
- Actionable – the company can design and implement effective strategies to

attract and serve the segment.

The main criteria of the selection are the attractiveness of the segment and company competitive advantage. The attractiveness of the segment could be evaluated through 1) segment size (market size, growth rates, potential); 2) intensity of competition within the segment (number of competitors, entry barriers, segment reach (awareness, access to distribution channels, the match of company value proposition to segment needs). There are four main targeting strategies:

- **Mass Marketing** (Undifferentiated Strategy): This strategy assumes that a single product can satisfy the needs of the entire market. Products are standardized, produced in large volumes, priced competitively, and promoted broadly to reach as many consumers as possible. Although it ignores segment differences, this approach benefits from economies of scale and is suited for basic or universal needs. *Example: Coca-Cola is one of the most iconic examples of mass marketing. The company promotes a standardized product globally, with a consistent taste, packaging, and brand message. Its advertising focuses on universal themes such as happiness, sharing, and togetherness, which resonate across cultures and age groups.*
- **Differentiated Marketing** (Segmented Strategy): In this approach, the company identifies distinct segments within the market and develops separate products or marketing mixes tailored to each. This is a common strategy among large multinational corporations, as it allows for a more personalized approach that increases customer relevance and satisfaction. *For example, Vans, the iconic skate and lifestyle brand, uses a differentiated marketing strategy by targeting multiple distinct customer segments with tailored products and campaigns. For skaters, it offers performance-driven footwear like the Vans Pro Skate line, while for fashion-conscious youth, it collaborates with designers and artists through limited editions (e.g., Vans x Supreme). It also targets families with playful, comfortable kids' shoes, and appeals to creative communities through events like House of Vans, which focus on music and urban culture. Each segment receives customized marketing and product offerings, while the overall brand identity remains*

*consistent.*

- **Niche Marketing** (Concentrated Strategy): This involves targeting a smaller, specialized segment of the market with products tailored to its specific needs. By focusing on a narrow segment, companies can develop deep expertise and offer highly customized value. However, the strategy can pose risks if the niche becomes unprofitable or demand declines. *Example: a brand that produces running shoes only for athletes with flat feet.*
- **Micromarketing**: This strategy tailors marketing efforts to very small segments, such as specific neighborhoods or individual customers. Micromarketing enables hyper-personalized offers but can be resource-intensive and may lead to overdependence on narrowly defined markets. *For example, a local tailor who designs a custom-made suit specifically for an individual client based on their exact measurements, style preferences, and fabric choice*

*In summary, targeting is the important step of evaluating segmented groups and selecting the most suitable ones to serve. The choice of strategy—whether mass marketing, differentiated marketing, niche marketing, or micromarketing—depends on the company’s goals, resources, and market characteristics. Mass marketing aims to reach the entire market with a single offer, often used for widely needed products. Differentiated marketing tailors different products and messages to distinct segments. Niche marketing focuses on serving a small, specialized segment with unique needs. Micromarketing goes even further by personalizing offers for very small segments or individuals. Effective targeting ensures that marketing efforts are focused, efficient, and aligned with consumer expectations.*

## 2.1.3 Positioning

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**Positioning** is the process of creating an image of a product or company in the minds of consumers in order to differentiate it from competitors. It reflects what consumers believe about a brand, product, or service—not just what the company claims. Effective positioning helps consumers understand why a brand

is different and why it matters. Positioning relies on four key factors, often referred to as the four Cs of positioning:

- **Clarity.** It must be obvious to the consumers what the brand is and where it sits relative to other brands.
- **Credibility.** The position must be logical and believable- an obviously cheap and basic product cannot position itself as a premium brand. Also the well-designed and well-made product cannot be sold for a low price.
- **Consistency.** Whatever position is adopted, the entrepreneurs must maintain a consistent brand message.
- **Competitiveness.** Successful positioning should mean that the company is not trying to occupy a position already taken by a competitor- it is far better to find a position that is currently not subject to competition.

The formulation of a **positioning strategy** – be it local or global- moves along a sequence of steps:

1. Identify a relevant set of competing products or brands.
2. Determine current perceptions held by consumers about your products/brand and the competition.
3. Brainstorm to generate possible positioning themes.
4. Screen the positioning alternatives and select the most appealing one.
5. Develop a marketing mix strategy that will implement the chosen positioning strategy.
6. Over time, monitor the effectiveness of your positioning strategy. If it is not working, check if the poor results are due to bad execution or the wrong strategy.

Positioning occurs in the consumer's mind—something entrepreneurs can influence but never fully control. Once target segments are identified, businesses must craft a positioning strategy that resonates with those audiences, built around a unique selling proposition (USP) that clearly communicates how the brand is different and superior. *For example, Nivea (Germany) positions itself for personal care-oriented consumers with a value proposition of high-quality skin and beauty care at accessible prices.*

When the positioning of the brand is not entirely clear, it is recommended to use the **positioning statement** technique, which consists of:

1. Defining the target audience
2. Describing your category of business
3. Indicating what makes you different
4. What is the end benefit
5. Why should the user believe you

For example, while positioning, *The Body Shop emphasizes health more than glamour, which is a unique positioning strategy*. However, it is often challenging to create a uniform positioning theme that appeals across various markets. Universal themes can run the risk of being bland and uninspired. Appeals that work in one culture may not necessarily work in another, as differences in culture, buying power, competitive climate, and the product life cycle stage force firms to tailor their positioning platform.

There are several universal position themes:

- Specific product features/attributes
- Product benefits (rational and emotional), solutions for problems
- User category
- User application
- Heritage
- Lifestyle

It is also recommended to evaluate the competitive situation and use a positioning map for this purpose. **Positioning maps** are diagrams that illustrate consumer perceptions of a business's offering based on price, quality, or other product benefits, and how those perceptions compare against competitors. The visual diagram helps entrepreneurs develop an appropriate positioning strategy, which may involve creating new competitive advantages or optimizing existing ones. To create a positioning map, one must define the consumer needs to be understood and develop a market scope for analysis. Price and the primary benefit to be used in the mapping need to be defined. For instance, price can

refer to the retail or wholesale price of different products, while the primary benefit may involve factors like quality, features, and serviceability. The different products would then be analyzed and placed in their appropriate quadrants based on how they relate to price and the primary product benefit.

*Positioning refers to how a product is perceived in the consumer's mind, and it is closely linked with segmentation and targeting decisions. The positioning strategy must account for cultural differences, buying power, competitive climate, and the product's life cycle stage. Universal positioning themes include product features, benefits, user categories, heritage, and lifestyle, but companies must tailor them to local markets. Positioning maps and positioning statements are valuable tools for evaluating and refining positioning strategies.*

## 2.1.4 Competitive strategy

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When the STP strategy has been developed, companies should focus on their competitive advantage strategy. They need to create a strategic plan that integrates activities into a coherent company strategy and business plan. These plans must be implemented to optimize activities and maintain a competitive advantage, ensuring the company remains a viable player in the international market. Competitive industry structure analysis using competitive analysis through SWOT are useful tools in this step. SWOT analysis is a strategic planning tool used to identify and evaluate the strengths, weaknesses, opportunities, and threats related to a business, project, or organization. It helps companies understand their internal capabilities and limitations (strengths and weaknesses) and assess the external environment (opportunities and threats) to make informed strategic decisions.

The success of companies is determined by a sustainable competitive advantage based on exclusivity that can take the form of:

1. Offering an identical or similar product or service on the market (by producing it more cost-effectively and at the lowest cost in the industry). Usually the standardised product is offered.

2. Offering unique value attributes is a set for which consumers are willing to pay a higher price (price premium). Higher quality, services, exceptional features or convenience, brand image, etc. are creating higher value for customers.

Companies have a competitive advantage when they can deliver the same benefits as competitors but at lower costs or provide benefits that exceed those of competing products. There are several competitive advantage strategies:

1. **Cost leadership:** companies can achieve superior performance by producing similar quality products or services at lower costs. In this case, the company sells products at the same price as competitors but earns higher profit margins due to lower production costs.
2. **Product differentiation:** A differentiation advantage is achieved by offering unique products and services and charging a premium price. In this situation, the company focuses more on branding, advertising, design, quality, and new product development rather than on efficiency, outsourcing, or process innovation. Consumers are willing to pay a higher price only for unique features and the best quality.
3. **Niche strategy:** This strategy focuses exclusively on a highly specialized market segment, aiming to achieve a dominant position in that segment. However, in an era of global competition, niche players may be vulnerable to large-scale operators due to the economies of scale needed to compete on a global scale.

*Companies can gain a competitive advantage through cost leadership, product differentiation, or niche strategies. Cost leadership focuses on producing similar products at lower costs, while product differentiation involves offering unique products at a premium price. Niche strategy targets specialized market segments but may be vulnerable to larger competitors. By implementing these strategies, companies can optimize their performance and maintain a strong market position.*

## 2.1.5 Entry strategy

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The explosive growth of IT technologies and e-commerce has added urgency to competitive analysis, involving not only established multinational companies but also a growing number of entrepreneurial start-ups that leapfrog traditional constraints via the internet. A crucial step in developing an international expansion strategy is the selection of potential target markets. Companies can adopt various approaches when selecting their strategy. The entry decision process begins with country selection, starting from a broad pool of candidate countries (e.g., Central European countries). To narrow this pool, companies typically conduct a preliminary screening to avoid two key mistakes: 1) overlooking countries that offer viable opportunities for their product, and 2) wasting time on countries with little or no potential. Countries that pass this initial filter are then examined in greater depth to determine the final set of target countries.

Once the country or countries are selected, the next important element of a company's internationalization is determining the scale of entry. Access to both monetary and human resources is a major constraint that influences this decision. After that, the mode of entry must be chosen. Common entry models include:

1. Exporting
2. Licensing
3. Franchising
4. Contract Manufacturing (Outsourcing)
5. Expanding through Joint Ventures
6. Wholly Owned Subsidiaries (acquisition and greenfield)

Cooperative exporting is a particularly good option for companies, as it allows them to leverage another firm's overseas distribution network to sell goods in foreign markets. This is especially useful when dealing with large intermediaries that require product quantities and varieties that a single company may struggle to provide. Licensing is also an attractive strategy for small companies that lack

sufficient resources.

International market entry decisions also involve the critical question of *when* to enter a foreign market. According to Mitra and Golder (2002), several factors affect timing:

- Cultural similarity with the home markets is not related to foreign market entry timing. Although cultural similarity with the domestic market may matter for initial foreign entry forays, it turns out not to be critical for later entries.
- Several economically attractive variables matter a great deal. Specifically, countries with wealthier consumers, larger economies, more developed infrastructure, and more easily accessible consumers are likely to be entered earlier.
- Economic factors are more crucial than cultural factors in entry timing decisions.

Entrepreneurs should also be prepared with potential exit strategies. Common reasons for exit include: 1) sustained losses; 2) difficulty entering the market; 3) volatility; 4) premature entry; 5) ethical concerns; 6) intense competition; and 7) resource reallocation. Exit risks are tied to fixed costs and may include damage to corporate image, challenges in disposing of assets, and negative signals to other markets.

Developing an international expansion strategy involves selecting target markets, determining the scale and mode of entry, and considering the timing of entry. Companies must carefully choose countries to avoid overlooking viable opportunities or wasting time on markets with little potential. They also need to decide on the appropriate entry method, such as exporting or joint ventures, while considering economic factors for optimal timing. Additionally, businesses should prepare for potential exit strategies due to factors like sustained losses or intense competition.

*Developing an effective international entry strategy involves several key steps: selecting target markets, deciding on the scale and mode of entry, and*

determining the timing. Companies begin by screening a wide range of countries to identify those with real potential while avoiding unpromising markets. Entry modes vary and may include exporting, licensing, franchising, joint ventures, and wholly owned subsidiaries. Factors like financial resources, infrastructure, and market size influence these decisions. Economic conditions are more critical than cultural similarity in determining when to enter a foreign market. Moreover, companies must be prepared for exit strategies in case of poor performance, regulatory issues, or strategic shifts, as exiting can involve both financial and reputational risks.

### **Gamified**

### **Exercise Unit 2: Positioning Map & Statement**

#### **Objective of the exercise/activity:**

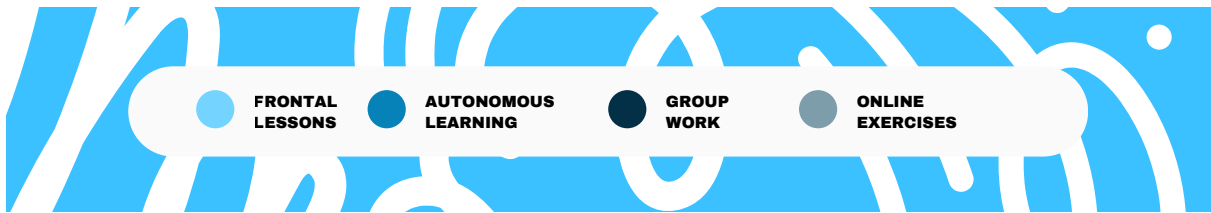
To help participants visually analyze your brand, product and service competitors, evaluate how their brand, product, or service is positioned relative to competitors in the market, and to craft a clear, compelling positioning statement that communicates the unique value offered to a specific target audience.

Find the task in the gamification toolkit.

## **Learning Unit 3: Marketing tactics**

<b>Time</b>	<b>Short Description</b>	<b>Method</b>	<b>Equipment</b>
15 Min	Welcoming and Icebreaking	FRONTAL LESSONS	Laptop/Beamer
45 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/

			Flipchart
90 Min	<b>Exercise:</b> Brand Creation Challenge	GROUP WORK	Gamification Toolkit (Miro or Padlet)
30 Min	<b>Securing results:</b> Debriefing after practical activities	ONLINE EXERCISES	Laptop/Beamer (Mentimeter)



### 3.1 Introduction to Marketing tactics

Marketing tactics is related with marketing mix that is a set of interrelated actions and solutions that meet the needs of customers and achieve the goals of the company's marketing. Several models exist for defining the marketing mix, and each model has drawbacks. Traditional model of McCarthy (1964), focuses on four key elements (4Ps) - terms of product, price, place and promotion. In 1981, Booms and Bitner added three more Ps (people, process and physical evidence) to encompass the extra elements present in service industries.

**The green marketing** concept is moving away from being a tool of traditional marketing to becoming a strategy affecting the whole company, from focusing on specific environmental problems to taking into account global sustainability issues, from regarding specific products and industries to pervading the whole market.

Green marketing emphasizes not just doing well, but doing good for the planet. In contrast, greenwashing refers to the practice of conveying positive communication about a company's environmental performance when, in reality, that performance is poor. This often results in misleading consumers who are looking for genuinely sustainable choices.

The green marketing mix includes several key components. For **product** strategy, the focus is on delivering benefits not only to consumers but also to the natural environment. Companies must evaluate and eliminate any perceived gap in performance compared to traditional products. A strong emphasis is placed on green packaging, which becomes a vital part of the overall product experience. From a **pricing** perspective, there is evidence of consumer willingness to pay a premium for products that are genuinely green. This premium reflects the added value perceived in sustainable and environmentally responsible goods. In terms of **place**, green marketing strategies often rely on closed-loop consumption cycles. These cycles help reduce overall costs and improve service efficiency by reusing or recycling materials, creating a more sustainable supply chain. **Promotion (or marketing communications)** is another critical area, where companies must clearly communicate the characteristics of their green products and brands. This helps reduce information asymmetry between companies and consumers. Using ecolabels and thoughtful packaging as key identifiers helps assure consumers of a product's environmental credentials. However, companies must be cautious—generic or misleading environmental claims can easily lead to greenwashing and damage brand credibility.

A successful green marketing strategy includes strong positioning. Here, brand positioning becomes especially important, and marketers may choose either functional or emotional positioning, depending on their target audience and brand values. Segmentation within green marketing often revolves around two dimensions: the level of consumer greenness and the consumer's perception of the product's environmental value. This allows for more precise targeting. Targeting strategies can focus on offering green products to already green-minded consumers. Alternatively, companies may broaden their reach by integrating green features into conventional products to appeal to a wider audience. Finally, differentiation plays a crucial role in green marketing. Companies can leverage their green attributes to stand out in the marketplace and create a sustainable competitive advantage.

In services (also green), the extended mix elements – **People**, **Process**, and **Physical Evidence** – can all support sustainability. **People** refers to staff and

service teams trained to communicate and embody eco-friendly values; for example, Alce Nero in Italy highlights its partnerships with organic farmers, showcasing the people behind the brand. **Process** involves how a product is produced and delivered, with a focus on reducing waste and emissions, IKEA Sweden implements renewable energy and circular initiatives like furniture recycling. **Physical Evidence** includes packaging and retail space; Lush uses package-free products and eco-conscious store design to visually reflect its green mission.

### 3.1.1 Product and brand

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**Product** is the bundle of benefits that the supplier (i.e. your company) offers to the purchaser. The particular set of benefits on offer will appeal to a specific group of consumers. It is extremely unlikely that any product will appeal to everyone. Even products such as Coca Cola, which is sold worldwide and it is the world's most recognized brand name, has only a minority share of soft drinks market. Many people simply don't like it, or think it is too expensive, or prefer other drinks which meet their needs better.

Usually the company offers not only one product, but a portfolio of products. Companies need to manage their portfolio in a way that ensures that it continuously meets the needs of customers, dropping products that no longer meet customer needs effectively and introducing new ones that fit the market better. Therefore, for companies to remain in business, a constant stream of new products needs to be developed in order to replace those that have reached the end of their useful lives. Additionally, companies need to add new products to the range if they are to grow: new markets demand new products. Moreover, the company must assess the suitability of its products for both local and international markets, while also analyzing competitors and incorporating feedback from sales representatives and customers. When making decisions about a product, it's important to consider the different product levels, as each level can influence the product selection.

Level 1. The main benefits of the product, i.e. functional purpose, features, consumer value, image, technologies.

Level 2. Product attributes: brand, quality, packaging, design, size and color, country of origin

Level 3. Additional services: delivery, repair, guarantee, installation, maintenance, supply of spare parts.

The structure of the assortment depends on company strategy and resources and products demand and competition in the foreign market. In addition, the product cycle is important, i.e. in the case of the entry phase, the functional product characteristics should be emphasized and the main task is to inform consumers. If the product is in the mature phase, so it is a need to convince consumers as well the emotional appeals have to be taken into account.

**The brand.** Considering the product, the main vehicle by which marketers focus their activities is the brand. According to the American Marketing Association, a brand is a name, term, design, symbol, or other feature that distinguishes an organization or product from its rivals in the eyes of the customer.

The brand has advantages for the customer: it is easy to recognize the products and easy to identify with it. In addition, a brand creates feelings of belonging, love, and attachment – it forms an emotional connection between the user and the brand. Thus the brand has two roles:

- The functional role. Does the product work? Did the service meet our expectations?  
Focus is on tangible, rationally evaluated product functions and benefits.
- The Emotional Role. The emotional connection between the consumer and the brand because usually we buy experiences and dreams. For example, green brand “Patagonia” communicates “*We’re in business to save our home planet.*” “Patagonia” encourages conscious consumption, repairs instead of replacements, and even discourages unnecessary purchases. Their message goes beyond the product; it’s about action, advocacy, and responsibility.

Brand names should catch customers' attention, should link to a visual image and communicate something about the product, or be capable of being used to communicate about the product. The company has several paths while creating/selecting the brand:

1. If you don't have a brand – create a new one.
2. If you have a brand that is used for other company products, then:
  - Use the existing one – if your developed product is similar in category, target market, or solves a similar problem.
  - Create a new one – if the existing brand is unrelated to the new product being developed.

An extension of the brand could be very successful like Apple → iPhone, Apple Watch, Apple TV or IKEA → IKEA Food / IKEA Buy Back & Resell. However, there are bad examples like Virgin Coke, Levi Strauss suits, Fruit of The Loom laundry detergent or Pond's toothpaste.

If you decide to create a new one, please use the database of already registered trade marks: <https://www.tmdn.org/tmview/#/tmview>

According to David Aaker's Brand Equity Model, brand value plays a critical role in shaping consumer perceptions, loyalty, and overall business success. Aaker identifies five key components of brand equity: brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets. Together, these elements create a strong and differentiated brand that adds value for both the customer and the company. A high brand value leads to greater customer trust, price premiums, reduced marketing costs, and long-term competitive advantage. By building emotional connections and consistent positive experiences, brands can deepen loyalty and drive sustainable growth. Here is an example of the green and digital brand Too Good To Go from Denmark.

- Type: Green Digital Brand
- Industry: Food waste reduction / Sustainability
- About: Too Good To Go is a mobile app that connects consumers with restaurants, bakeries, supermarkets, and other food businesses to rescue

surplus food at the end of the day. Users can purchase unsold meals at a reduced price, helping to combat food waste and reduce environmental impact.

- Brand Message: “Save food. Help the planet.”
- Brand value: it tackles the massive issue of food waste in a simple, digital way, combines environmental purpose with convenience and affordability, builds emotional value through community, sustainability, and action .

**Global or local brand.** A key strategic issue that appears on the company’s agenda is whether or not there should be a global brand. There is no simple answer to this dilemma. In general, a carefully crafted portfolio of local and global brands is preferable. The brand structure or brand portfolio is a current set of company brands across countries, business and product – markets. There are basically four main types of branding approaches:

1. Solo branding, i.e. each brand stands on its own (i.e. Unilever with brands such as Rexona, Cif or Carte Dor),
2. Hallmark branding, when the company tags one brand, usually the corporate one, to all products, and does not use any sub-brands (e.g. SEB bank),
3. Family (umbrella) branding. This is hierarchy of brands that uses the corporate brand as an authority symbol and then has a number of sub-brands under the corporate badge (e.g. hotels, i.e. Best western hotels)
4. Extension branding. The idea is to start with one product and then? stretch the brand to other categories as far as possible (e.g. fashion industries)

It is worth knowing the difference between international and global brands. International brand - “born” in the national market and later exported to foreign countries. A global brand is introduced into the global market when it is “born”. Its identity is the same in all countries, i.e. same benefits, value proposition, positioning. Global brands can be “localized“, i.e. adaptable to an existing market, e.g. NorthFace - Asian fit for the Chinese market. Global brands are exerting greater influence in countries of high uncertainty and high collectivism.

If a global brand is not the case, then a local brand can be considered instead.

For example, Heinz is using local brand Pudliszki in Poland. There are several situations when it could be used in foreign market:

- The similar brand is already in use in the local market
- Cultural barriers, i.e. difficult to pronounce or translate improperly
- Patriotism and the desire to buy local products (ethnocentrism).

It's also important that companies monitor the market place response of the brand name change with the marketing research. Moreover, before selecting the brand name, companies should be aware of the meaning of brand name in a particular country, peculiarities of language and spelling, social-cultural peculiarities, the brand names variety in the foreign market.

It is also very important to evaluate the country-of-origin (COO) effects while developing products/brands in foreign countries. Consumers often rely on a product COO as an important cue to access its quality. Before exploring strategic options to deal with COO, companies should conduct market research investigating the extent and the impact of COO stereotypes for their particular product. There are several strategies how to cope with COO stereotypes:

- Product policy. The common practice is to select a brand name that distinguishes the COO or even involves a favorable COO.
- Pricing. Selling the product at a relatively low price will attract value-conscious customers who are not very concerned about the brand COO. At the other end, SMEs could set a premium price to combat COO biases. This is especially effective for product categories in which price plays a role as a signal of quality (e.g. wines, cosmetics, clothing).
- Distribution. SME could influence consumer attitudes by using highly respected distribution channels.
- Communication. Communication strategies could improve the country image or bolster the brand image. That is usually done with the help of industry associations or government agencies.

**Green brand.** Creating a green brand—whether local or global—requires authenticity, strategic planning, and a genuine commitment to sustainability.

Here are some key tips and methods to help you build a strong and credible green brand:

- **Start with Sustainable Practices.** A green brand must walk the talk. Begin by evaluating and improving your supply chain, materials, packaging, and production processes. Use recycled, biodegradable, or renewable materials, reduce waste, and aim for energy efficiency. Even small steps, like switching to eco-friendly packaging or partnering with local suppliers, can make a difference.
- **Be Transparent and Honest.** Green branding thrives on trust. Clearly communicate what makes your product or service eco-friendly and avoid greenwashing (making false or exaggerated environmental claims). Share certifications (e.g., Fair Trade, FSC, USDA Organic), production details, and environmental impact data to build consumer confidence.
- **Educate and Involve Customers.** Empower your customers to participate in your green mission. This could include offering recycling programs, refill options, or educational content about sustainability. Brands like The Body Shop promote product refills and ethical sourcing while educating customers through campaigns and storytelling.
- **Align with a Clear Green Mission.** Define your sustainability goals and embed them into your brand's core values. Whether it's reducing carbon emissions, promoting zero-waste, or supporting environmental causes, having a clear mission helps guide decisions and resonate with your audience. Brands like Ecosia (an eco-friendly search engine) thrive by being mission-driven, they plant trees with ad revenue.
- **Collaborate with Eco-Friendly Partners.** Work with green suppliers, NGOs, and sustainability-focused businesses. This enhances your brand's credibility and broadens your impact. For example, IKEA collaborates with renewable energy providers and invests in circular economy initiatives.
- **Use Eco-Centric Design and Messaging.** Your branding (logo, packaging, website, and ads) should reflect your sustainability focus. Use earthy colors, nature-inspired visuals, and simple, mindful design. Pair this with messaging that emphasizes your commitment to the planet, but always back it up with substance.

- Measure and Improve. Track your environmental impact over time, carbon footprint, water use, waste reduction, and share progress with your customers. Continuous improvement shows that your commitment is long-term, not just a marketing tactic.

*In summary, a product is a set of benefits tailored to meet the needs of a specific group of consumers, while the brand is the key tool marketers use to create emotional and functional value. Companies must strategically manage their product portfolio and brand architecture to stay competitive both locally and globally. A strong brand can build loyalty, trust, and differentiation, especially when aligned with consumer values, as seen in sustainable brands like Patagonia and Too Good To Go. Branding decisions must consider market fit, product lifecycle, cultural context, and country-of-origin effects. Ultimately, successful branding (whether global or local) requires thoughtful research, strategic consistency, and responsiveness to customer perception and market dynamics.*

### 3.1.2 Pricing

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**Price** is a fundamental factor influencing consumer purchasing behavior, especially in relation to the other three elements of marketing. Price cannot be determined in isolation without considering the other elements. Pricing depends not only on the company's strategy or production costs but also on the characteristics of the target market, competitors, and the country's economic and legal environment. Moreover, intermediaries in the distribution channel also influence the price. Price, along with other elements of the marketing mix, must correspond to the value the consumer is paying for. For example, in the case of green and organic products, a higher price may be acceptable. On the other hand, consumers also seek products with high quality and favorable prices (e.g., the case of Huawei). It's important to assess consumers' willingness to pay, their perception of value, and their needs.

The price is the only element of the mix that generates revenue. Pricing is a process that consist of eights steps:

**Step 1: Choosing the Pricing Objective.** The following objectives are distinguished:

1. Survival. This applies in markets with high competition and changing consumer needs. If the fixed costs of the product can be covered, the company tries to remain in the market in the short term.
2. Maximizing Current Profit. The price is set to achieve the highest possible profit, a pricing approach that is less consumer-oriented. This strategy is quite risky in the long run, especially in markets with active competition.
3. Maximizing Market Share. A very low price is set to increase sales volume, while costs are significantly reduced. This strategy works well in price-sensitive markets.
4. Market Skimming (Maximum Market Skimming). Initially, the price is high and then gradually decreases. This is especially suitable for new technologies (e.g., TVs). A high initial price signals quality and deters competitors, so there must be sufficient demand for the early, more expensive versions of the product.
5. Product-Quality Leadership. Most brands aim for “affordable luxury”, products perceived as high quality, tasteful, or status-enhancing, with a higher but still accessible price for a portion of consumers (e.g., Starbucks, Victoria’s Secret).

**Step 2. Determining Demand.** In the case of regular goods, the higher the price, the lower the demand. For luxury goods – it’s the opposite, up to a certain point and in certain cases. When the price becomes too high, demand drops. Consumers are less sensitive to price when there are few or no substitutes or competitors in the market; when they change habits slowly; or when they believe that high prices are justified. Price sensitivity can be reduced, for example, by positioning the product next to a relatively more expensive alternative or by focusing the consumer’s attention on unique features.

**Step 3. Evaluating Demand Fluctuations.** To effectively evaluate demand fluctuations in pricing, businesses should start by analyzing historical sales data to identify seasonal trends, peak periods, and low-demand phases. Incorporating statistical analysis of past prices and quantities provides a foundation for

understanding how price shifts have historically influenced buying behavior. Advanced techniques such as scenario planning and “what if” analyses, along with behavioral modeling, allow companies to simulate various market conditions and forecast potential outcomes. Price sensitivity testing is essential to understand how demand responds to different pricing levels and external factors. Complementing this, perceived value studies, such as presenting different price ranges, help gauge customer expectations and willingness to pay. Conducting price experiments, like offering one price in one location and a different one in another, provides real-world data on consumer response. When combined with real-time analytics and dynamic pricing tools, these methods create a comprehensive framework for making informed, adaptive pricing decisions in response to demand fluctuations. Moreover, it’s important to remember that changes in other elements of the marketing mix also affect price.

**Step 4. Determining Costs.** Costs can be fixed or variable. Fixed costs do not change regardless of the quantity sold. The company pays for expenses such as rent, heating, salaries, etc. Variable costs depend on the level of production. Each additional product requires corresponding parts, packaging, and so on. Total costs = fixed costs + variable costs. In addition, a price is set that would cover production costs at the current level of output.

**Step 5. Analysis of Competitors’ Costs, Prices, and Offers**

It is important to understand the goals and strategies of key competitors and to monitor their tactical pricing actions.

**Step 6. Selection of a pricing strategy.** There are several pricing strategies that can be used:

- Cream skimming strategy. Used when the product has reliable patent protection and there are no competitors on the market yet. The success of a strategy depends on the ability of competitors to react and the speed at which they respond.
- Market penetration strategy. Used when demand for goods is elastic to price, consumer purchasing power is low and many competitors in the market. The company must aim for minimum production and sales costs. In order to

establish themselves in a particular market, companies set low prices for goods by covering indirect costs at the expense of sales in other markets (Japanese companies).

- Competitor-oriented strategy. The price depends on the prices of the competitors' goods. In an oligopolistic market, the price is dictated by the market leader and the average market price is calculated in a monopolistic competition market. It must cover the costs of the business.
- Price and quality strategy. Consumers tend to pay a higher price for higher quality. Price must match quality.

**Step 7. The Estimation of price.** Pricing decisions are shaped by several interconnected factors, starting with how consumers perceive value in different markets. Elements such as product quality, brand reputation, and price comparisons all influence willingness to pay. Cultural differences are key—for instance, in Sweden, consumers are willing to pay more for sustainable and ethically sourced products, while in Spain, price sensitivity may be higher, requiring a sharper focus on perceived value. As brand loyalty grows, price becomes less of a decision driver, which allows brands like Italy's Illy to maintain premium pricing through a consistent quality image. Adapting to local consumer expectations, like offering smaller packages at lower prices in Lithuania, can increase accessibility without compromising brand value. Additionally, pricing must consider competitive dynamics, distribution structures, and the product's stage in its life cycle. In Poland, for example, price-based competition in fast-moving consumer goods requires tight cost control and efficient distribution. On the other hand, niche brands in Sweden or Italy may rely more on short, direct distribution channels to maintain margins and brand positioning. Regulatory and cost-related factors also play a crucial role: small businesses in Lithuania may face higher VAT on certain imports or benefit from EU subsidies for eco-friendly production. Choosing the right pricing model, such as full-cost or dynamic pricing, depends on the company's structure, goals, and market context, all of which must be balanced to remain both competitive and sustainable.

**Green pricing.** It refers to setting prices for eco-friendly products or services in a way that reflects their environmental benefits while remaining competitive and

appealing to consumers. To price sustainably and successfully, businesses must balance environmental values with real market expectations. Here are some practical tips on this kind of pricing:

- Factor in Sustainable Costs. Eco-friendly production—like using organic materials or low-waste processes, often costs more. Brands like Klean Kanteen are transparent about their higher prices due to responsible manufacturing and ethical sourcing. Customers are more accepting of the price when they understand what it supports, like fair wages or plastic-free packaging.
- Understand Your Customer’s Willingness to Pay
- Use surveys or small-scale price testing to see how much your audience values sustainability. Veja, a French sneaker brand, started as a small venture and now sells globally. They priced their shoes slightly above average to reflect their use of wild rubber and organic cotton, but never positioned themselves as luxury, just honest and ethical. Their transparency built loyalty.
- Highlight Total Value, Not Just the Price. Educate customers on the lifetime value of green products. Hydrophil, a German company that makes water-neutral toothbrushes and personal care items, emphasizes the compostability and health benefits of their products, which makes the price feel justified. Their messaging connects eco-friendliness to personal well-being, an emotional and practical hook.
- Offer Tiered Pricing or “Green Upgrades”. Give people a choice between standard and green. For instance, Who Gives a Crap, a small company originally from Australia but popular in Europe, offers both premium bamboo toilet paper and recycled options at different price points, making sustainability accessible at various budgets.
- Leverage Incentives and Partnerships. Look for green subsidies or partnerships that reduce your pricing pressure. Original Beans, a small premium chocolate company from the Netherlands, works with rainforest farmers and invests in reforestation. Their “one bar, one tree” program adds value and justifies the price while securing eco-partnerships that enhance their mission and reduce costs in the long run.

- Be Careful Not to “Overcharge” on Green. Sustainability should feel fair, not exploitative. Brands like Finisterre, a British sustainable outdoor clothing company, price their goods just above mainstream competitors, not to appear exclusive, but to reflect durability, repair services, and eco-fabrics. Their modest markups support the planet and the people without pricing out the conscious customer.

*In summary, pricing plays a crucial role in consumer decision-making and must align with other elements of the marketing mix, market conditions, and business goals. It involves a structured process, starting from setting objectives (e.g., survival, profit maximization, market share) to assessing demand, costs, competitor actions, and market dynamics. Pricing strategies vary, from skimming and penetration to quality-based or competitor-oriented approaches, depending on product type, consumer perception, and lifecycle stage. External factors such as economic, legal, and cultural contexts, as well as distribution channels, significantly influence price setting. Green pricing, in particular, requires balancing sustainability-related costs with consumer expectations. Successful green brands transparently communicate value, offer pricing tiers, and leverage incentives without overcharging, showing that fair, informed pricing can support both profitability and environmental impact.*

### 3.1.3 Marketing channels (place)

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**Distribution or place** is the location where the exchange takes place. This may be a retail store, it may be a catalogue, it may be a restaurant, or it may be a website. Deciding on the appropriate place for the exchange is not merely a matter of moving goods around (although the physical distribution is one aspect of the process), but rather a strategic issue. The decisions revolve around making it as easy as possible for customers to find the goods and make the purchase, and also using channels that give the appropriate image of the product.

Marketing (distribution) channel: is the path through which products – and legal ownership of them – flow from producer to consumers or business users.

Distribution channels may be of any length, ranging from direct channels from producer to consumer, up to seven or eight member channels

Choosing an appropriate intermediary is not necessarily a simple matter, especially, as intermediaries frequently have more power in the supply chain than producers, and can therefore choose between suppliers.

Producers also need to consider the intensity of market coverage. There are three main distribution intensity types:

1. Intensive distribution. Seeks to obtain maximum product exposure at the retail level, i.e. soft drinks, candy, gum, etc.
2. Selective distribution. Companies who want to maintain a specific quality store for their product will use selective distribution, i.e. bicycles, hi-fi systems, toys, etc.
3. Exclusive distribution. Product is sold in only one place in a given area. For example, Rolls Royce vehicles are exclusively distributed.

Factors determining distribution intensity are presented below (G.J. Hooley, 2020). SME should take into account product type, services after purchase and other issues.

Table 7. Factors that determines distribution intensity

		Chanel width		
		Intensive distribution	Selective distribution	Exclusive distribution
<b>Factors</b>	Product type	Daily demand products	↔	Specialized products
	Product life cycle	Maturity	↔	Entry
	Product price	Low	↔	High
	Product loyalty	Priority to any brand	↔	Only specific brand
	Frequency of purchase	Frequently	↔	Rarely
	The uniqueness of product	Usual quality	↔	Special quality
	In store customer service	Self-service	↔	Individual service
	Product technical complexity	Low	↔	High
	Services after purchase	Limited	↔	All-round service

The company is responsible for marketing channel management that is implemented using these steps:

1. Formulating channel strategy, i.e. selecting the most effective distributors

- basing on market, producer, product and competitive factors;
2. Design channel structure, i.e. set distribution tasks, consider alternative structure, choose optimal structure;
  3. Select channel members, i.e. according to sales strength, market coverage, reputation, attitude, etc.
  4. Motivate channel members, i.e. informal support, establishing strategic alliances, partnerships.
  5. Coordinate with marketing mix, i.e. retailers (a channel member) play an important role in product positioning, personal selling, profit margins available to channel members, pricing policies, promotions interface with channel members, point-of-purchase displays, inventory levels, sales person training, etc. and
  6. Evaluate member performance.

The main criteria of distribution channel intermediates' selection are based on 6 Cs:

- *Cost.* Each step of the channel of distribution adds cost. Each channel member is supposed to add more value than cost. If a channel member adds more value than cost, suppliers and customers will become dependent on that channel member. If a channel adds more cost than value, either suppliers or customers will attempt to take over the functions of the inefficient channel member.
- *Capital.* The amount of money needed to finance each step of the distribution process. I.e. some intermediaries provide financing in the form of trade credit to their customers.
- *Control.* Channel leadership requires that conflict and power in the channel is used for the benefit of the overall channel. While conflict can be dysfunctional, leading to dissipation of effort and resources, it can also be positive, serving as a change agent for improvements in the channel. The degree of channel control or leadership that can be exercised is a balance of benefits for the party being subjected to control, and that party's tolerance for control. Payoffs from control can come from reduced competition, better marketing programs and product innovation, and the provision of resources

that benefits the controlled intermediary.

- *Coverage.* Determining the right level of distribution coverage comes down to an analysis of the benefits (e.g., more sales) versus the cost associated with gaining the benefits. There are three main levels of distribution coverage – mass coverage, selective and exclusive. Mass coverage (also known as intensive distribution) strategy attempts to distribute products widely in nearly all locations in which that type of product is sold. Under selective coverage the marketer deliberately seeks to limit the locations in which this type of product is sold. Some high-end products target very narrow markets that have a relatively small number of customers. The target market may lead the marketer to sell their products through a very select or exclusive group of resellers.
- *Character.* A business needs a moral base in order to treat its customers fairly. Members of the channel must have honesty and integrity, in order to keep a good reputation among customers and suppliers. A company with poor character cheats and defrauds its customers, and soon finds itself out of business.
- *Continuity.* The distribution channel should be as little dependent on changes in competition or environmental conditions as possible and unforeseen events.

**Green marketing channels** refer to the eco-conscious ways companies deliver their products or services, aiming to reduce environmental impact across the supply chain. This includes using sustainable packaging, low-emission delivery methods, digital platforms, and environmentally responsible partners. For example, Alce Nero, an Italian organic food brand, distributes products using recyclable packaging and collaborates with local, certified organic farms to minimize transport emissions. In Lithuania, Zalios Avys (“Green Sheep”), a sustainable clothing brand, focuses on digital sales channels to avoid physical retail waste and ships products in compostable packaging. To implement effective green marketing channels, companies should prioritize local sourcing, reduce packaging waste, choose carbon-neutral couriers, and be transparent with customers about these choices. Regular audits and partnerships with green-certified distributors also help ensure consistency with sustainability values while

*reinforcing consumer trust.*

### 3.1.4 Marketing communications

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**Marketing communications** is such a large part of marketing that is often mistaken for the whole marketing. Promotion (further marketing communications) encompasses all the communication activities of marketing: advertising, public relations, sales promotions, personal selling and so forth. It is important to know that all marketing communications have to be integrated, i.e. communicate the same message to the target group. In addition, m

A marketing communication (MC) campaign follows a structured process to ensure that messages effectively reach the target audience and support the company's overall marketing goals. This process involves several key steps, starting with identifying the target market and setting clear communication objectives, whether to inform, persuade, or remind consumers. From there, companies define the geographic scope of the campaign, decide on market coverage strategies (national, regional or international/global), and develop a creative strategy using both personal and non-personal communication tools. Budget planning is then carried out to align resources with campaign goals, followed by evaluating market response to measure effectiveness and guide future improvements. Each step is interconnected, forming a comprehensive approach to successful marketing communication.

The effectiveness of communication depends on how the message is expressed and the content of that message. Creative strategies are the method by which messages are transformed into specific forms of communication. A message does not need to be a visual or artistic masterpiece, it simply has to be a commercial offer presented to the consumer in a way that makes it difficult to refuse. Usually there are two types of communication:

- Messages based on logic, information, and rationality, which present the

product's features, benefits, price, etc. For example, Linas (Lithuania) – A textile manufacturer focusing on natural linen fabrics, emphasizing sustainability through water-saving production methods, certifications, and long-lasting material quality, ideal for rational B2B buyers and eco-conscious consumers.

- The goal of emotion-based messages is to trigger an emotional response in the consumer, which is achieved through techniques such as eroticism, fear, humor, and other widely used methods. A common feature of all successful advertisements is the creation of an emotional connection with the brand. For example, Oatly (Sweden) uses quirky, humorous, and sometimes rebellious messaging to emotionally engage customers who care about animal welfare and climate change. Their packaging and ads often speak directly to the consumer with a cheeky tone.

In communication, maintain a balance between emotional and rational information, for example Alce Nero (Italy – Organic Food Brand). It uses emotional element, i.e. Alce Nero's campaigns often emphasize tradition, Italian farming heritage, and respect for the land. They highlight relationships with local organic farmers, using visuals and storytelling to create an emotional connection with nature, family, and health. A slogan like "Il cibo buono, per davvero" ("Truly good food") evokes trust and emotion. Alongside the emotional message, they include clear information about product certifications (e.g., EU Organic), traceability, and the absence of chemicals. Their packaging and website explain how their products are sourced, produced, and verified, giving consumers logical reasons to choose their brand.

A message can be presented in a certain style. Below are several variations:

- Story. The product's story or a related event is presented. The product is demonstrated while a voiceover tells the story.
- Slice of Life. A typical usage situation of the product is dramatized.
- Demonstration. The product's uniqueness or user benefit is shown, highlighting the situation before and after using the product.
- Testimonial. A person (usually well-known) confirms that they use, trust, and recommend the product. This can be a celebrity or expert, but also an

everyday person sharing their experience.

- Lifestyle. The advertisement reflects the lifestyle of the target audience. Products are advertised for specific societal groups (e.g., clothes, phones).
- Association. Analogies or symbolic connections are used to stimulate interest in the product. A natural skincare brand in Spain uses imagery of ancient Roman goddesses to symbolize purity, timeless beauty, and strength. The ad compares the product to “a ritual passed down from nature’s wisdom,” creating a symbolic link between classical ideals and the modern, eco-conscious consumer
- Fantasy. The product is linked to the dreams or hopes of the target audience.
- Symbolic Character. A character (animated or real) is created to represent the product.
- Technical Expertise. The company’s specialized experience in production or services is emphasized. Example: “Trust the professionals,” “Time-tested quality.”
- Scientific Evidence. Survey results or scientific research are presented to show that the product is superior to others.

In marketing communication, the source of the message plays a critical role in shaping credibility, emotional appeal, and consumer trust. Brands often use celebrities to convey lifestyle, charisma, or aspirational values, as their fame helps attract attention and create emotional connections. For more rational appeal, experts such as doctors or scientists are used to explain product benefits, especially in technical or health-related contexts, reassuring consumers with facts. At the same time, typical consumers or “people from the street“ are seen as honest and relatable, helping build authenticity, like Dove’s campaign featuring real women. Company leaders, such as Richard Branson, represent authority and confidence in their brand’s quality and mission. Meanwhile, fictional characters, like superheroes or animated mascots, are often used to strengthen brand identity and appeal to specific audiences, particularly children. Each type of message source, whether real, professional, or imagined—serves to influence consumer perception and align the message with the brand’s goals.

Once the message and its presentation style are defined, the company selects

appropriate communication channels (also called carriers) to reach the target audience effectively. These channels fall into five main categories.

Table 8. Main categories of the channels

Advertising	Public Relations	Sales Promotion	Direct Marketing	Personal Selling
Newspapers Magazines Television Radio Cinema Outdoor advertising Internet	Annual reports Home magazines Press releases Events Lobbying Sponsorship	Discounts Catalogs and brochures Samples, coupons Gifts Contests	Direct mail Database marketing Online marketing Mobile marketing Viral marketing Promotional games	Sales presentations Sales force management Trade shows Fairs

**Green marketing communications** should not only promote sustainability in content but also in how the message is delivered. The most environmentally friendly marketing channels are those that minimize resource use and carbon footprint, such as digital channels (websites, email marketing, social media), content marketing, and virtual events. For example, instead of printing flyers, Sweden’s Oatly uses bold, shareable social media posts and digital storytelling to engage eco-conscious consumers. Matarrania in Spain communicates its values through Instagram and eco-friendly e-commerce practices, avoiding wasteful packaging. Lonas in Lithuania uses its website and digital campaigns to share certifications and behind-the-scenes insights into its green production methods. Green brands often avoid traditional print-heavy advertising or mass mailings, opting instead for targeted email campaigns, influencer partnerships, or interactive web tools that inform and educate consumers with less environmental impact. To maximize reach without compromising sustainability, combining digital PR, earned media, and SEO-optimized educational content is a smart, green-friendly strategy that supports both brand awareness and ecological responsibility.

*Marketing communications encompass all promotional activities, advertising, public relations, sales promotion, direct marketing, and personal selling, aimed at delivering a consistent message to the target audience. Effective campaigns follow a structured process: defining goals, selecting markets, crafting messages with emotional and rational appeal, choosing message styles (e.g., testimonials, stories, or fantasy), and selecting appropriate communication channels. The*

source of the message, celebrity, expert, consumer, or character, also shapes credibility and connection. In green marketing, both the content and delivery should reflect sustainability, favoring digital tools like websites, social media, and email over resource-heavy methods.

**Gamified Exercise**  
**Unit 3: Brand**  
**Creation Challenge:**  
**learner designs a**  
**green brand and**  
**present it using**  
**brand Canva**  
**worksheet**

**Objective of the exercise/activity:**

By the end of this exercise, participants will be able to create a unique and sustainable brand concept by exploring key branding elements, such as brand name, promise, personality, story, and visual identity, and understand how to align them with green values and customer needs. They'll develop creative thinking, teamwork, and communication skills while learning how brands connect emotionally and functionally with their audiences.

Find the task in the Gamification Tool.

## Final Test: Module 3: Marketing Basics

**Instructions:** Answer the following multiple – choice questions to assess your understanding of the key concepts covered in this module. The correct answers are indicated for the adult educator.

**1. Which of the following best describes the emotional role of a brand?**

A. To provide technical details about the product

- B. To highlight country-of-origin labeling'
- C. To create a personal connection and emotional attachment with the consumer
- D. To reduce production costs

*Correct answer: C*

**2. What pricing strategy is typically used when entering a highly competitive, price-sensitive market?**

- A. Market skimming
- B. Premium pricing
- C. Market penetration
- D. Dynamic pricing

*Correct answer: C*

**3. Which of the following is an example of a green marketing channel strategy?**

- A. Using printed brochures and mass mailers
- B. Selling only through physical retail stores
- C. Partnering with carbon-neutral couriers and using compostable packaging
- D. Expanding sales through exclusive luxury dealerships

*Correct answer: C*

**4. What is the purpose of maintaining a balance between emotional and rational appeals in advertising?**

- A. To reduce campaign costs
- B. To meet advertising regulations
- C. To engage the consumer emotionally while also providing convincing product information
- D. To limit the use of digital media

*Correct answer: C*

**5. Which of the following factors are included in the PESTEL analysis?**

- A. Political, economic, social, technological, legal
- B. Political, economic, social, technological, cultural, legal
- C. Political, economic, social, technological, environmental, legal
- D. Political, economic, cultural, technological, environmental, legal

*Correct answer: C*

**6. Which of the following statements best describes the importance of understanding cultural and social environments in international marketing?**

- A. Cultural and social factors have minimal influence on marketing strategies in global markets.
- B. Only religious beliefs and literacy levels impact consumer behavior significantly.
- C. Understanding cultural elements such as language, social interactions, and value systems helps marketers adapt effectively to foreign markets.
- D. Marketing strategies can be uniformly applied across cultures without adaptation.

*Correct answer: C*

**7. Which of the following is the first stage in the marketing research process?**

- A. Data collection
- B. Problem definition
- C. Data preparation and analysis
- D. Communicating research results

*Correct answer: B*

**8. Which of the following is NOT one of the six key attributes that effective market segmentation should meet?**

A. Measurability

B. Accessibility

C. Stability

D. Creativity

*Correct answer: D*

**9. Which of the following targeting strategies focuses on catering to individual customers or localized microsegments?**

A. Mass marketing

B. Differentiated marketing

C. Niche marketing

D. Micromarketing

*Correct answer: D*

**10. Which is the most effective research method for launching the new product in the market**

A. Interviews

B. Surveys

C. Focus group discussions

D. Observation

*Correct answer: C*

## Recommendation for self study

1. How to create appealing brand: <https://www.ignitionframework.com/the-brand-canvas-how-to-create-and-communicate-a-compelling-brand/>

2. How to conduct surveys: <https://qualaroo.com/blog/how-to-conduct-a-survey>
3. How to conduct focus group discussions:  
<https://creative.vic.gov.au/resources/audience-research-toolkit/understand-your-audience/run-a-focus-group>
4. More about Porter's Five Forces: <https://www.cascade.app/blog/porters-5-forces>

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# W-RISE LEARNING REPORT



## W-RISE

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	Financial Basics	Module Overview
Module Number	4	<ol style="list-style-type: none"><li>1. Introduction to Entrepreneurship</li><li>2. Business models</li><li>3. Marketing basics</li><li>4. <b>Financial Basics</b></li><li>5. E-commerce</li><li>6. Business Plan</li></ol>
Classroom Hours	8,5	
Assessment	Quiz (10 questions)	Designed by NET IN ACTION

## Module's Overview

### Financial Basics

This module provides a thorough exploration of fundamental financial concepts and practical tools essential for the effective management and growth of a business. It begins by outlining the key objectives and the connection between financial planning and overall business strategy, particularly emphasizing how financial decisions impact core elements such as revenue generation and cost management. The contents of the module will support the learner in completing the **Cost Structure** and **Revenue Stream** sections of the Business Model Canvas. In particular, UNIT 1 provides guidance for developing a financial plan to be included in the overall business plan, while the following units focus on diversifying and strengthening the revenue model.

**UNIT 1** delves into cost structures, explaining the importance of differentiating fixed

versus variable costs and one-off versus recurring expenses. It introduces various cost estimation techniques and financial planning models, guiding participants through the process of creating detailed cost forecasts and performing critical analyses such as break-even calculations. This foundation equips entrepreneurs with the knowledge to manage their resources efficiently and plan for sustainable operations.

Subsequently, **UNIT 2** covers fundraising strategies, presenting the fundamental principles and actionable steps necessary for securing capital. Various fundraising methods are explored, including individual approaches like the “3F” model (Friends, Family, and Fools), crowdfunding campaigns, and event-based fundraising. These insights enable learners to develop and implement effective fundraising plans tailored to their unique business needs.

**UNIT 3** focuses on microcredit, providing an in-depth understanding of its history, principles, and operational mechanics, including loan terms, eligibility criteria, and typical loan sizes. The module also examines the microcredit landscape across different European countries, highlighting key institutions and regulatory environments. This knowledge supports entrepreneurs in evaluating the advantages and risks associated with microcredit financing options.

Finally, the **UNIT 4** addresses European and private funding opportunities, with particular attention to support available for women-led digital and environmentally sustainable start-ups. It explains the framework of EU funding programs, including their programming cycles, application processes, and the non-dilutive nature of many funds. Participants are introduced to the basics of the logical framework approach, a critical methodology for opportunity assessment and successful application preparation.

Throughout the module, gamified tasks and practical exercises reinforce the theoretical content, fostering active learning and skill development.

**Unit 1 – Cost structure**

1.1 Why understanding costs matters

1.2 Financial plan and cost estimation methods

Definitions: Fixed vs. Variable costs; One-off (Start-up) vs. Recurring (Operational)

Financial plan model and cost estimation methods

1.3 Completing a Financial Plan: Step-by-Step Guide to the Template

1.4 Three-year cost-planning framework and break-even-point calculation

1.5 Examples on real-life situations

Gamified Exercise: Build Your Own Financial Plan

**Unit 2 -  
Understanding  
fundraising  
strategies**

2.1 The fundamentals of fundraising

2.2 The three steps of fundraising

2.3 Fulfillment of fundraising strategy template

2.4 Fundraising methods: Individual Fundraising (3F System, crowdfunding, fundraising events)

2.5 Examples on real-life situations

Gamified Exercise: Create Your Own Fundraising Plan

**Unit 3 - Microcredit**

3.1 Microcredit: history, definition & principles

3.2 How does microcredit work: loan conditions, eligibility & typical amounts

3.3 Microcredit in Europe and key microcredit institutions per partner country: Italy; Spain; Poland; Lithuania; Sweden; Germany

3.4 Examples on real-life situations

Gamified Exercise: Simulation on Starting a Small Business With a Microloan

**Unit 4 – European & Private Funds for Women-Led Digital/Green Start-ups**

4.1 Understanding EU funding logic (programming periods, calls, non-dilutive nature)

4.2 Key EU Funding for Women in Digital & Green

4.3 Key Private and Hybrid Funding Schemes

4.4 From opportunity scanning to application: basics of Logical Framework Approach

4.4.1 Problem Tree: understanding the core issues

4.4.2 Simplified example of an LFA matrix

4.5 Examples on real-life situations

Gamified Exercise: Write a Funding Proposal Using the Logical Framework Approach

## Learning Outcome

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

## **Knowledge**

- Understanding of basic financial concepts: fixed vs. variable costs, start-up vs. operational costs
- Awareness of financial planning tools: income statement, balance sheet, cash flow forecast
- Knowledge of fundraising strategies, microcredit mechanisms, and EU/private funding opportunities
- Familiarity with the Logical Framework Approach (LFA) for project funding proposals

## **Skills**

- Ability to develop a complete financial plan, including cost projections and break-even analysis
- Capacity to apply different cost estimation methods (e.g., top-down, bottom-up, parametric)
- Skill in drafting a fundraising strategy and using methods like crowdfunding or 3F systems
- Competence in filling in project tools such as the LFA matrix, problem trees, and budget templates

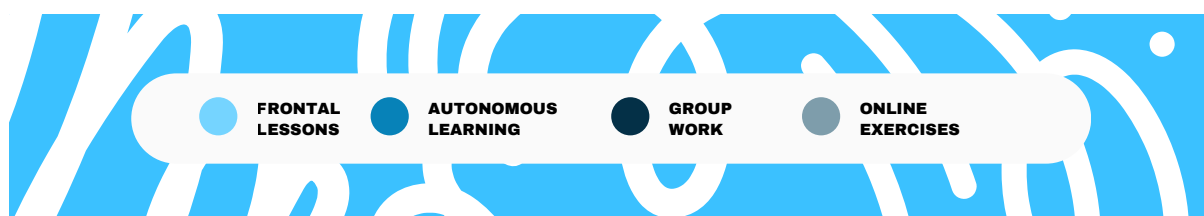
## **Abilities**

- Ability to make informed financial decisions for a start-up or early-stage business
- Ability to identify and approach potential funding sources (public, private, individual)
- Ability to present a business idea in a structured and fundable way
- Ability to simulate and adapt financial planning under uncertainty (e.g., with contingency buffers)

# **Learning Unit 1: Cost structure**

<b>Time</b>	<b>Short Description</b>	<b>Method</b>	<b>Equipment</b>
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10 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
15 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
90 Min	<b>Exercise:</b> Build Your Own Financial Plan	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Recap and concept clarification	ONLINE EXERCISES	Laptop/Beamer



## 1.1 Why understanding costs matters

In the development and execution of a business plan, understanding the structure and nature of costs is of paramount importance. Cost awareness goes far beyond simple accounting or expenditure tracking—it serves as a strategic foundation upon which sound financial decision-making is built. An in-depth understanding of costs enables entrepreneurs and managers to allocate resources efficiently, set appropriate pricing strategies, and assess the financial implications of operational and strategic choices.

Moreover, cost analysis plays a crucial role in determining the economic feasibility of a business idea. By identifying and classifying various types of costs, businesses can forecast future cash requirements, estimate profitability, and assess whether the proposed business model is sustainable in the long term. For instance, accurately distinguishing between fixed and variable costs, as well as between one-off and recurring expenditures, is essential when projecting income

statements and calculating the break-even point.

A precise understanding of costs also enhances the credibility of a business plan when presented to investors, banks, or other funding institutions. Investors are more likely to support ventures that demonstrate financial literacy, prudence in expenditure planning, and awareness of potential cost-related risks. Furthermore, for start-ups and early-stage companies, where resources are limited and cash flow management is critical, the ability to anticipate and control costs often makes the difference between success and failure.

## 1.2 Financial plan and cost estimation methods

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### **Definitions: Fixed vs. Variable costs; One-off (Start-up) vs. Recurring (Operational)**

To build an effective financial plan, it is necessary first to understand the basic categories into which business costs are commonly divided. These classifications help in modeling financial forecasts, identifying cost behavior under different scenarios, and planning for short- and long-term financial needs.

**Fixed Costs** are those that remain constant regardless of the volume of goods or services produced. They do not fluctuate with business activity in the short term. Examples include office rent, administrative salaries, insurance premiums, and certain licensing fees. These costs must be paid even when production or sales are low, making them particularly important in the calculation of the break-even point.

**Variable Costs**, by contrast, change in direct proportion to the level of business activity. These include costs such as raw materials, direct labor (in some models), energy consumption related to production, shipping, and sales commissions. Because they scale with output, variable costs are essential in evaluating the marginal cost of production and in setting pricing strategies.

**One-off (Start-up) Costs** refer to non-recurring expenditures incurred during the initial phase of a business. These typically include company registration, legal and consultancy fees, the purchase of equipment and initial inventory, branding and website development, and the costs of launching marketing campaigns. Start-up costs are capital-intensive and require careful estimation, as they directly influence the required initial investment and funding strategy. Some of these expenses, such as equipment purchases, are considered capital assets and are subject to **amortisation**, a process that spreads the cost of an asset over its useful life in order to reflect its gradual consumption and allocate its expense more accurately over time.

**Recurring (Operational) Costs**, on the other hand, are incurred on a regular basis once the business is operational. These may be weekly, monthly, or annual expenses, including salaries, utility bills, leasing costs, maintenance, and raw materials for production. Effective management of operational costs is essential to maintaining profitability and ensuring long-term sustainability.

Understanding these classifications provides the foundation for building detailed cost projections and allows for more accurate and adaptable financial models.

### **Financial plan model and cost estimation methods**

A financial plan is a structured framework that outlines the financial goals of a business and the strategies for achieving them. It typically includes a series of interconnected financial statements—namely, the projected **income statement (profit and loss account)**, **balance sheet**, and **cash flow forecast**.

- **The projected income statement**, also known as the profit and loss account, summarizes the expected revenues and expenses over a set period, showing whether the business will generate a profit or incur a loss.
- **The balance sheet** offers a snapshot of the company's financial position at a specific moment, detailing its assets, liabilities, and equity.
- **The cash flow forecast** estimates when and how much cash will flow in and out of the business, ensuring there is enough liquidity to meet day-to-day

needs.

For a simple business plan tailored to a microenterprise, it is often enough to prepare a financial plan that includes a three-year income statement and a clear outline of how the initial investment capital will be secured. The different ways to raise this capital are discussed in the following sections.

At the core of this framework lies the estimation of costs, which serves to anticipate future financial requirements and inform funding decisions. Several methodologies can be applied to cost estimation, depending on the nature of the business and the data available:

- **Top-down estimation** begins with a macro-level view, using industry benchmarks or historical data from similar businesses to estimate overall costs, which are then allocated to specific categories.
  - **Bottom-up estimation** starts at the granular level, identifying each individual cost component and summing them to produce a total estimate. This method is more precise and is generally preferred for early-stage businesses, although it can be time-consuming and data-intensive.
- Analogous estimation** uses data from comparable projects or businesses to estimate costs by analogy, useful when direct data is unavailable.
- **Parametric estimation** relies on mathematical models and cost-driving variables (e.g., cost per square meter, cost per unit) and is typically used in technical or engineering-driven projects.

**Three-point estimation**, often used in project management, takes into account optimistic, pessimistic, and most likely scenarios to arrive at an expected cost through weighted averages.

In all cases, assumptions must be explicitly stated, and contingency buffers should be included to account for uncertainties and unforeseen events. The reliability of cost estimates depends significantly on the quality of input data and the validity of the assumptions used in the model.

## 1.3 Completing a Financial Plan: Step-by-Step Guide to the Template

### 1. Define Your Start-Up Costs

This section helps you identify and estimate all the initial expenses required to launch your start-up. It covers everything from equipment and materials to services and licenses. It's important to detail each cost and consider depreciation rates, which represent the percentage by which an asset decreases in value each year. This is especially relevant for items like machinery, vehicles, or computers, which lose value over time due to use or obsolescence. Including depreciation in your planning allows you to spread the cost of these assets across several years, instead of counting the full amount only in the first year. Put simply, depreciation helps you understand how much value your equipment or tools are likely to lose each year, so you can plan your budget more accurately. Calculating costs both for the first year and subsequent years provides a realistic overview of your financial needs and helps in planning your budget effectively.

1. DEFINE YOUR START-UP COSTS				
What do you need?	Estimated Costs (€)	Depreciation % (es. 0%-3%-20%...)	Cost 1 <sup>o</sup> Year	Cost following Years
.....				- €
.....				- €
.....				- €
.....				- €
<b>Total:</b>			- €	- €

### 2. Indicate the source of your initial cost

This section helps you identify and quantify the various funding sources that will cover your start-up expenses. Clearly listing each source, such as personal savings, donations, loans, or contributions from family and friends, allows you to understand the financial foundation of your project. This clarity is essential for planning and communicating your funding strategy to stakeholders and potential investors.

## 2. INDICATE THE SOURCE OF YOUR INITIAL COSTS

Start-up resource	Amount (€)
Personal Savings	
Donations (Crowdfunding)	
Family, Friends, Fools	
Loan (Microcredit)	
Other	
<b>Total:</b>	- €

Once you have identified all funding sources, compare the total amount with your estimated start-up costs. This comparison will help you determine whether your current resources are sufficient or whether you need to seek additional financing to cover the initial investment.

### 3. Define your fixed and operational costs

This section allows you to estimate the recurring costs necessary to keep your business running throughout the year. These are expenses that do not directly vary with production or sales but are essential to maintain the basic functions of your enterprise. Understanding your fixed and operational costs is fundamental for planning your cash flow and ensuring the long-term sustainability of your business. This overview will also be useful when forecasting profitability and preparing for funding applications.

### 3. DEFINE YOUR FIXED AND OPERATIONAL COSTS

Fixed and operational Costs	Estimated annual Costs (€)
Rent	
Bills	
personnel costs	
Accountant	
Mortgage interests	
Insurance	
.....	
.....	
.....	
.....	
<b>Total:</b>	- €

#### 4. Define your variable costs

This section helps you identify the production and distribution costs that change based on your activity level or sales volume. These costs are not fixed: they grow as your business grows, depending on how much you produce or sell. Examples include materials, packaging, delivery, or commissions.

Use the table to estimate the cost per unit and the expected number of units sold over the first three years. This will help you understand how your expenses evolve with your sales and allow you to better plan your pricing strategy and financial sustainability over time.

4. DEFINE YOUR VARIABLE COSTS							
Variable Costs	Cost per Unit (€)	Unit sold 1° Year	Unit sold 2° Year	Unit sold 3° Year	Estimated Costs 1° Year (€)	Estimated Costs 2° Year (€)	Estimated Costs 3° Year (€)
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
<b>Total:</b>		0	0	0	- €	- €	- €

#### 5. Define your expected income

This section guides you in estimating the revenue your business is expected to generate from the sale of goods or services. Start by listing your products or services and setting a realistic price per unit. Then, estimate how many units you plan to sell during each of the first three years.

By multiplying unit prices by expected sales volumes, you can forecast your annual income and evaluate the financial potential of your business idea. This projection is crucial for determining profitability and for preparing a sustainable

growth strategy.

#### 5. DEFINE YOUR EXPECTED INCOME

Good / Service	Price per Unit (€)	Unit sold 1° Year	Unit sold 2° Year	Unit sold 3° Year	Estimated Income 1° Year (€)	Estimated Income 2° Year (€)	Estimated Income 3° Year (€)
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
.....					- €	- €	- €
<b>Total:</b>		0	0	0	- €	- €	- €

#### 6. Your financial plan

This final section brings together all the key financial elements of your business. By summarizing revenue, costs, and projected profits over the first three years, it provides a clear snapshot of your expected financial performance. It allows you to assess whether your business idea is economically viable, helping you identify when you might reach profitability and how sustainable your venture could become in the long term. This overview is also useful when presenting your business to potential investors, lenders, or partners.

The “Profit before taxes” represents the difference between total revenue and total costs. To estimate the “Net Income,” a simplified approach is often sufficient in early-stage business plans: you can apply a generic tax rate of approximately 30% to the profit. This quick calculation helps you gauge the financial return after accounting for taxes. While this method is basic, it is acceptable for an initial business plan. However, the more accurate and detailed your estimates (for example by considering actual national tax rates, deductibles, or tax credits), the more credible and convincing your proposal will be—especially when addressing potential investors or donors.

## 6. YOUR FINANCIAL PLAN

	1° YEAR	2° YEAR	3° YEAR
Revenue	- €	- €	- €
Start-up Costs	- €	- €	- €
Fixed Costs	- €	- €	- €
Variable Costs	- €	- €	- €
Profit before taxes	- €	- €	- €
Taxes	- €	- €	- €
Net Income	- €	- €	- €

## 1.4 Three-year cost-planning framework and break-even-point calculation

When drafting a business plan, it is standard practice to develop a cost-planning framework that spans a period of three years. This medium-term horizon allows entrepreneurs to assess the financial trajectory of the business over time, taking into account initial investments, scaling operations, and expected changes in cost structure. The framework typically includes projections for both capital expenditures and operational costs.

Such planning enables the identification of cost peaks, cash flow shortages, and periods where external funding may be required. It also supports strategic decisions regarding pricing, hiring, inventory management, and investment in infrastructure or technology. A key analytical tool within the financial plan is the **break-even point (BEP) calculation**. The break-even point indicates the sales volume at which total revenues equal total costs, resulting in neither profit nor loss. This calculation provides critical insight into the viability of the business model. It helps determine the minimum performance necessary to avoid losses and is instrumental in evaluating risk, pricing strategy, and operational scalability.

In a healthy and well-functioning business, the BEP is typically expected to be reached within the first three years, and this should be clearly visible in the three-year financial plan. However, depending on the nature and sector of the

business, reaching the BEP might take longer. In such cases, it is advisable to calculate and explicitly show when the break-even point will be achieved, even if it falls outside the initial three-year window, as part of the business plan.

## 1.5 Examples on real-life situations

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This unit explores real-life examples of how entrepreneurs structure their costs and plan for sustainable operations. For instance, a young entrepreneur launching an artisanal food truck must consider start-up costs such as purchasing the van, kitchen equipment, and branding, alongside fixed costs like insurance, permits, and accounting fees. Variable costs include ingredients, fuel, and packaging, and real-life experience shows that sales fluctuate with weather, prompting the entrepreneur to introduce a 10% contingency buffer in expenses.

Similarly, a freelance designer starting a small creative studio invests in essential equipment like a laptop, software, and a website. Fixed costs such as coworking space and software subscriptions are complemented by variable expenses like prototype materials and advertising. To accurately forecast production costs, she adopts a bottom-up estimation approach.

Another example involves a small sustainable craft e-commerce business, where initial investment covers materials, the online shop, and professional photography. Fixed costs include hosting, accounting, and insurance, while shipping, packaging, and materials represent variable expenses. The founder calculates the break-even point for the first 200 sales to guide pricing and production.

An online micro-school launched by a teacher follows a similar approach, investing in a microphone, camera, and LMS platform. Fixed costs like subscriptions and internet are paired with variable costs for platform commissions and advertising, while top-down analysis of competitors helps define course pricing and financial planning.

Lastly, a green start-up producing eco-friendly candles illustrates how parametric costing can guide pricing. Start-up costs include molds, rented lab space, and certifications. Fixed costs cover rent, energy, and insurance, while materials such as wax, wicks, essential oils, and packaging constitute variable costs. Comparing the cost per candle helps determine a sustainable pricing model.

### **Gamified**

#### **Exercise Unit 1: Build Your Own Financial Plan**

Now it's your turn to put theory into practice!

Choose a start-up idea, and use the knowledge gained in **Unit 1** to complete your own financial plan.

To guide your work, you will find a Google Sheets template with pre-set formulas and the same structure you studied in this unit, including sections for:

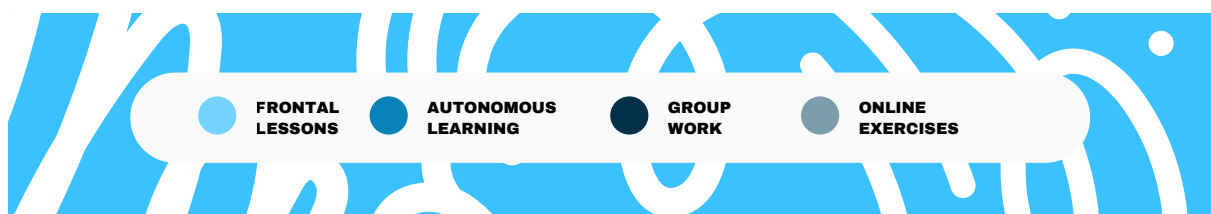
1. Start-up costs
2. Funding sources
3. Fixed and operational costs
4. Variable costs
5. Expected income
6. Break-even analysis and financial plan

Access the template through the link provided below and fill in each section based on your chosen business idea. Make sure to apply the cost definitions, estimation methods, and planning strategies introduced throughout the unit. This activity is designed to simulate a real-world planning experience and help you develop practical financial literacy skills essential for launching and managing a sustainable business.

[UNIT 1 - Gamified Exercise: Build Your Own Financial Plan.xlsx](#)

# Learning Unit 2: Understanding fundraising strategies

Time	Short Description	Method	Equipment
5 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
20 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
90 Min	<b>Exercise:</b> Create Your Own Fundraising Plan	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Peer feedback and recap of key concepts	ONLINE EXERCISES	Laptop/Beamer



## 2.1 The fundamentals of fundraising

Fundraising is a structured set of activities aimed at obtaining external financial support for a project or business idea. It is especially important in digital and sustainable entrepreneurship, where new ventures often need initial funding to start, grow, and scale. Unlike traditional businesses that mostly rely on revenue or bank loans, fundraising provides access to a wider range of financial

resources, such as grants, donations, crowdfunding, and corporate sponsorships.

Donors can be individuals, private organizations, foundations, or public institutions that choose to support an initiative because they believe in its mission and goals. In the areas of digital innovation and sustainability, donors often look for high-impact projects—those that contribute to social progress, environmental protection, or technological development. For example, a foundation might fund a nonprofit working on digital literacy in underserved communities, while an investor may support a startup developing AI-powered solutions for energy efficiency.

One common misconception is that the less money spent on fundraising, the more efficient an organization is. However, this is not always true. Investing in internal fundraising capacity—such as staff training, strategy development, or digital tools—can greatly improve an organization’s ability to secure ongoing funding. A solid fundraising approach helps organizations become more independent over time, reducing their reliance on one-time grants or occasional donations.

Today’s digital tools have also made fundraising more accessible. Crowdfunding platforms, impact investment funds, and blockchain-based systems give entrepreneurs new ways to reach global audiences, attract mission-driven investors, and run transparent, engaging campaigns.

By understanding the basics of strategic fundraising, entrepreneurs in the digital and sustainable fields can improve their chances of success, build financial stability, and contribute to a more responsible and innovative future.

## 2.2 The three steps of fundraising

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Fundraising is a gradual and strategic process that involves building relationships, securing contributions, and encouraging long-term commitment. This section outlines three key steps that are particularly relevant for women-led

businesses in the sustainable, green, and digital sectors: finding new sponsors (A), increasing the average donation (B), and encouraging repeat contributions (C).

### **A) Looking for new sponsors**

This initial phase is often the most complex, especially for newly established ventures. However, emerging entrepreneurs have a valuable asset: the enthusiasm and drive that come with launching an original idea. To succeed in this stage, it is crucial to adopt a structured, step-by-step approach.

A new donor is someone who contributes to your initiative for the first time. Their motivations can vary widely, and understanding them is essential to building strong and lasting support networks. In the context of women's entrepreneurship in sustainability, digital innovation, and green technologies, identifying individuals and organizations that care about gender equality and social impact is a vital starting point.

That said, the search for new donors may require significant resources and may not generate immediate returns. However, it should be seen as a long-term investment in the organization's growth and stability. Not every person who shows interest or receives information about your mission will ultimately decide to give. Potential supporters can be reached through events, letters, fairs, or direct outreach. Choosing the most appropriate communication channel for each potential donor is part of a thoughtful strategy.

Following up with these contacts, providing further information, and developing the relationship often takes considerable effort. Results may not be immediate, and setbacks are common. Still, perseverance during this phase lays the foundation for lasting partnerships that can support the long-term growth of women-led initiatives in the sustainable and digital sectors.

### **B) Increasing the average donation**

Once a person or organization becomes a donor, a new opportunity arises: encouraging them to increase their financial support. This step is often more effective and less costly than continuously seeking out new donors. While attracting new supporters is important, maintaining and deepening relationships with existing donors tends to bring greater stability and lower fundraising costs. Those who already believe in your mission are more likely to consider increasing their contributions when asked. At this stage, the focus is not on involving donors more deeply in organizational activities, but simply on encouraging a larger donation.

Not every donor will respond to such a request, but even a modest increase from a few can make a significant difference. Targeting existing donors with tailored and respectful requests is a practical and efficient way to strengthen your financial base.

### **C) Raising the frequency of the donation**

The final step in building a sustainable fundraising strategy is to encourage repeat donations. Once a network of committed supporters has been established, the goal is to maintain their interest and inspire them to give regularly. If donors have already made more than one contribution, they are likely to remain open to future support—especially when they see the continued impact of their involvement. Motivating them to contribute more frequently not only increases funding but also builds a sense of shared purpose and loyalty.

In summary, an effective fundraising strategy for women entrepreneurs in the sustainable and digital sectors involves three essential actions: expanding the donor base with persistence and patience, increasing the average contribution from existing supporters, and fostering long-term relationships that encourage repeat giving. By focusing on these three steps, organizations can secure the resources needed to thrive and make a lasting impact.

## 2.3 Fulfillment of fundraising strategy template

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The fulfillment of a fundraising strategy template is the process of turning a carefully designed plan into real actions that help secure financial support. It begins with clearly defining the goals of the fundraising campaign and identifying the types of donors or sponsors that are most likely to be interested in supporting the project. The strategy template also outlines the best ways to communicate with these potential supporters, such as through events, emails, social media, or personal meetings. Once the plan is created, fulfilling it means following each step consistently and with attention to detail. This includes reaching out to donors, providing them with relevant information, and maintaining ongoing communication to build trust and encourage donations. Monitoring the progress of these activities is important, so that adjustments can be made if certain approaches do not work as expected. By carefully fulfilling the fundraising strategy template, organizations can create a clear and organized path to raise the funds they need, while also building lasting relationships with their supporters. This approach increases the likelihood of success and helps ensure steady financial support over time. For instance, fulfilling a fundraising strategy might begin by connecting with supportive organizations and networks interested in what the business is about. They could then use crowdfunding platforms to reach a wider audience interested in sustainability and social impact. Additionally, they might seek support from European and private funds dedicated to women-led digital and green start-ups. Finally, organizing community events can help raise both funds and awareness, building new relationships with potential donors.

Below is a simplified fundraising strategy template designed to guide the practical steps of a fundraising campaign. For clarity, an example is included within the template to illustrate how each section can be completed.

### **1. Why are we raising money?**

Write the need clearly in one sentence.

*Example: "Buy 50 chairs for the community hall."*

## 2. How much money do we need?

Specify the exact amount (€) plus a 10% buffer for unforeseen expenses.

*Example: "We need €1,000 + €100 margin = €1,100 total."*

## 3. Who could provide the funds?

Make a brief list of potential donors or groups:

- Neighborhood families
- Local small shops
- Friends on WhatsApp

## 4. What will be our message?

Write 1-2 short, emotional, and concrete sentences to motivate donors.

*Example: "With €20, you help seniors sit comfortably during meetings."*

## 5. How will we ask?

Select the communication channels and assign responsibilities:

- Transparent donation box with sign – Maria
- Door-to-door campaign – Youth group
- WhatsApp/Facebook posts – Luca

## 6. When will actions take place?

Plan a simple timeline with key dates and actions:

*Example:*

Date	Action	Notes
June 5	Print signs	10 copies
June 7	Launch donation box at market	Need coins
June 30	Count funds and total sum	Use a simple Excel sheet

## 7. Who does what?

Define clear roles:

- One person manages the cash securely
- One monitors social media
- One collects receipts and tracks expenses

### **8. How do we thank donors?**

*Example: Send a thank-you card with photos of the purchased chairs via WhatsApp and post it on the community noticeboard.*

### **9. How do we measure success?**

Ask yourself these questions:

- Has the money raised met or exceeded the goal?
- Have the chairs been purchased and put to use?
- Are donors kept informed and satisfied?

## 2.4 Fundraising methods: Individual Fundraising (3F System, crowdfunding, fundraising events)

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Fundraising involves engaging different types of donors, each requiring tailored strategies to secure their support. Broadly, donors can be divided into two groups: individuals and companies. This section focuses on individual donors, who can be reached through a variety of channels depending on whether the communication is personal or directed at a larger audience. For women entrepreneurs in the sustainable, green, and digital sectors, these channels range from direct emails and social media platforms to crowdfunding websites and in-person events. The aim is to connect with individuals who share a commitment to sustainability and women's empowerment, inspiring them to support the growth of the enterprise. Among the many approaches, personalised letters, face-to-face meetings, events, and crowdfunding have proven particularly effective. Few of these methods will be explored in more detail as follows.

## **A. 3F System**

The 3F system—an acronym for Family, Friends, and Fools—is one of the most common and accessible initial fundraising methods used by individual entrepreneurs. This approach involves reaching out to one’s immediate personal network, including relatives, close friends, and acquaintances who are willing to support the venture financially, often based on trust and personal relationships rather than formal assessments of the business model or market potential. Although the term “fools” may sound negative, it reflects those who take a risk on a project early on, motivated by loyalty or belief in the entrepreneur’s vision.

For women entrepreneurs operating in sustainable, green, and digital sectors, the 3F method can be especially valuable. These founders often face additional challenges in accessing traditional funding sources, so the support from close networks provides critical seed capital needed to develop prototypes, conduct initial market research, or cover startup expenses. The contributions obtained through 3F fundraising typically come with fewer formalities and less pressure compared to institutional investors or banks, allowing entrepreneurs to focus on refining their ideas.

However, while this method is generally quicker and more flexible, it requires careful handling. Clear and honest communication about the risks involved and the potential outcomes is essential to preserve trust within personal relationships and avoid misunderstandings. It is also important to manage expectations by providing regular updates on progress and milestones achieved. From a practical perspective, raising funds through 3F networks still requires setting up a simple payment system, such as PayPal or Revolut, and selecting direct communication channels like WhatsApp, Signal, or email to reach potential supporters effectively. Though the amount raised through 3F networks may be limited compared to other funding sources, it serves as a crucial foundation. Demonstrating early support from one’s personal network can enhance credibility and open doors to further fundraising opportunities, such as crowdfunding or corporate sponsorships. Overall, the 3F system remains a vital component of individual fundraising strategies, particularly in the early stages of women-led ventures in the sustainable, green, and digital fields.

## **B. Crowdfunding**

Crowdfunding, a term derived from the English words “crowd” and “funding,” refers to a method of raising funds online where an individual or business seeks financial support for personal projects or specific goals. This process is usually facilitated through dedicated web platforms designed to host and manage crowdfunding campaigns, often without charge.

One of crowdfunding’s main strengths lies in its ability to reach a global audience, far beyond the limits of traditional communication methods such as mail, phone calls, or in-person requests, and often at a lower cost.

Crowdfunding can be classified into four main types:

- **Donation-based:** Contributors provide funds without expecting any financial return, supporting causes they consider worthy. This can involve donations from individuals or organisations.
- **Incentive-based:** Donors receive non-monetary rewards in return, such as a product created by the fundraiser or a symbolic item. This type is common in arts and culture, allowing supporters to obtain a finished product—like a book, artwork, or album—while fostering relationships and enabling market testing.
- **Social lending:** Also known as peer-to-peer lending, this involves lending money to a business with the expectation of repayment plus interest. While similar to traditional bank loans, it usually involves multiple small investors willing to accept moderate risks.
- **Equity crowdfunding:** In this case, contributors become minority shareholders in the project, receiving equity shares and a portion of profits, although often without voting rights. Due to the risks involved and its nature as a public investment, equity crowdfunding is regulated by financial authorities in many countries.

Various crowdfunding platforms exist, some specialising in creative projects aimed at niche markets, while others focus on socially-driven campaigns. Non-profit organisations also run crowdfunding initiatives on social media. For

example, Facebook allows groups and individuals to create fundraising campaigns during emergencies such as natural disasters. Additionally, Facebook's birthday fundraisers enable users to collect donations for charities.

This approach is increasingly popular in women's entrepreneurship within sustainable, green, and digital sectors, where crowdfunding serves as an important tool to support women-led businesses committed to positive environmental and social impact.

### **How does a crowdfunding platform work?**

After developing a project idea, the individual seeking funding begins by completing the crowdfunding platform's template with key details. This includes a description of the project, the funding goals needed to launch it, relevant photos or videos, and any incentives offered to potential backers. The platform then records the campaign in its database and applies standardized contractual terms, sometimes providing predefined options to streamline the process. This system allows funders to browse and choose the projects they wish to support. The funds collected are first received by the crowdfunding platform, which subsequently transfers the total amount to the project initiator. Meanwhile, potential backers often seek additional information about the project and its creator through external channels such as social media. To sustain their operations, crowdfunding platforms typically charge a fee ranging from 5% to 15% of the total funds raised.

### **Case study: GoFundMe**

Founded in 2010, GoFundMe (<https://www.gofundme.com/>) is a popular crowdfunding platform focused on personal and charitable fundraising. It allows individuals and organizations to create campaigns for a wide range of causes, including medical expenses, education, emergencies, community projects, and social impact initiatives. Users can easily set up a campaign page, share their story, and collect donations without requiring rewards or returns. GoFundMe is

known for its simple and user-friendly interface, low fees, and strong emphasis on trust and transparency to encourage donor confidence.

### **C. Fundraising events**

Fundraising events involve organising gatherings aimed at engaging selected stakeholders to present a cause and raise funds in its support. Successfully managing such events requires strong organisational and cross-functional skills, and often involves navigating local bureaucracy and unexpected costs that may arise during planning.

For entrepreneurs or artists operating in the sustainable, green, and digital sectors, organising activities such as artistic workshops or joint exhibitions can be effective ways to attract funding while showcasing skills and innovation. Alternatively, participating in events hosted by others provides an opportunity to represent the cause with lower organisational effort and financial risk, making it a suitable option when the primary goal is to maximise fundraising outcomes. Another strategy involves identifying events aligned with the values and mission of the organisation—particularly those supporting women’s entrepreneurship in sustainability and digital innovation—and approaching attendees to propose sponsorship. Often, individuals from artistic or entrepreneurial backgrounds, including singers, actors, and writers, are willing to support non-profit initiatives, especially those empowering women in these key sectors. This approach not only saves time but may also generate dual benefits: securing funds and establishing relationships with influential supporters who can help amplify the mission.

For those choosing to organise an event independently, several essential steps are recommended:

- **Brainstorming:** Collaboration with individuals who share the organisation’s goals is crucial to generate creative ideas and critically assess the feasibility of proposed concepts.
- **SWOT Analysis:** Conducting a comprehensive assessment of internal strengths and weaknesses, as well as external opportunities and threats,

provides valuable insights into the organisation's environment.

- Event Concept Development: Creating an initial event plan or “event card” to outline the key features and objectives of the gathering.
- Timeline: Establishing a clear schedule to organise tasks and deadlines ensures effective project management and timely completion.

Completing these steps offers a clearer understanding of the economic viability of the event within the context of sustainable, green, and digital entrepreneurship. It is advisable to carefully consider potential risks and challenges in advance to minimise problems during implementation. While optimism is important, excessive positivity in planning may lead to structural issues later in the process.

## 2.5 Examples on real-life situations

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Unit 2 demonstrates practical approaches to raising capital for diverse start-ups. A digital start-up developing a food-waste reduction app leverages the “3F” system, collecting €2,000 from friends and family to create a prototype. Clear messaging, such as “Help us reduce food waste in the neighborhood,” combined with regular updates, fosters donor engagement and incremental giving.

An association for young women launches a green laboratory through crowdfunding, setting a €3,500 target and offering symbolic rewards. Donors are motivated by social impact and empowerment, and the association successfully implements a follow-up upgrade strategy to increase contributions while providing eco-friendly incentives.

A designer seeking a sustainable 3D printer uses a fundraising event in a coworking space to display products, attracting local shops as new sponsors and securing repeat donations from loyal customers through quarterly subscriptions.

In the agricultural sector, a young woman leading a micro-farm combines 3F funding with crowdfunding for a solar greenhouse. Communication through social media and local markets, alongside monthly progress updates and

personalized thank-you messages, strengthens donor relationships and project fulfillment.

A digital cultural enterprise offering creative online courses engages individual donors, including former students, encouraging giving through targeted webinars for premium supporters and bimonthly newsletters with exclusive event invitations to maintain retention.

### **Gamified**

#### **Exercise Unit 2: Create Your Own Fundraising Plan**

Now it's your turn to put theory into practice!

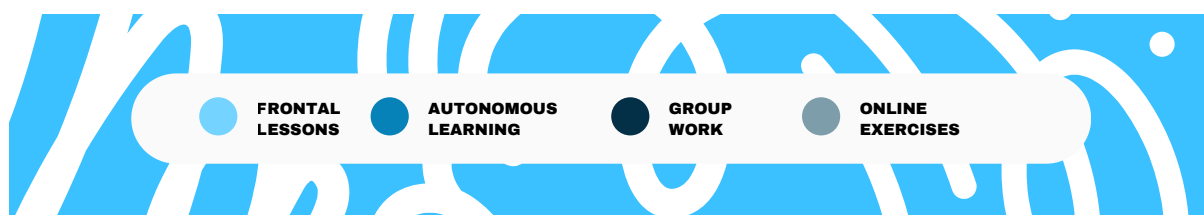
Choose a project or business idea and develop your own fundraising plan. Use the **simplified fundraising strategy template** example provided in section 2.3 of Unit 2 to guide your work – this template already contains the key questions you need to answer.

Complete your plan by incorporating **other important information from Unit 2**, such as selecting one fundraising method (3F system, crowdfunding, or fundraising events) and defining how you will reach and engage your donors. Be sure to include your fundraising goals, potential donors, communication channels, timelines, and how you will thank and retain your supporters.

This exercise is designed to help you build practical skills in organizing a structured and effective fundraising campaign, essential for supporting women-led ventures in sustainable, green, and digital sectors.

## **Learning Unit 3: Microcredit**

Time	Short Description	Method	Equipment
5 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
20 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
90 Min	<b>Exercise:</b> Simulation on Starting a Small Business With a Microloan	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Discussion of results and insights	ONLINE EXERCISES	Laptop/Beamer



### 3.1 Microcredit: history, definition & principles

Microcredit has emerged as one of the most innovative and impactful financial tools aimed at reducing poverty and fostering economic empowerment among marginalized populations. By providing small loans without requiring traditional collateral, microcredit opens access to capital for those typically excluded from conventional banking systems. This approach not only helps individuals start or expand small businesses but also promotes social change by targeting underserved groups, especially women. The following section delves into the origins, development, and social significance of microcredit, tracing how a simple idea grew into a worldwide movement that continues to inspire new models of inclusive finance.

Microcredit began in the village of Jobra, Bangladesh, driven by Muhammad

Yunus, who won the Nobel Peace Prize in 2006. Frustrated by the gap between economic theory and local poverty, Yunus personally met impoverished people and discovered many were trapped in a cycle of usury. He realized that just \$27 could free 42 people from debt, enabling them to become financially independent. This insight led to the founding of the Grameen Bank in 1983, which provided small loans without traditional collateral, empowering people to use their skills to escape poverty. These microloans, often just a few dollars, helped borrowers start sustainable small businesses.

A key aspect of the model was its focus on women, who were largely excluded from economic opportunities yet played a vital role in their families. Yunus encouraged women to form cooperatives, which increased the social and economic impact and challenged entrenched gender norms. The system is based on trust and mutual accountability within borrower groups, resulting in repayment rates often exceeding 95%.

Despite some criticisms regarding over-indebtedness and operational costs, the Grameen Bank model has become a global movement, adopted in over 100 countries. It demonstrates how small-scale loans can drive significant social and economic change. The emphasis on women remains a cornerstone, highlighting their resilience and crucial role in transforming communities.

In essence, microcredit embodies principles of trust, empowerment, and inclusivity. It challenges traditional banking norms by prioritizing human potential over collateral and recognizes the power of small financial interventions to create lasting social change. By focusing on marginalized groups –especially women–it not only provides economic opportunities but also fosters greater social equity and community development. This model continues to inspire innovative approaches to finance that aim to build more inclusive and sustainable economies worldwide.

## 3.2 How does microcredit work: loan conditions, eligibility & typical amounts

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Building on the core principles of trust, empowerment, and financial inclusion, microcredit offers small loans designed to meet the unique needs and circumstances of underserved borrowers. These loans are structured with conditions that prioritize affordability and flexibility, recognizing that many recipients operate within informal economies or have irregular income streams. Interest rates are generally kept low to ensure that repayment remains manageable, and repayment schedules are often adapted to align with the cash flow patterns of small businesses or household earnings. This flexibility helps prevent undue financial stress and supports the borrower's ability to sustain their ventures over time.

Eligibility criteria for microcredit programs tend to be broad and inclusive, focusing on individuals who are typically excluded from traditional banking systems—especially women, who face social and economic barriers to accessing finance. Unlike conventional loans that require physical collateral, microcredit often employs alternative forms of credit assessment, such as group lending or social collateral. In group lending models, small clusters of borrowers take joint responsibility for each other's repayments, creating a network of mutual accountability and support. This social guarantee encourages timely repayments and builds a sense of community empowerment, which further strengthens the borrower's commitment and resilience.

Additionally, many microcredit initiatives provide borrowers with non-financial support such as training in financial literacy, business planning, and skills development. These resources help individuals not only access capital but also effectively manage their loans and grow sustainable enterprises. By coupling financial services with educational support, microcredit programs enhance the long-term impact on poverty reduction and economic development.

Typical loan amounts in microcredit are intentionally modest, calibrated to cover the startup or expansion costs of small-scale ventures rather than large investments. This approach encourages entrepreneurship at a grassroots level, allowing borrowers to gradually build their businesses and improve their livelihoods. The combination of small loan sizes, flexible terms, and social accountability creates a financial environment where borrowers are empowered

to succeed while minimizing the risks of over-indebtedness.

Overall, microcredit functions as a powerful tool that bridges the gap between excluded populations and formal financial services, promoting not only economic growth but also greater social inclusion and empowerment within marginalized communities.

### 3.3 Microcredit in Europe and key microcredit institutions per partner country: Italy; Spain; Poland; Lithuania; Sweden; Germany

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In Europe, microfinance is regulated nationally, reflecting diverse legal and economic contexts. Microcredit institutions vary significantly across European countries, reflecting each nation's financial ecosystem, regulatory framework, and social needs. The following table provides an overview of key microcredit providers in Italy, Spain, Poland, Lithuania, Sweden, and Germany. Understanding these institutions is essential to grasp how microcredit is implemented locally and how it supports entrepreneurs and vulnerable groups in diverse contexts.

#### **Italy**

- *PerMicro*

Target: Startups, microenterprises;

Products: Microloans, training.

- *Banca Etica*

Target: Social enterprises, nonprofits;

Products: Microloans, project financing.

#### **Spain**

- *MicroBank (La Caixa Foundation)*

Target: Individuals, microbusinesses;

Products: Microloans, social finance.

- *Fundación Mujeres*

Target: Women entrepreneurs;

Products: Microcredit, training.

## **Poland**

- *Bank Gospodarstwa Krajowego (BGK)*

Target: SMEs, startups;

Products: Loans, guarantees.

- *Fundacja Rozwoju Przedsiębiorczości*

Target: Social enterprises, entrepreneurs;

Products: Microloans, consultancy.

## **Lithuania**

- *Investicijų ir verslo garantijos (INVEGA)*

Target: Small businesses;

Products: Loan guarantees.

- *Versli Lietuva*

Target: Startups, entrepreneurs;

Products: Support programs, microfinance.

## **Sweden**

- *Almi Företagspartner*

Target: SMEs, startups;

Products: Loans, advisory services.

- *Mikrofinans Sverige*

Target: Socially excluded entrepreneurs;

Products: Microloans.

### **Germany**

- *KfW Bankengruppe*

Target: SMEs, startups;

Products: Microloans, guarantees.

- *Mikrokreditfonds Deutschland*

Target: Small businesses;

Products: Microloans.

## 3.4 Examples on real-life situations

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Unit 3 presents practical insights into microcredit as a financing tool for small businesses. A young hairdresser opening a mini-salon in a suburban area secures a €4,000 microloan to purchase a chair, sink, materials, and signage. Flexible monthly repayment plans and management training from the provider support sustainable growth.

A migrant woman managing a small ceramics workshop benefits from a €2,500 loan through group lending with four other local artisans. Simplified accounting training and participation in local markets increase both production and visibility.

A digital start-up offering nutritional consultancy receives a €3,000 loan to invest in a laptop, premium software, and marketing. Risk management strategies, such as diversifying services, protect the business against client fluctuations, while eligibility criteria allow young professionals without traditional guarantees to access credit.

A sustainable bike delivery service secures a €3,000 microloan to purchase e-bikes, with seasonal repayment flexibility. Workshops on variable cost

management complement the financial support.

Finally, a home-based natural cosmetics workshop uses a €1,800 loan for materials, certification, and eco-friendly packaging. The local association guarantees social collateral, ensuring reliability and reinforcing community trust.

**Gamified Exercise**  
**Unit 3: Simulation on starting a small business with a microloan**

Now it's your turn to put theory into practice!

Use the knowledge from Unit 3 about microcredit to create your own plan on how you would use a microloan to start or grow a small business. This will help you think like an entrepreneur and understand the practical steps involved in managing a microcredit loan.

**How to proceed:**

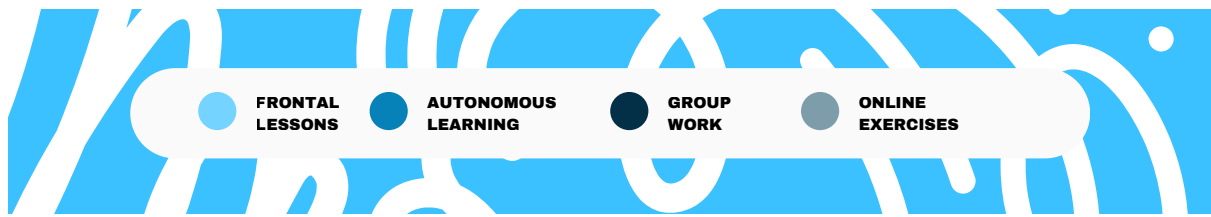
1. Imagine you have been granted a microloan of €3,000.
2. Write down the main expenses you will have to start or grow your business (equipment, materials, marketing, etc.).
3. Decide your repayment plan: how many months will you take to repay? How will you manage your payments considering your income might be irregular?
4. Identify possible risks (seasonal sales, unexpected costs) and write how you will handle them.
5. Think about the support you might need: training, group lending, or advice, as explained in Unit 3.
6. Use the example and questions in paragraph 3.2 of Unit 3 to guide your thinking and help develop your plan.
7. Choose one microcredit method from Unit 3 –

group lending, social collateral, or individual loan – and explain why it fits your business and personal situation.

Microcredit loans help people, especially women, start small businesses by providing small loans without traditional collateral. This exercise helps you practice planning with the real conditions of microcredit and prepares you for future opportunities.

## Learning Unit 4: European & Private Funds for Women-Led Digital/Green Start-ups

Time	Short Description	Method	Equipment
5 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
20 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
120 Min	<b>Exercise:</b> Write a Funding Proposal Using the Logical Framework Approach	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Quick quiz + group wrap-up	ONLINE EXERCISES	Laptop/Beamer



## 4.1 Understanding EU funding logic (programming periods, calls, non-dilutive nature)

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In recent years, the European Union has placed increasing emphasis on fostering innovation, sustainability, and gender equality within the entrepreneurial landscape. Recognizing the transformative potential of women-led start-ups—particularly in the digital and green sectors—various European and private funding instruments have been designed to support their growth. These funds aim not only to address the gender investment gap but also to promote inclusive economic development aligned with the EU’s twin transitions: digital transformation and environmental sustainability. This section explores the key public and private financial opportunities available to female entrepreneurs operating in these high-impact sectors, highlighting eligibility criteria, strategic priorities, and access channels.

To effectively navigate the landscape of European funding, it is essential to understand the underlying logic that shapes how resources are planned, allocated, and accessed. EU funding operates through multiannual programming periods—typically spanning seven years—which define the strategic priorities and financial frameworks for all major funding instruments. Each period is articulated through a set of programmes and sub-programmes, designed to address key policy areas such as innovation, social inclusion, sustainability, and digital transformation.

There are two main types of EU funding mechanisms: **direct and structural funds**. Direct funds are managed by the European Commission and accessed through centralized calls for proposals. Structural funds, on the other hand, are managed at the national or regional level by each Member State and are aimed at

supporting regional development and reducing disparities across EU territories. For structural funds, applicants must consult the relevant managing authorities in their country or region, as criteria and access methods vary widely. These programmes are implemented through calls for proposals, which invite public and private entities to submit project ideas that align with specific objectives. Each call outlines detailed eligibility criteria, thematic priorities, and evaluation mechanisms, making it crucial for applicants to carefully match their projects with the funder's expectations. While the application process can be highly competitive, the rewards are significant: **EU grants are typically non-dilutive**, meaning that recipients are not required to give up equity or ownership in return for financial support. This makes them particularly attractive for early-stage ventures, including women-led start-ups in the green and digital sectors.

Most calls for direct EU funding are published on the online portal called **"Funding & Tenders"**. Funding & Tenders is the European Commission's official online portal which serves as a centralized hub for accessing detailed information on available funding opportunities, application guidelines, deadlines, and submission procedures. This platform is the central entry point for exploring available opportunities, preparing your application, and submitting proposals. The platform facilitates transparency and equal access, allowing applicants from across Europe to explore and engage with a wide range of funding programmes.

## 4.2 Key EU Funding for Women in Digital & Green

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European funds are vital financial instruments through which the European Union pursues its goal of promoting balanced development and reducing economic and social disparities among Member States and their regions. Distributed through multiannual programming cycles, these resources support a broad range of initiatives aligned with EU strategic priorities. The current 2021–2027 framework continues this mission, offering targeted funding through thematic programmes designed to advance innovation, digitalisation, sustainability, and social cohesion.

Among the flagship initiatives of this programming cycle is the **Digital Europe Programme (DIGITAL)**, a strategic tool aimed at strengthening Europe's digital capabilities and resilience. The COVID-19 pandemic and subsequent geopolitical tensions, such as Russia's invasion of Ukraine, exposed Europe's digital vulnerabilities and underscored the urgency of investing in digital sovereignty, cybersecurity, and technological self-reliance. With a budget exceeding €8 billion, DIGITAL focuses on six key investment areas: supercomputing, artificial intelligence, cybersecurity, advanced digital skills, widespread adoption of digital technologies, and semiconductors. These investments not only drive economic growth but also secure Europe's competitiveness in the global digital landscape. The programme operates through a network of European Digital Innovation Hubs (EDIHs), offering on-the-ground support to SMEs, public authorities, and citizens embracing digital transformation.

Complementing DIGITAL, the **Women TechEU** initiative specifically targets innovative women-led start-ups in deep tech sectors. It provides direct financial support and coaching to help these high-potential enterprises scale up and compete internationally. By addressing gender gaps in technology entrepreneurship, Women TechEU plays a crucial role in fostering diversity and inclusion in Europe's digital economy.

Additionally, **WE-RISE**, a part of the **Horizon Europe programme**, focuses on empowering women entrepreneurs with green and sustainable innovations. Horizon Europe is the EU's flagship research and innovation framework programme, designed to drive scientific excellence and tackle global challenges through funding projects in areas like climate, health, digital technology, and industry. WE-RISE supports the development of women-led ventures that contribute to the EU's ambitious climate and environmental goals, blending technological innovation with social impact. The initiative offers tailored funding, networking, and capacity-building activities to accelerate the growth of women-led start-ups in green sectors.

Together, these programmes illustrate the EU's comprehensive approach to driving digital and green transitions while promoting social inclusion and gender equality. They are complemented by other EU financial instruments such as

Horizon Europe, the Connecting Europe Facility, and the Recovery and Resilience Facility, creating a robust ecosystem of support for innovation and entrepreneurship across the continent.

## 4.3 Key Private and Hybrid Funding Schemes

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In addition to public European funding programmes, several private and hybrid initiatives play a crucial role in supporting women-led start-ups, especially in the fields of digital innovation and green entrepreneurship. These schemes offer tailored opportunities ranging from competitions to acceleration programs, helping female entrepreneurs access capital, mentorship, and international networks.

**WomenEntrepreneurs4Good (WE4G)** is a European initiative focused on empowering women entrepreneurs who are developing innovative solutions for social and environmental challenges. The program provides access to funding, coaching, and international visibility, aiming to foster sustainable growth and social impact. WE4G emphasizes the importance of inclusive entrepreneurship that contributes to the green and digital transitions, supporting projects that combine business success with positive societal change.

**She Loves Tech – Global Start-up Competition** is the world's largest competition focused on women-led or women-impact start-ups. This global event connects entrepreneurs with investors, corporates, and ecosystem players. It offers participants the chance to pitch their innovations on an international stage, gaining exposure, funding, and valuable strategic partnerships. She Loves Tech promotes diversity in tech innovation and champions female founders driving disruptive solutions worldwide.

**Women Start-up Competition (WSC Europe)** is a Europe-wide initiative designed to showcase and support the most promising women-led start-ups in various sectors. WSC Europe provides mentoring, networking opportunities, and access to investors, helping women founders scale their businesses effectively. By creating a vibrant community of female entrepreneurs, the competition also

fosters knowledge sharing and collaborative growth across borders.

Together, these initiatives complement public funding by addressing specific needs of women entrepreneurs, boosting their visibility, and facilitating access to crucial resources for scaling their ventures in competitive markets. They are vital components in the broader ecosystem working towards gender-balanced innovation and inclusive economic development.

## 4.4 From opportunity scanning to application: basics of Logical Framework Approach

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Successfully accessing European and private funds requires more than identifying a relevant call; it demands a structured and strategic planning process. One widely adopted methodology in the preparation of funding proposals is the **Logical Framework Approach (LFA)**. This tool helps applicants move from initial opportunity scanning, where potential funding sources are assessed based on eligibility, thematic focus, and strategic fit, to the development of a coherent and results-oriented project proposal.

The LFA provides a clear structure for defining a project's objectives, activities, expected results, and indicators of success, ensuring that each component aligns with the broader goals of the funding programme. The process begins with a thorough problem analysis, often carried out through a tool known as the **Problem Tree**. This visual method helps identify the core problem your project aims to address, mapping out its direct causes and consequences. By clarifying the relationships between these elements, the Problem Tree offers a structured understanding of the situation, which is then transformed into an **Objective Tree**, a positive reframing of the same structure. This objective-based tree directly informs the logical framework, ensuring that all elements of the project are coherent, targeted, and grounded in real needs.

Each element is linked through a chain of logic that explains how planned activities will lead to meaningful change. Another key feature of the Logical

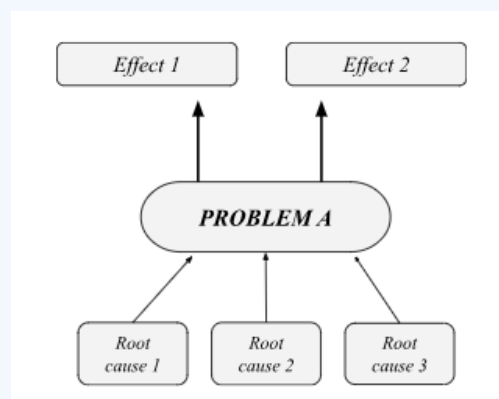
Framework is its matrix format, which encourages clarity and transparency. It prompts applicants to define not only what they will do, but also how success will be measured (through objectively verifiable indicators), where data will come from (means of verification), and which external factors may influence outcomes (assumptions and risks).

#### 4.4.1 Problem Tree: understanding the core issues

The **Problem Tree** is a visual tool that helps identify the main problem, its direct causes, and its consequences: the **trunk** of the tree represents the central problem; the **roots** illustrate the root causes leading to the problem; the **branches** show the effects or consequences caused by the problem.

Mapping these relationships helps you understand the context and complexity of the issue, making it easier to define clear outcomes and plan effective activities later on. Problems are transformed into positive goals, which then guide the development of your project's logical framework.

To better illustrate this process, the following example shows a simplified Problem Tree, which visually maps a central issue by identifying its root causes and consequences.



Once the Problem Tree is complete, it is transformed into an **Objective Tree**. This diagram mirrors the Problem Tree, but rephrases each negative condition as a desired positive outcome. Causes become actions or enabling conditions, while effects are reframed as intended results. The Objective Tree helps define the

logical hierarchy of goals that will later be incorporated into the Logical Framework Matrix, from high-level impact to specific, actionable outputs.

## 4.4.2 Simplified example of an LFA matrix

<b>Project Logic</b>	<b>Objectively Verifiable Indicators (OVI)</b>	<b>Means of Verification</b>	<b>Assumptions/Risks</b>
<b>GOAL</b> <i>What long-term impact will the project contribute to?</i>	<i>How will we know this impact is happening?</i>	<i>Where will we find this information?</i>	<i>What external conditions must hold true for the goal to be achieved?</i>
<b>OUTCOMES</b> <i>What change will the project create directly?</i>	<i>How will we measure success at this level?</i>	<i>What tools or sources will provide data?</i>	<i>What could hinder the achievement of these outcomes?</i>
<b>OUTPUTS</b> <i>What tangible results will the project deliver?</i>	<i>How many / how much will be delivered?</i>	<i>Reports, surveys, checklists, etc.</i>	<i>What could delay or reduce these outputs?</i>
<b>ACTIVITIES</b> <i>What actions will be taken to produce the outputs?</i>	<i>Milestones or timelines for completion</i>	<i>Internal records, activity reports</i>	<i>What risks could affect implementation?</i>

### How to Use the Logical Framework Matrix

Each row of the matrix represents a level of project planning:

- Goal: The broader change your project contributes to;
- Outcomes: The benefits or effects you expect;
- Outputs: The concrete results or deliverables;

Activities: The actions you will carry out to achieve them.

The columns guide you to define:

- Indicators: How you will measure success;
- Means of Verification: Where the data will come from;

Assumptions/Risks: What could influence the project's success.

To fill out the matrix properly, it's important to think through the logic behind your project: how your activities lead to outputs, how outputs generate outcomes, and how outcomes contribute to the broader goal.

The questions shown beneath each cell are not to be filled in—they are simply guiding prompts. Their purpose is to help you understand what kind of content should go into each box. They clarify expectations and support clear, well-structured planning, especially if it's your first time using this method.

To better illustrate how these tools work together in the planning process, the following section will present a **combined example of a Problem Tree, Objective Tree, and Logical Framework Matrix**, showing the progression from issue analysis to structured project design.

<b>Problem Tree →</b>	<b>Objective Tree →</b>	<b>LFA</b>
<i>Women lack access to digital training</i>	<i>Women have access to digital training</i>	<i>Outcome: Increased access to training</i>
<i>Few women in tech careers</i>	<i>More women enter tech careers</i>	<i>Goal: Gender equality in the tech sector</i>
<i>No mentoring for female entrepreneurs</i>	<i>Mentoring opportunities available</i>	<i>Output: Launch of a mentoring programme</i>

Mastering the Logical Framework Approach not only enhances the clarity and credibility of a funding proposal, but also strengthens project implementation and monitoring over time. By adopting this structured methodology, aspiring women entrepreneurs can turn innovative ideas into fundable, impactful, and sustainable initiatives.

## 4.5 Examples on real-life situations

Unit 4 highlights funding opportunities for women-led digital and environmentally sustainable ventures. A digital start-up developing a literacy app for women over 40 secures Women TechEU funding, aiming to increase female digital participation by 25% within a year. Support includes mentoring, coaching, and an equity-free grant.

A green e-commerce start-up offering reusable products benefits from Horizon Europe's WE-RISE program. Objectives include reducing urban waste with circular products, achieving 1,000 new users, and estimating a reduction of 2 tons of plastic.

An IoT-based start-up monitors air quality in schools, leveraging Digital Europe funding to pilot prototypes with public institutions. Non-dilutive support allows the venture to scale without giving up equity.

A green enterprise converts food waste into biocosmetics with WomenEntrepreneurs4Good support, receiving bootcamps, mentorship, and international visibility. The outcome is a replicable circular economy model.

Finally, a digital platform mapping sustainable shops in European cities participates in the She Loves Tech competition, gaining global pitching opportunities and impact investor connections. The logical framework approach guides goal-setting and the measurement of increased sustainable purchases.

### **Gamified**

#### **Exercise Unit 4: Write a Funding Proposal Using the Logical Framework Approach**

Now it's your turn to turn an idea into a real project!

Imagine you are applying for the *Women for a Greener Digital Future* Grant, a fictional EU-funded programme that supports early-stage start-ups led by women in the digital and green sectors. You are required to write a simplified funding proposal using the Logical Framework Approach (LFA). To do this, follow these steps:

1. Read the full call for proposals below.
2. Define your start-up idea in the digital or green field (e.g., an app for food waste reduction, a green e-commerce platform, a tool for digital inclusion, etc.)
3. Create your Problem Tree: identify one central problem, its root causes, and effects.
4. Turn the Problem Tree into an Objective Tree: reframe each problem as a positive objective.
5. Fill in the Logical Framework Matrix.

Make sure to apply all the concepts and tools introduced in **Unit 4**, including how to connect your proposal to funding priorities, how to write clear objectives, and how to identify relevant indicators and risks.

This activity is designed to help you learn how to plan a project clearly, align it with funding priorities, and get ready to apply for real opportunities.

**Download the full call for proposals below:**

[UNIT 4 - Gamified Exercise: Write a Funding Proposal Using the Logical Framework Approach](#)

## Final Test: Module 4: Financial Basics

**1. What is the main difference between fixed and variable costs?**

- A. Fixed costs increase with production, while variable costs do not
- B. Fixed costs stay constant, while variable costs change with business activity
- C. Fixed costs are always higher than variable costs

*Correct answer: B*

**2. Which of the following is typically considered a one-off (start-up) cost?**

- A. Office rent
- B. Raw materials for production
- C. Company registration

*Correct answer: C*

**3. What is the break-even point (BEP)?**

- A. When total assets are greater than liabilities
- B. When total revenues equal total costs
- C. When the business repays all its debts

*Correct answer: B*

**4. According to the module, what is the first step in building an effective fundraising strategy?**

- A. Creating social media campaigns
- B. Clearly defining the goal and financial need
- C. Thanking donors with personalized messages

*Correct answer: B*

**5. What does the 3F model in fundraising stand for?**

- A. Funding, Finance, Flexibility
- B. Friends, Family, and Fools
- C. Fundraising, Freedom, Futures

*Correct answer: B*

**6. What is a key advantage of crowdfunding?**

- A. It guarantees high financial returns
- B. It involves no online interaction
- C. It allows reaching a large audience with low cost

*Correct answer: C*

**7. What is the main focus of microcredit?**

- A. Providing large loans for tech companies
- B. Offering small loans to people excluded from traditional banking
- C. Investing in stock markets

*Correct answer: B*

**8. What does “non-dilutive” mean in the context of EU funding?**

- A. The funding must be returned with interest
- B. The funding does not require giving up business ownership
- C. The funding can only be used for product development

*Correct answer: B*

**9. What is the purpose of EU funding programmes like Digital Europe or Horizon Europe?**

- A. To provide private loans for multinational corporations
- B. To support innovation, sustainability, and gender equality in entrepreneurship
- C. To finance political campaigns across the EU

*Correct answer: B*

**10. What is the purpose of the Logical Framework Approach (LFA)?**

- A. To calculate annual profits
- B. To organize project objectives, outcomes, and risks clearly
- C. To analyze competitor pricing strategies

*Correct answer: B*

# Recommendation for self study

This section provides a curated selection of books, articles, and websites to support further self-study on the topics covered in Module 4. The resources are grouped by thematic area and selected based on accessibility, academic relevance, and practical applicability.

## **Financial Planning and Cost Structures**

Barringer, B. R., & Ireland, R. D. (2015). *Entrepreneurship: Successfully Launching New Ventures*. Pearson.

Berman, K., & Knight, J. (2008). *Financial Intelligence for Entrepreneurs*. Harvard Business Press.

Investopedia. (2023). Financial Planning. Retrieved from <https://www.investopedia.com/>

SCORE. (2023). Business Planning and Financial Templates. U.S. Small Business Administration. Retrieved from <https://www.score.org/resource/business-planning-financial-statements-template-gallery>

Harvard Business Review. (2014). A Refresher on Break-Even Analysis. Retrieved from <https://hbr.org/2014/02/a-refresher-on-break-even-analysis>

Harvard Business Review. (2020). How to Build a Financial Model. Retrieved from <https://hbr.org/2020/01/how-to-build-a-financial-model>

## **Fundraising Strategies**

Melandri, V. (2017). *Fundraising: Il manuale completo per la raccolta fondi*. Maggioli Editore.

Fundraising Europe. (2023). European Fundraising Association. Retrieved from <https://efa-net.eu/>

Stanford Social Innovation Review. (2009). The Nonprofit Starvation Cycle. Retrieved from [https://ssir.org/articles/entry/the\\_nonprofit\\_starvation\\_cycle](https://ssir.org/articles/entry/the_nonprofit_starvation_cycle)

Fundraising.it. (2023). Risorse e strumenti per il fundraising. Retrieved from <https://www.fundraising.it/>

### **Microcredit and Inclusive Finance**

Yunus, M. (2007). Creating a World Without Poverty: Social Business and the Future of Capitalism.

Yunus, M. (1999). Banker to the Poor: Micro-Lending and the Battle Against World Poverty. Retrieved from <https://www.yunuscentre.org/page/books>

D'Espallier, B., Guérin, I., & Mersland, R. (2011). Women and Repayment in Microfinance: A Global Analysis. *Evaluation Review*, 35(3), 210–234. <https://doi.org/10.1177/0193841X10388199>

CGAP. (2023). What is Microfinance? Retrieved from <https://www.cgap.org/about/faq/what-microfinance>

European Microfinance Network. (2023). Microfinance in Europe. Retrieved from <https://www.european-microfinance.org/>

### **EU and Private Funding for Women Entrepreneurs**

European Commission. (2023). Funding & Tenders Portal. Retrieved from <https://ec.europa.eu/info/funding-tenders/>

EISMEA. (2023). Women TechEU Programme. Retrieved from [https://eisma.ec.europa.eu/programmes/women-techeu\\_en](https://eisma.ec.europa.eu/programmes/women-techeu_en)

She Loves Tech. (2023). Global Start-up Competition. Retrieved from <https://www.shelovestech.org/>

European Institute for Gender Equality. (2023). EU Funding Opportunities for Women Entrepreneurs. Retrieved from <https://eige.europa.eu/newsroom/news/eu-funding-opportunities-women-entrepreneurs>

Norad. (2005). The Logical Framework Approach: Handbook for Objectives-Oriented Project Planning. Retrieved from <https://www.norad.no/en/toolspublications/publications/2005/the-logical-framework-approach>

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Barringer, B. R., & Ireland, R. D. (2015). Entrepreneurship: Successfully Launching New Ventures. Pearson.

Berman, K., & Knight, J. (2008). Financial Intelligence for Entrepreneurs. Harvard Business Press.

CGAP. (2023). What is Microfinance? Retrieved from <https://www.cgap.org/about/faq/what-microfinance>

D'Espallier, B., Guérin, I., & Mersland, R. (2011). Women and Repayment in Microfinance: A Global Analysis. Evaluation Review, 35(3), 210–234. <https://doi.org/10.1177/0193841X10388199>

EISMEA. (2023). Women TechEU Programme. Retrieved from [https://eisma.ec.europa.eu/programmes/women-techeu\\_en](https://eisma.ec.europa.eu/programmes/women-techeu_en)

European Commission. (2023). Funding & Tenders Portal. Retrieved from <https://ec.europa.eu/info/funding-tenders/>

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European Microfinance Network. (2023). Microfinance in Europe. Retrieved from

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Fundraising Europe. (2023). European Fundraising Association. Retrieved from <https://efa-net.eu/>

Fundraising.it. (2023). Risorse e strumenti per la raccolta fondi. Retrieved from <https://www.fundraising.it/>

Harvard Business Review. (2014). A Refresher on Break-Even Analysis. Retrieved from <https://hbr.org/2014/02/a-refresher-on-break-even-analysis>

Harvard Business Review. (2020). How to Build a Financial Model. Retrieved from <https://hbr.org/2020/01/how-to-build-a-financial-model>

Investopedia. (2023). Financial Planning. Retrieved from <https://www.investopedia.com/>

Melandri, V. (2017). Fundraising: Il manuale completo per la raccolta fondi. Maggioli Editore.

Norad. (2005). The Logical Framework Approach: Handbook for Objectives-Oriented Project Planning. Retrieved from <https://www.norad.no/en/toolspublications/publications/2005/the-logical-framework-approach/>

SCORE. (2023). Business Planning and Financial Templates. U.S. Small Business Administration. Retrieved from <https://www.score.org/resource/business-planning-financial-statements-template-gallery>

She Loves Tech. (2023). Global Start-up Competition. Retrieved from <https://www.shelovestech.org/>

Stanford Social Innovation Review. (2009). The Nonprofit Starvation Cycle. Retrieved from [https://ssir.org/articles/entry/the\\_nonprofit\\_starvation\\_cycle](https://ssir.org/articles/entry/the_nonprofit_starvation_cycle)

Yunus, M. (1999). Banker to the Poor: Micro-Lending and the Battle Against World Poverty. PublicAffairs.

Yunus, M. (2007). *Creating a World Without Poverty: Social Business and the Future of Capitalism*. PublicAffairs.

# W-RISE LEARNING REPORT



## W-RISE

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	E-commerce	Module Overview
Module Number	5	<ol style="list-style-type: none"><li>1. Introduction to Entrepreneurship</li><li>2. Business models</li><li>3. Marketing basics</li><li>4. Financial Basics</li><li>5. <b>E-commerce</b></li><li>6. Business Plan</li></ol>
Classroom Hours	7h	
Assessment	Quiz (10 questions)	Designed by ALFOMBRA ROJA

## Module's Overview

### E-commerce

This module provides a comprehensive introduction to the dynamic world of **e-commerce**, tailored for aspiring female entrepreneurs with little or no prior experience in online business. Through accessible content and gamified methodologies, participants will explore the essentials of launching, managing, and growing an e-commerce venture. The module emphasizes real-world applicability, user engagement through digital tools, and entrepreneurial innovation, empowering participants to confidently enter the digital marketplace.

The module is structured into **three units**, each focused on a key aspect of the e-commerce journey.

#### Unit 1: E-commerce

This unit introduces participants to the fundamentals of e-commerce: what it is, how it works, and the various models (B2B, B2C, C2C, etc.). It explores the advantages and disadvantages of operating an online business and emphasizes how e-commerce can be a cost-effective, scalable path for startups and solo entrepreneurs. Practical

examples and gamified simulations (e.g., marketplace games) make concepts tangible and relatable.

## Unit 2: Search Engine and Social Media Positioning

Participants will dive into the operational and strategic setup of an e-commerce platform, from choosing a website host to implementing payment and inventory systems. A major focus is on visibility: SEO, SEM, and social media marketing (SMM) strategies are explored in an engaging, interactive format. This unit empowers participants to boost their digital presence and attract their ideal audience.

## Unit 3: E-commerce Strategies for Online Success

The final unit provides participants with tools and frameworks to create winning strategies and customer-centered experiences. Topics include e-commerce gamification, user retention, loyalty-building, and the growing power of **social commerce**. With inspiring success stories and real-world tips, this unit helps learners develop a practical roadmap for launching or scaling their own e-commerce initiative.

### Unit 1 - E-commerce

1. Meaning
- 1.1 Benefits of e-commerce
- 1.2 The other side of the moon
- 1.3 Types of e-commerce
- 1.4 Success stories

### Unit 2 - Search Engine and social media positioning

- 2.1. Basic steps to create your own e-commerce
- 2.2. Organic Positioning, Sponsored links and social networks. Marketing your business.
- 2.3. How to boost your online presence on the internet

**Unit 3 - E-commerce strategies for online success**

- 3.1. Keys to a winning e-commerce strategy. What is it?
  - 3.1.1. *How to Build an Effective E-Commerce Strategy*
- 3.2. What is e-commerce gamification? Elements and benefits
- 3.3. Social Commerce: Leveraging Social Media for E-Commerce Growth

## Learning Outcome

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

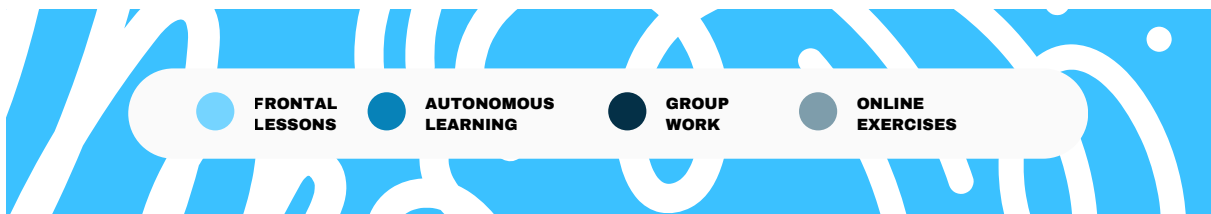
**Knowledge:** the module will give a theoretical overview of E-commerce and will then focus on how to apply to a down-to-earth small business. The module will provide the learners with the basics to create and design an e-commerce strategy and apply it to different fields, getting to know about relevant items and metrics to take into consideration.

**Skills:** a brief knowledge of Digital Marketing and different techniques about how to apply it when you set up a business. Communication skills. Computing skills.

**Abilities:** this module will enable students to boost their confidence in communication skills and enhance their knowledge in Digital Marketing and Computing. Besides, this module will give students the basics to create their own e-commerce site and develop different strategies.

## Learning Unit 1: E-commerce

Time	Short Description	Method	Equipment
10 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
60 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
75 Min	<b>Exercise:</b> E-Commerce Marketplace Simulation	GROUP WORK	Gamification Toolkit
5 Min	<b>Securing results:</b> Recap and concept clarification	ONLINE EXERCISES	Laptop/Beamer



## 1. Meaning

In today's economy, understanding "what is e-commerce" is of immense and vital importance. It means exposure to the rest of the world, to present them with your products or services and introduce them to the widest audience ever.

E-commerce can be defined as all displays of different purchases' approaches to a product in the Internet world.

We need to understand that e-commerce is not fixed and inflexible, as it is a versatile issue that allows different presentations, approaches and displays.

The convenience, accessibility and simplicity of online transactions empowers consumers and individuals, allowing them to shop from wherever they are. Navigating the digital marketplace requires a solid understanding of the fundamentals of e-commerce. In the next pages we will look at the key steps needed and required to take to succeed in this dynamic arena.

## 1.1 Benefits of e-commerce

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E-commerce offers numerous benefits for startups and solo entrepreneurs, making it an attractive option for launching and scaling a business with minimal barriers.

One of the primary benefits is the global reach it provides. Unlike traditional brick-and-mortar stores that are limited to a specific geographical area, an e-commerce business can reach customers across the world. You are always reachable for whoever wants to come and see your products or services. This ability to scale quickly allows entrepreneurs to tap into markets that would otherwise be difficult or costly to access. E-commerce is a wide window to the entire world.

The scalability of e-commerce means that as demand grows, businesses can expand their operations and product offerings with relative ease.

For entrepreneurs with limited resources, e-commerce offers lower startup costs. Setting up an online store typically requires far less capital than opening a physical retail location. There's no need for expensive real estate or a large physical inventory, which means startups can allocate more funds towards marketing, product development, or customer service. Additionally, e-commerce stores are open 24/7, allowing businesses to generate sales around the clock, and maximize sales opportunities providing enhanced customer experience.

Another key benefit of e-commerce is the ability to engage in targeted marketing. With tools like Google Ads, Facebook Ads, and email campaigns, entrepreneurs can effectively reach specific customer segments based on demographics, interests, and behaviours. This makes it easier to attract the right audience, increasing the likelihood of converting visitors into paying customers. The data collected through these platforms also helps entrepreneurs make data-driven decisions, enabling them to optimize their website, marketing efforts, and product offerings to better meet customer needs. Analytics provide insights that help businesses refine their strategies, improve conversion rates, and boost profitability.

E-commerce also provides flexibility of choosing from various business models, such as dropshipping, subscription services, or digital products, depending on the entrepreneur's goals and risk tolerance. This flexibility enables businesses to start with minimal upfront investment and expand as they learn more about customer preferences.

The ability to offer multiple payment options is another reason why e-commerce is beneficial for startups. Providing customers with various payment methods, from credit cards to digital wallets like PayPal, increases the likelihood of a completed purchase. This is especially important in today's digital-first world,

where consumers expect a seamless and secure checkout process.

Additionally, e-commerce allows entrepreneurs to launch products quickly, reducing the time it takes to bring a product to market. Whether it's testing a new product or responding to market demand, businesses can introduce offerings more efficiently compared to traditional retail.

Lastly, e-commerce enables easy integration with other business tools, such as email marketing systems (Active Campaign or Brevo), customer relationship management (CRM) software, and inventory management solutions. These tools automate many aspects of the business. Automation improves operational efficiency, reduces overhead costs, and ensures better overall customer experience, which ultimately drives more sales and enhances business visibility.

In conclusion, e-commerce provides startups and solo entrepreneurs with the tools and flexibility they need to grow quickly, reach global audiences, and optimize sales. Its low startup costs, scalability, and ability to operate 24/7 make it a perfect solution for new businesses looking to establish themselves in a competitive market. By leveraging e-commerce platforms, entrepreneurs can build a strong online presence, tailor their marketing efforts, and automate operations.

## 1.2 The other side of the moon

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While e-commerce has revolutionized the way businesses operate and how consumers shop, it also comes with certain risks and challenges that can negatively impact both businesses and consumers. Here are some of the significant disadvantages and potential damage associated with e-commerce:

- Cybersecurity Risks

E-commerce platforms are prime targets for cybercriminals due to the large volume of personal, financial, and transaction data they process. Businesses are vulnerable to hacking, data breaches, and identity theft, which can compromise customer trust and lead to significant financial losses.

- Fraudulent Transactions

Online shopping is particularly susceptible to fraud. Payment fraud, account takeovers, and chargebacks are common issues. Fraudulent buyers may use stolen credit cards or fake identities, leading to financial losses for the business. Additionally, chargebacks can create financial strain on merchants, especially

small businesses, as they are forced to refund customers while potentially losing products or services in the process.

- Loss of Personal Interaction

One of the core disadvantages of e-commerce is the absence of face-to-face interaction between the customer and the seller. For businesses, this means a lack of personal connection with customers, which can hinder brand loyalty and customer satisfaction. The ability to provide immediate assistance, address complaints, and offer personalized service is limited online.

- Shipping and Logistics Challenges

Timely delivery is a critical factor in customer satisfaction. Delays, lost packages, or damaged goods during shipping can negatively impact on the customer experience. Small businesses may struggle with the complexities of logistics, handling returns, and managing inventory efficiently, especially when shipping across borders or internationally.

- Product Returns and Refunds

It can be a costly and time-consuming process. Handling returns involves not only the financial cost but also the administrative burden of processing returns and restocking inventory.

- Dependence on Technology

E-commerce businesses rely heavily on technology, such as websites, mobile apps, and payment gateways. Any technical failures, whether due to server outages, software glitches, or cyberattacks, can disrupt business operations and lead to lost sales, customer frustration, and even reputational damage. Maintaining a secure, functional, and user-friendly platform requires significant investment in technology, updates, and cybersecurity.

- Environmental Impact

E-commerce, particularly when it involves rapid shipping, can contribute to environmental damage (packaging materials, fuel consumption for delivery, and higher carbon footprints associated with transportation logistics). While many companies are striving for more sustainable practices, e-commerce's growth has escalated its impact on the environment.

- Market Saturation and Competition

The low barrier to entry in e-commerce has led to an oversaturation of the market in many sectors. Price wars and aggressive marketing strategies by big players often make it difficult for smaller e-commerce businesses to maintain profitability and visibility.

- Legal and Regulatory Issues

Issues such as taxes, import/export regulations, intellectual property rights, and consumer protection laws are just a few of the challenges e-commerce businesses must address.

- Customer Data Privacy

The collection of customer data, although essential for targeted marketing and sales strategies, raises serious privacy concerns. Customers are becoming increasingly cautious about sharing personal and payment information online due to the potential risks of misuse or unauthorized access. E-commerce businesses must comply with strict privacy regulations, like GDPR, to safeguard customer data, or face reputational harm and legal consequences.

- Impersonal Shopping Experience

For some customers, the lack of physical interaction with products can be a significant drawback. Online shopping lacks the experience of feeling, trying, or testing products in person. This leads to uncertainty about the quality or suitability of a product, which can result in dissatisfaction, negative reviews, and higher return rates.

- Unstable Market Conditions

Economic downturns, supply chain disruptions, and changes in consumer behavior can significantly impact sales.

We all agree that e-commerce offers numerous advantages, such as convenience, global reach, and cost savings, but these potential risks highlight the importance of effective risk management, strong security measures, and strategic planning. Businesses need to be aware of these challenges and take steps to mitigate them, ensuring that they can continue to thrive in the ever-evolving digital marketplace.

### ***Gamified***

### ***Exercise Unit 1:***

### ***E-Commerce***

### ***Marketplace***

### ***Simulation***

### ***(Game)***

#### **Objective:**

Students will experience the process of setting up and managing an online store, marketing their products, and engaging in buying and selling within a simulated e-commerce marketplace. This will help them understand key e-commerce concepts such as pricing, branding, customer service, and competition.

## 1.3 Types of E-commerce

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- **Business to Business Transactions (B2B):**

Transactions take place between businesses, such as manufacturers selling to wholesalers or wholesalers selling to retailers.

Examples: Alibaba (bulk purchases) or SAP (enterprise software solutions).

Characteristics:

1. Often involves volume buying.
2. Focus on efficiency, price transparency and supply chain integration.

- **Business to Customer Transactions (B2C):**

B2C is a more direct approach where businesses showcase their products or services directly to consumers, so transactions occur between businesses and individual consumers. The online retail atmosphere makes our digital shopping experience simple, easy, direct and straightforward.

Examples: Amazon, eBay (online retail) or Netflix or Spotify (service providers)

Characteristics:

1. Direct interaction with the customer.
2. Emphasis on easy-to-use interfaces and a smooth shopping experience.

- **Customer to Customer Transactions (C2C):**

In this type of e-commerce consumers become both buyers and sellers, engaging in transactions with fellow consumers. It refers to business interactions where individuals buy and sell goods or services directly to each other, typically through a third-party platform that facilitates the exchange and provides the platform where the items are shown.

Examples:

Vinted or Vinted (marketplaces)

Characteristics:

1. Often mediated by a third-party platform.
2. Peer-to-peer exchange, including used, second-hand items or handcrafted

goods.

- **Consumer-to-Business (C2B):**

It is a business model where individuals (consumers) offer goods, services, or value to businesses, rather than the other way around. This is the opposite of the traditional B2C (Business-to-Consumer) model.

Examples: Upwork or Fiverr (Freelance platforms) or YouTuber or Instagram influencers

Characteristics:

1. Including reverse auction models where individuals determine terms.
2. Growing due to the empowerment of creators by digital platforms.

- **Business-to-Government (B2G):**

Businesses provide goods or services to government entities or public administration.

Examples: Tender portals for government contracts or IT solutions for public services.

Characteristics:

1. Complex processes that often require compliance with regulations.
2. Used in sectors like defense, healthcare, and infrastructure.

- **Government-to-Business (G2B):**

It refers to transactions and interactions between government entities and businesses. These interactions typically involve regulations, public services, licensing, taxation, or procurement.

Examples: Tax filings (Businesses pay taxes, submit financial reports, or comply with labor laws.).

Characteristics:

1. Regulatory & Compliance-Based, as it ensures businesses operate within legal frameworks.
2. Often Digital uses online portals

- **Government-to-Citizen (G2C):**

Government-to-Citizen (G2C) refers to interactions between government

entities and individual citizens. It includes public services, welfare programs, legal documentation, and other administrative processes provided by the government to the people.

Examples: Online portals for voting registration, tax payments, or welfare programs.

Characteristics:

1. Enhances accessibility to public services.

- **Mobile Commerce (M-commerce):**

Any e-commerce activity conducted via mobile devices. It is an extension of e-commerce, allowing users to shop, pay bills, and conduct financial transactions anytime, anywhere.

Examples: ZARA or Amazon (mobile shopping) or PayPal (payment app)

Characteristics:

1. Fast-growing due to smartphone penetration.
2. Includes location-based services and on-the-go transactions.

- **Social Commerce:**

E-commerce is conducted through social media platforms.

Examples: Instagram or Facebook Marketplace, or TikTok Shopping features.

Characteristics:

1. Engagement-Driven (Uses likes, shares, and comments to boost sales)
2. Influencer marketing
3. Focus on visual and interactive content.

- **Subscription-Based Commerce:**

It is where customers pay a recurring fee (weekly, monthly, or annually) to access products or services. Instead of one-time purchases, businesses offer continuous value, often through personalized or exclusive content, goods, or experiences.

Examples: Netflix for streaming services or Adobe, Microsoft 365, or Dropbox

Characteristics:

1. Predictable revenue models.

2. Focus on customer retention.

## 1.4 Success stories

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### Klarna: A Swedish E-Commerce Success Story

Founded in 2005 by Sebastian Siemiatkowski, Niklas Adalberth, and Fredrik Jönsson, Klarna initially set out to simplify online payments by offering a smooth and secure checkout process. The company has since evolved into one of the most well-known e-commerce payment solutions globally, helping millions of consumers and retailers.

Klarna is a major player in the global e-commerce and fintech sectors, serving millions of users across multiple countries, providing a seamless and flexible shopping experience, and continuing to grow.

#### How Klarna Became a Game-Changer

Klarna's success stems from its innovative payment model, which allows consumers to pay for products after receiving them, thus reducing the friction often experienced with online shopping. This concept of "buy now, pay later" (BNPL) was groundbreaking when Klarna introduced it. It removed immediate financial commitment, making consumers more confident and comfortable with online purchases, especially for new or unfamiliar products.

#### Key Factors Behind Klarna's Success

Consumer-Focused Experience: Klarna's primary appeal lies in its user-friendly and flexible payment options. Customers can either pay immediately, pay later, or break the payment into installments. This flexibility has made Klarna particularly popular among younger consumers who prefer to manage their finances with greater freedom.

Partnerships with Major Retailers: Klarna's expansion into the global market was accelerated by its strategic partnerships with major retailers. In Sweden and abroad, Klarna has collaborated with top brands like H&M, Ikea, and ASOS, integrating their payment options seamlessly into e-commerce platforms. These partnerships have solidified Klarna's position as a trusted payment provider.

Strong Focus on Trust and Security: Klarna built its reputation around customer trust. With strong emphasis on secure payment methods and fraud protection, the company reduced the anxiety that often accompanies online shopping. This level of trust has been a major factor in its rapid adoption by both consumers and merchants.

Global Expansion: From its roots in Sweden, Klarna expanded into international

markets, including the United States, the UK, Germany, and Australia. Its ability to scale quickly and adapt to various global markets has contributed significantly to its success.

Innovative Marketing and Technology: Klarna’s marketing strategy, often light-hearted and engaging, has played a key role in appealing to younger generations. Its use of technology, including a mobile app that provides customers with seamless shopping and payment experience, has helped Klarna stay ahead of competitors in the BNPL space.

Klarna has become an essential part of the Swedish e-commerce landscape, helping to increase consumer spending by making it easier for shoppers to buy products without immediate financial stress. This innovation has not only impacted the Swedish market but also transformed the broader global e-commerce industry by pushing the adoption of flexible payment solutions.

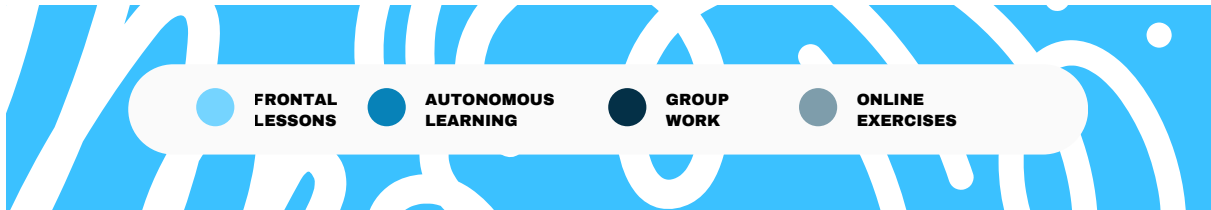
The company’s success is a clear testament to how understanding consumer behavior and continuously innovating can lead to significant growth in the competitive world of e-commerce. Klarna’s commitment to a seamless shopping experience, financial flexibility, and global expansion is what truly set it apart, making it one of Sweden’s most notable e-commerce success stories.

Klarna is a shining example of how Swedish innovation, a deep understanding of consumer needs, and strategic partnerships can lead to global success in the e-commerce space.

## Learning Unit 2: Search Engine and social media positioning

Time	Short Description	Method	Equipment
10 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart
90 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart

45 Min	<b>Exercise:</b> Digital Marketing Challenge – Boost Your Online Presence!	GROUP WORK	Gamification Toolkit
15 Min	<b>Securing results:</b> Peer feedback and recap of key concepts	ONLINE EXERCISES	Laptop/Beamer



## 2.1 Basic Steps to Create Your Own E-commerce

In order to set up your own e-commerce business, you need to take into account that there are some key components of e-commerce that need to be in your “must-list” before any progress is taken.

These key components play distinct roles in crafting a seamless online experience.

- **Website:** It is the showcase for your products or services, your digital storefront, offering an immersive shopping trip virtually.
- **Shopping Cart:** Much more than a container. The shopping cart is one of the most critical components of an e-commerce platform. It serves as the bridge between browsing and purchasing, directly impacting on customer experience, sales conversion, and business success.
- **Payment Gateway:** A payment gateway is a crucial component of any e-commerce platform, as it facilitates secure and efficient transactions between customers and businesses. It acts as a bridge between the online store and the payment processor, ensuring that payments are authorized and completed safely.
- **Inventory, Orders, and Shipping:** Efficient inventory management, order processing, and shipping are fundamental to running a successful e-commerce business. These elements directly impact customer satisfaction, operational efficiency, and profitability.
- **User Experience:** It directly impacts conversion, customer retention, and brand reputation. A seamless, intuitive, and fast website reduces friction, enhances trust, and encourages purchases. Poor UX leads to cart abandonment and lost sales.

- **Security Measures:** Implementing robust security measures is basic to ensure the safety of the digital stage. Security measures in e-commerce protect customer data, prevent fraud, and ensure safe transactions. Implementing SSL encryption, PCI DSS compliance, two-factor authentication, and fraud detection systems build trust and reduce risks.

Creating your own e-commerce business involves a combination of strategic planning, technical execution, and marketing efforts. Here's a step-by-step guide:

### 1. Research and Planning

- **Identify a Niche:** Choose a specific market segment or product category. Think about the problem you want to solve, and the solution you are offering and introducing into the market.
- **Conduct Market Research:** It is a must to be very well informed about the competitors, through extensive and detailed analysis, checking their strengths and weaknesses, and understanding your target audience's needs and preferences.
- **Define Goals:** Set clear business objectives (e.g., revenue, market share).
- **Choose a Business Model:** go back into Unit 1 and choose among the different types of e-commerce (B2C, B2B, C2C, etc).

### 2. Develop a Business Plan

- **Outline Products/Services:** Decide on the range and type of products.
- **Create a Value Proposition:** Why should customers choose my store among all other alternatives? And what about your competitive advantages?
- **Estimate Costs:** Include platform setup, marketing, logistics.
- **Set Pricing:** Investigate industry standards and customer willingness to pay.

### 3. Choose a Domain and Hosting

- **Select a Domain Name:**
  - Keep it short, unique, easy to remember, and relevant to your business.
  - Use tools like Namecheap or GoDaddy to find and register domains.
- **Pick a Hosting Provider:**
  - Options: Shared, VPS, or dedicated hosting.
  - Popular providers: Bluehost, SiteGround, AWS.

### 4. Select an E-commerce Platform

- Choose a platform based on your technical skills, budget, and scalability

needs.

- Hosted Platforms: Shopify, Wix, BigCommerce.
- Open-Source Platforms: WooCommerce, Magento, OpenCart.
- Marketplace Integration: Sell on Amazon, Etsy, or eBay.

## 5. Design Your Online Store

- Choose a Template:
  - Use pre-designed themes or hire a designer for custom layouts.
- Optimize for User Experience:
  - Ensure easy navigation, simplicity, fast load times, and mobile responsiveness.
- Create and add Branding:
  - Logo, color scheme, and fonts aligned with your business identity.
- Set Up Key Pages:
  - Homepage, Product Pages, About Us, Contact Us, FAQ, Terms & Conditions, and Privacy Policy.

## 6. Add Products or Services:

- List Products or Services
  - Write clear, concise and engaging product descriptions.
  - Use high-quality images and videos.
- Organize Categories:
  - Create logical categories for easy browsing.
- Set Inventory Levels:
  - Track stock availability to prevent over-selling.

## 7. Implement Payment and Shipping

- Payment Gateway:
  - Options: PayPal, Stripe, Square, or local bank integrations.
  - Ensure multiple payment methods like credit/debit cards and digital wallets.
- Shipping Solutions:
  - Define shipping zones and rates.
  - Partner with logistics providers like FedEx, UPS, or DHL.
- Return Policies:
  - Make them clear and customer friendly.

## 8. Set Up Security

- Install SSL Certificates: Protect customer data and build trust.
- Enable Secure Payment: Use PCI-compliant payment gateways. A high

security level will be well received by your customers.

- Implement Anti-Fraud Measures: Use tools to detect and prevent fraud.

#### 9. Test Your Store before launching

- Check Functionality: test all links, forms, etc. Do not forget to simulate customer journeys through your platform (product search, add products to cart, checkout). This will give you the opportunity to fix errors in time.
- Mobile Optimization: Ensure a seamless and user-friendly experience across devices.

#### 10. Launch Your Store in two times

- Soft Launch:
  - Open to a small audience for feedback and adjustments.
- Full Launch:
  - Announce your e-commerce site via email, social media, and other channels.

#### 12. Monitor and Improve

- Track Performance (using tools like Google Analytics) and gather feedback from reviews, surveys or suggestions.
- Update your store design, products, and marketing strategies based on data.

#### 13. Scale Your Business

- Expand Product Range: Introduce new items when you are ready to launch new products.
- Build Partnerships: Collaborate with influencers, other businesses, or affiliates.

You can create and grow a successful e-commerce business tailored to your audience and goals by implementing these steps.

## 2.2 Organic Positioning, Sponsored Links and Social Networks. Marketing your Business.

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In today's digital world, businesses need to be visible online to attract customers and stay competitive. Being visible online is crucial as many customers look around the clock for the same product on different websites and marketplaces.

If your business doesn't appear in search results, social media, or online ads, potential customers will likely choose competitors who do.

Besides being on the Internet and on the digital sphere you also need to differentiate from competitors, and boost your competitive advantages, which may lead you to success.

#### SEO:

It refers to the free promotion and the position your company is in Google or other search engines. Your position will depend on the relevant content, keywords, and backlinks. So, one of the first things you should consider is knowing the keywords you need to have, so these key words help search engines to better understand what your business is about. Of course, the quality content you post/publish is relevant too, as it keeps visitors engaged

Backlinks are recommendations from other websites, and rate your business (relevant, valuable, trusted).

By optimizing these three elements, your website ranks higher in search results, and bear in mind that this is for free. A good SEO strategy will help your website and online presence to rank higher, and it will help you to bring free traffic to your site.

#### SEM:

Paid and sponsored ads that appear at the top of search results or webpages. Companies pay Google ads, Facebook ads, or other platforms to show their links to target users. This is a quick way to get visibility and traffic, but it's expensive.

#### SMM:

Social Media Marketing makes reference to the use of social media networks, such as Facebook, Instagram, LinkedIn, TikTok, etc, to promote a business, connect with customers, or build a brand.

It can be organic (free posts) or paid (sponsored content and ads) to reach a larger audience. Social media helps engage users and potential clients and drive traffic to websites.

## 2.3 How to boost your online presence on the internet

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Starting a small business from zero is an exciting journey, and establishing a strong online presence is essential for attracting clients, building credibility, and generating business opportunities. We propose using different kinds of marketing channels to reach your audience. As there are many different ways to get to your target market do not put all eggs in the same basket and try different ways to engage your audience and to engage your customers:

### 1. Define Your Value Proposition and Target Market

- What services or products will you offer?
- Who is your ideal customer and what problem do you solve for them?

A clear value proposition will guide all your online communication.

### 2. Create Your Brand Identity

- Choose a business name that reflects your activity.
- Design a simple logo (using platforms like Canva or Fiverr).
- Define your brand colors, fonts, and tone of voice (formal, friendly, professional, etc.).

### 3. Website Creation (Your Digital Headquarters)

Even if you start small, having your own website will give your business more credibility than relying solely on social media.

- Use platforms like Wix, Squarespace, or WordPress (without coding knowledge).
- Start with a simple one-page website including:
  - Who you are
  - What you offer
  - Contact details
  - Testimonials (if possible)
  - A contact form
- Optimize it for mobile navigation.

### 4. Social Media Presence

- Choose 2-3 social media platforms where your target audience is most

active (Instagram, LinkedIn, Facebook, TikTok).

- Create business accounts and post regularly with authentic, high-quality content.
- Engage with your audience by responding to comments and messages.

#### 5. Google My Business Profile (If Local Services Are Involved)

If your business will operate locally, setting up Google My Business will help your business appear on Google Maps and search results.

- Register your business on Google My Business to appear on Google Maps and local search results.
- Add your contact details, opening hours, photos, and customer reviews.

#### 7. Content Creation (Build Authority)

- Write blog posts or LinkedIn articles on topics that matter to your audience.
- Create simple posts with advice, news, or client stories.
- Share your knowledge through small videos (even with your phone).

#### 8. Email Marketing (Start Building a Contact List)

- Create a free newsletter on Mailchimp or Brevo.
- Offer a free resource (e.g., guide, checklist) in exchange for email subscriptions.

#### 9. Networking & Collaborations

- Engage with other small business owners on social media.
- Join Facebook or LinkedIn groups where your target audience hangs out.
- Participate in online or offline networking events.

#### 10. Paid Advertising (Optional)

- Start small with social media ads or Google Ads to reach your ideal customers.

#### 11. Customer Testimonials & Reviews

- Ask your first clients (even if they're friends or family) to leave you reviews on Google or social media.

#### 12. Patience & Consistency

Building your online presence takes time. Start small, be consistent, and focus on offering value to your audience rather than just promoting your services.

E-commerce presents a powerful opportunity for businesses of all sizes to expand their reach and grow sustainably. Starting to sell online is easier than ever—by selecting the right platform, understanding the target audience, and optimizing product listings, businesses can create a seamless shopping experience.

Small businesses, in particular, benefit from the accessibility and cost-effectiveness of e-commerce, allowing them to compete with larger players and operate around the clock. With secure payment options, efficient shipping, and strategic digital marketing, companies can build trust, increase sales, and establish a strong presence in the ever-evolving online marketplace.

**Gamified**

**Exercise Unit 2:  
Digital Marketing  
Challenge -  
Boost Your Online  
Presence!**

Objective:

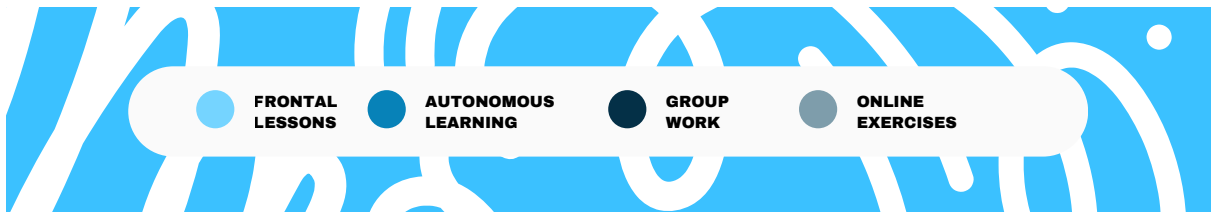
The goal is to test participants’ understanding of SEO, SEM, and SMM concepts, while encouraging collaborative thinking and creative problem-solving. The game is designed to help participants apply digital marketing strategies in real-world scenarios, while fostering team collaboration and brainstorming.

Teams will compete to answer questions and brainstorm ideas on how to improve a business’s online presence and marketing strategy.

## Learning Unit 3: E-commerce strategies for online success

Time	Short Description	Method	Equipment
5 Min	Introduction and brainstorming on topic of the unit	FRONTAL LESSONS	Papers, Flipchart

60 Min	Knowledge Input	FRONTAL LESSONS	PPT Presentations/ Flipchart
45 Min	<b>Exercise:</b> E-commerce Bingo Challenge	GROUP WORK	Gamification Toolkit
10 Min	<b>Securing results:</b> Discussion of results and insights	ONLINE EXERCISES	Laptop/Beamer



### 3.1 Keys to a winning e-commerce strategy. What is it?

In today's digital marketplace, having a well-defined e-commerce strategy is crucial for success. A winning e-commerce strategy ensures that businesses attract, convert, and retain customers while maximizing profitability.

A successful e-commerce strategy requires a mix of technology, marketing, customer experience, and data-driven decision-making. Businesses need to create a scalable, profitable online presence that stands out in a competitive digital landscape.

An e-commerce strategy is a structured plan that outlines how an online business will attract, engage, and convert customers. It involves marketing, sales, operations, technology, and customer experience elements.

A strong strategy ensures:

- A clear understanding of target customers
- A competitive advantage in the online marketplace
- Sustainable growth and profitability

#### 3.1.1 How to Build an Effective E-Commerce Strategy

Building an effective e-commerce strategy involves a thoughtful and deliberate approach that blends business goals, customer understanding, and technology to create a seamless shopping experience. The goal is to ensure that your business can attract customers, drive sales, and retain loyal clients in a competitive online marketplace.

When it comes to building an e-commerce strategy, the approach for newcomers or beginners will generally follow the same foundational principles as for more experienced businesses. However, for beginners, there are a few adjustments and considerations that can make the process smoother, more manageable, and less overwhelming. While experienced businesses may have complex systems and resources in place to execute a detailed strategy, newcomers can still achieve success by focusing on the basics and gradually building upon them.

- Set Clear, Achievable Goals

For beginners, defining clear and realistic goals is critical. We suggest starting with small and measurable objectives. Goals could include setting up a functioning online store, reaching a certain number of visitors per month, or making your first 10 sales. As a beginner, focusing on short-term and manageable goals will allow you to measure progress and keep motivation high.

- Choose the Right E-Commerce Platform

As a newcomer, the choice of platform is one of the most important decisions, and it's crucial to pick a friendly user platform. Beginner-friendly platforms like Shopify, Wix, or Squarespace provide templates and drag-and-drop features, eliminating the need for advanced technical skills. They also offer built-in integrations for payments, inventory management, and marketing, which makes setup much easier.

- Focus on a niche and understand your audience

We suggest, as a beginner, narrowing down to a specific niche and focusing on them. For instance, if you sell beauty products, consider specializing in cruelty-free skincare.

Understand who your potential customers are by conducting basic market research. You can do this through social media groups, online forums, or by analyzing competitors. The better you know, the closer you will get to them. Even a basic understanding of their age, interests, and pain points will help you create better content, promotions, and product offerings.

- Build a Simple, User-Friendly Website

When starting out, focus on simplicity. Your website doesn't need to be flashy or complex but should be clean, easy to navigate, and optimized for mobile.

Platforms like Shopify and Wix offer built-in templates designed to make your site look professional with minimal effort.

Don't worry about having everything perfect right away—focus on getting the essentials right, such as product descriptions, high-quality images, and a clear call-to-action.

- Use Social Media to Build Awareness and Drive Traffic

As a beginner, you likely won't have a huge marketing budget, so social media can be a powerful tool to promote your products. Start with a couple of platforms that best suit your products and target audience. For example, Instagram and Pinterest work well for visually appealing products, while Facebook may be better for a broader range of businesses.

At this stage, focus on building relationships with followers and engaging with them, rather than only promoting products.

- Implement Basic SEO for Search Visibility

Even beginners can benefit from SEO (free), which helps your website appear in search results when potential customers look for products like yours. Focus on optimizing your product titles, descriptions, and images for relevant keywords. For example, if you sell handmade candles, make sure keywords like “organic candles” are included in your product pages.

- Offer Excellent Customer Service and Focus on Retention

It's easy for beginners to focus on acquiring new customers but retaining them can often be more cost-effective. Set up a simple yet effective way to handle customer inquiries, such as a live chat feature or an email support system. Providing prompt and helpful feedback will build trust and increase the likelihood of repeat customers.

Even for newcomers, consider implementing a basic loyalty or referral program once you've built some customer base can also be an effective way to retain customer. For instance, offer some discounts on second purchase or 10% discount when referring to a friend, etc.

- Analyze your data

As a beginner, you don't need to have all the data and advanced analytics set up right away, but it's important to track your progress. Start by monitoring key metrics such as website traffic, conversion rates, and sales. Many platforms, like Shopify or Google Analytics, offer easy-to-read reports that provide basic insights into customer behavior.

You can use this data to optimize your strategy. For example, if you notice that many users leave the page quickly, you might simplify the checkout process,

improve product descriptions, or make navigation more intuitive. Don't hesitate to test different approaches and learn from the results.

## 3.2 What is e-commerce gamification? Elements and benefits

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Gamification marketing can be a great way to engage customers and create a sense of fun if you want to encourage customers to become your clients.

Ecommerce gamification is all about adding fun, game-like features to online stores to make shopping more interactive and enjoyable. It helps turn a regular visit to a website into a more engaging experience for customers.

There are many ways to do this – like spinning a prize wheel, earning points for certain actions, or collecting badges. These little touches can make the experience more fun and rewarding.

By bringing in elements of play and friendly competition, gamification taps into natural human behavior. It creates a sense of achievement and excitement, which encourages people to stay longer on the site, check out more products, and even make a purchase.

It's also a great way to build stronger relationships with customers and boost loyalty over time.

Gamification in e-commerce is all about making the shopping experience more interactive, rewarding, and fun. By adding game-like elements to an online store, brands can encourage customers to stay longer, explore more, and return more often. Here are some of the most effective gamification tools:

- **Points Systems**  
Customers earn points by taking actions such as signing up, making a purchase, or writing a review. These points can later be redeemed for discounts or rewards, encouraging repeat purchases and loyalty.
- **Badges and Achievements**  
Digital badges celebrate customer milestones – like making a first purchase or referring a friend. They create a sense of progress and recognition that keeps users engaged.
- **Progress Bars and Levels**  
A simple progress bar (“You're 80% away from free shipping!”) motivates customers to complete actions. Leveling up adds a fun, game-like dynamic to loyalty programs.
- **Spin-the-Wheel or Scratch Cards**  
These instant-reward games offer surprise discounts or freebies in exchange

for an action like signing up for a newsletter. They're eye-catching and generate excitement.

- Challenges and Quests

Daily or weekly challenges (“Add 3 items to your wishlist”) give users specific goals to complete in exchange for a reward. This keeps traffic flowing back to the site and encourages interaction with more products.

Adding playful, game-like elements to your online store isn't just fun – it can also drive real business results. Here are five key benefits of ecommerce gamification, with simple examples you might recognize:

- More Customer Engagement

Games like “spin the wheel” or scratch cards grab attention and keep people on your site longer. Think of how apps like SHEIN or AliExpress use daily check-ins or rewards to keep users coming back.

- Better Customer Loyalty

Rewarding customers with points, badges, or levels encourages them to return. It's like Starbucks' app, where you earn stars and unlock free drinks – fun and rewarding at the same time.

- Smarter Data Collection

Mini-games and challenges can help you collect emails, preferences, or feedback in a friendly way. Duolingo, for example, gathers user data while keeping the experience playful.

- Higher Sales

Offering discounts through games or unlocking offers after a challenge makes buying more exciting. Think of how many brands use a spin-the-wheel for 10% off right before checkout.

- Stronger Brand Identity

Unique, interactive experiences make your store more memorable. When users have fun, they're more likely to remember and talk about your brand.

**Gamified Exercise**  
**Unit 3:**  
**E-commerce Bingo**  
**Challenge**

Objective of the game:

- Make learning about ecommerce and gamification fun and interactive
- Encourage exploration of your (or any) ecommerce site

- Spark conversation and friendly competition

### 3.3 Social Commerce: Leveraging Social Media for E-commerce Growth

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Social media has become much more than a place to connect with friends – it's now a key player in e-commerce. By selling directly on platforms like Instagram, TikTok, and Facebook, businesses can meet customers where they're already active, making the shopping experience easier and more convenient.

Influencers and user-generated content also play a big role in boosting sales and building trust with potential buyers. Plus, features like live shopping and interactive content offer fresh ways for brands to engage with customers in real-time, making the shopping experience more personal and fun. In this section, we'll look at how businesses can take advantage of social commerce to grow and connect with their audience in new and exciting ways.

Selling directly on platforms like Instagram, TikTok, and Facebook opens up new and exciting opportunities for businesses to engage with their audience in creative and personalized ways.

- Smooth Shopping Experience

By integrating e-commerce features directly into social media platforms, businesses allow customers to make purchases without ever leaving their feed. Platforms like Instagram and Facebook now allow businesses to tag products in posts, so users can directly click and buy without leaving the app, creating a seamless transition from discovery to purchase.

- Reaching Audiences Where They Already Spend Time

Social media platforms are where people spend a significant amount of their time. By selling directly on these platforms, businesses meet their audience where they already are, making shopping more convenient and integrated into their daily routine.

- Influencer Partnerships to Build Trust and Reach

Influencers hold significant sway over their followers' purchasing decisions.

Collaborating with influencers allows brands to showcase their products to a broader, more engaged audience. These partnerships also lend credibility, as consumers often trust influencer recommendations more than traditional ads.

- User-Generated Content (UGC)

Social commerce thrives on community engagement. Encouraging customers to share their experiences with products, whether through photos, videos, or reviews, creates a sense of trust and authenticity.

- Live Shopping and Interactive Content

Live shopping events, especially on platforms like Instagram and Facebook, allow businesses to showcase products in real time, answer questions, and interact with viewers directly. This creates an engaging, interactive experience that mimics the in-store shopping process but from the comfort of home.

- Building Stronger Customer Relationships

Social media is a two-way conversation. By engaging directly with followers through comments, businesses can create a more personal relationship with their customers. Responding to customer inquiries, offering customer support, and actively participating in discussions can increase loyalty and trust in the brand.

## Final Test Module 5: E-commerce

### 1. What does B2B e-commerce refer to?

- a) A consumer selling to another consumer
- b) A business selling to individual consumers
- c) A business selling products or services to other businesses
- d) A business selling products directly to the government

### 2. Which of the following is an example of a C2C (Consumer-to-Consumer) business?

- a) A clothing brand selling directly from its website
- b) A company buying raw materials from a supplier
- c) A person selling handmade crafts on Etsy
- d) A retail store selling products to customers

**3. What is the main purpose of using “badges“ in e-commerce gamification?**

- a) To track customer payment history
- b) To recognize and reward customer achievements
- c) To increase website traffic
- d) To advertise new products

**4. How can “spin-the-wheel“ games enhance customer experience on an e-commerce site?**

- a) By giving customers a discount code after a purchase
- b) By offering a fun and interactive way to win prizes or discounts
- c) By encouraging customers to leave reviews
- d) By showing customers new product recommendations

**5. What should beginners focus on when setting goals for their e-commerce business?**

- a) Complex and difficult goals
- b) Clear, small, and achievable goals
- c) Very expensive marketing strategies
- d) Only focusing on the website design

**6. How does data-driven decision-making benefit e-commerce businesses?**

- a) It allows businesses to guess customer preferences
- b) It helps companies analyze customer behavior and optimize strategies
- c) It increases the need for traditional advertising
- d) It reduces the importance of marketing

**7. Why is social media important for beginners in e-commerce?**

- a) It helps build relationships and drive traffic without a big marketing budget
- b) It requires a lot of money to advertise
- c) It's only for influencers and celebrities
- d) It's unnecessary for a business

**8. What is the main goal of e-commerce gamification?**

- a) To make shopping more fun and interactive
- b) To increase website loading times
- c) To make products more expensive
- d) To make the website harder to navigate

**9. Which of the following is NOT part of creating your brand identity?**

- a) Defining your tone of voice
- b) Designing a simple logo
- c) Choosing your website's hosting provider
- d) Selecting business colors and fonts

**10. What is the purpose of a Google My Business profile for a local business?**

- a) To manage social media accounts
- b) To appear in local Google search results and Google Maps
- c) To create an online store
- d) To send promotional emails to customers

## Recommendation for self study

This section provides a curated selection of books, articles, and websites to support further self-study on the topics covered in Module 5. The resources are grouped by thematic area and selected based on accessibility, academic relevance, and practical applicability.

- Adam Clarke. *SEO 2023: Learn Search Engine Optimization with Smart Internet Marketing Strategies*

This book covers the basics and advanced strategies of SEO, offering a deep dive into keyword research, on-page optimization, and how to boost your website's visibility organically.

- Ryan Deiss and Russ Henneberry (2016). *Digital Marketing for Dummies*

A beginner-friendly guide to digital marketing that covers SEO, SEM, content creation, email marketing, and social media. Perfect for small business owners looking to build an online presence.

- Gary Vaynerchuk (2013). *Jab, Jab, Jab, Right Hook: How to Tell Your Story in a Noisy Social World*.

A great read on social media marketing strategies. Gary Vaynerchuk discusses how to craft the right messages for different platforms, whether it's organic or paid content.

- Rand Fishkin – Founder of Moz and SparkToro. LinkedIn Top Voice.

Known as one of the leading voices in SEO and digital marketing, Rand frequently shares valuable insights into organic search strategies, SEO trends, and social media marketing.

- Gary Vaynerchuk – Entrepreneur, author, and CEO of VaynerMedia. LinkedIn Top Voice.

Gary Vee shares content on entrepreneurship, digital marketing, social media, and branding. His straightforward approach helps businesses understand how to leverage digital channels effectively.

- Social Media Marketing Workbook by Jason McDonald

This book provides a practical guide to mastering social media marketing across various platforms, with a focus on creating effective strategies that align with business goals. While not exclusively about social commerce, it covers key aspects of using platforms like Instagram, TikTok, and Facebook for business growth.

- Social Commerce: The New Frontier of E-Commerce by Shopify Blog

Shopify's blog often features articles on emerging trends in e-commerce, including social commerce. This particular article covers how social commerce is shaping the future of online shopping.

<https://www.shopify.com/enterprise/blog/social-commerce-trends>

- Hermann and Gupta (2023). *How Klarna Grows: Building the Shopping Destination of the Future*.

<https://www.howtheygrow.co/p/how-klarna-grows-building-the-shopping?utm=>

This article provides an in-depth analysis of Klarna's growth trajectory, exploring how the company expanded from zero to 150 million customers and its impact on the \$8 trillion credit industry.

- Chaffey, D. (2022). *Digital Business and E-Commerce Management* (7th ed.). Pearson.

It covers e-commerce strategies, digital marketing, and business models.

- Laudon, K. C., & Traver, C. G. (2021). *E-Commerce 2021: Business, Technology, and Society* (16th ed.). Pearson.

A comprehensive guide on e-commerce principles, success factors, and emerging trends.

- Statista (2023). *Global E-Commerce Market Trends and Forecast*.

Reports & Research that provides data-driven insights on global e-commerce growth, key players, and industry trends.

- Forbes (2023). *How Klarna Became a Fintech Giant with Buy Now, Pay Later*.

Articles & Case Studies on Successful E-Commerce Businesses. Examines Klarna's business model, growth strategy, and market impact.

- Video: *What is E-Commerce? Definition, Types, and Business Models*.

The Youtube video explains the fundamentals of e-commerce, including its definition, various types, and prevalent business models.

## Bibliography and external resources

Chaffey, D. (2022). *Digital Business and E-Commerce Management* (7th ed.). Pearson.

Dwij K, What is E-commerce & How To Learn It in 6 Simple Steps

<https://proschooolonline.com/blog/what-is-ecommerce-how-to-learn-it>

Laudon, K. C., & Traver, C. G. (2021). *E-Commerce 2021: Business, Technology, and Society* (16th ed.). Pearson.

Lorincz, N (2024), *Ecommerce Gamification: What Is It and How to Use It In Your Online Store Successfully?*

# W-RISE LEARNING REPORT



## W-RISE

Women on the RISE:  
Upskilling Ukrainian Refugee Women  
through Sustainable & Digital  
Entrepreneurship Learning Pathways

Module Name	Business Plan	Module Overview
Module Number	6	<ol style="list-style-type: none"><li>1. Introduction to Entrepreneurship</li><li>2. Business models</li><li>3. Marketing basics</li><li>4. Financial Basics</li><li>5. E-commerce</li><li>6. <b>Business Plan</b></li></ol>
Classroom Hours	10	
Assessment	Quiz (10 questions)	Designed by FUNDEUN

## Module's Overview

### Business Plan

This module is designed as a comprehensive training unit that **guides students through all the stages necessary to develop a solid and professional business plan.** Its approach is eminently practical, combining applied theory with exercises and collaborative dynamics to promote active and meaningful learning. It is structured in three main units that cover everything from defining **what a business plan is** and why it is relevant, to its **step-by-step development** and **critical evaluation.** Next, the central and practical part of the module is presented. Its aim is to guide students, step by step, through the process of writing a complete business plan. The module uses interactive approaches, gamification, and digital tools to reinforce students' autonomy, entrepreneurial thinking, and teamwork skills.

The **UNIT 1** explores the meaning, structure and function of a business plan. Students

will reflect on its importance as a tool for strategic planning, communication and resource mobilisation. The unit highlights what a business plan is for, who its target audience is (investors, banks, accelerators, public institutions) and what common mistakes are made when writing one.

Subsequently, **UNIT 2** constitutes the central and practical part of this module. Its objective is to guide students, step by step, through the process of writing a complete business plan. It is divided into sections, progressively developing each part of the document: from the executive summary to the financial analysis, offering recommendations on how to write each section as well as providing useful resources for its preparation.

Finally, the **UNIT 3** focuses on the critical and constructive evaluation of business plans, including both self-assessment and peer review. It highlights important aspects of a good business plan, such as effective writing, visual presentation of the document, internal consistency, and continuous improvement.

Throughout the module, gamified tasks and practical exercises reinforce the theoretical content, fostering active learning and skill development.

**Unit 1 – Why write a Business Plan?**

1. Why write a business plan?

Gamified Exercise: What would you do?

**Unit 2 – Create a business plan: step by step guide**

2.1 Introduction

2.2 Executive Summary

2.2 Business and Product Description

2.3 Market Analysis

2.4 Marketing Plan

2.5 Operational and Organizational Plan

2.6 Financial Plan

Gamified Exercise: Building your business plan step by step

**Unit 3 - Final  
Considerations and  
tips for writing a  
business plan**

3.1 The importance of effective writing

3.2 Visual presentation of the document

3.3 Content review and internal consistency

3.4 Rewrite and improve

3.5 Common mistakes and how to avoid them

Gamified Exercise: Peer review of business plans

## Learning Outcome

As a result of engaging with the materials in this module, trainers are intended to achieve the following learning outcomes:

### Knowledge

- Understanding the structure and purpose of a business plan.
- Knowledge of the elements that make up a business plan: executive summary, market analysis, marketing plan, organisational and financial plan, among others.
- Basic principles of planning.

### Skills

- Ability to design and structure a business plan tailored to a specific business idea.

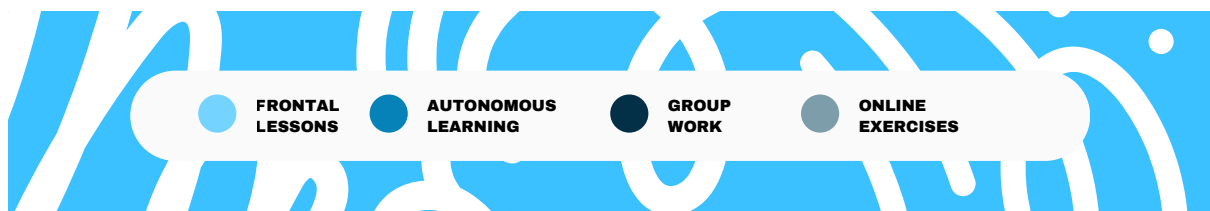
- Critical analysis of other business proposals.
- Professional written communication and synthesis of relevant information.
- Use of collaborative digital tools for plan development.

### Abilities

- Organisation and planning of business projects.
- Decision-making based on market analysis and economic feasibility.
- Creative thinking, problem solving and teamwork.
- Ability for self-assessment and collaborative assessment.

## Learning Unit 1: Why write a Business Plan?

Time	Short Description	Method	Equipment
10 Min	Welcome and agenda	FRONTAL LESSONS	Laptop/Beamer/ PPT presentation
20 Min	Why write a business plan?	FRONTAL LESSONS	Laptop/Beamer/ PPT presentation
20 Min	<b>Exercise:</b> and What would you do?	ONLINE EXERCISES	Gamification Toolkit



### 1. Why write a business plan?

A business plan is a formal, strategic and dynamic document that describes in

detail a company's objectives, the means to achieve them and the resources needed to start up, grow or consolidate the business. It guides a company towards profitability and is essential when starting, growing or stabilising a business, making it valuable for both start-ups and established companies. It is an essential tool for entrepreneurs, as it allows them to structure an idea, analyse its viability, anticipate risks and communicate it effectively to third parties.

It can be defined simply as a document that describes our business and its financial future (McKeever, 2019). However, a business plan is much more than that: it is a guide, a roadmap that provides the tools to thoroughly analyse the business idea (or the established business) and implement changes (Pinson, 2008). From a strategic perspective, it is the written presentation of the entrepreneur's vision and strategy for turning it into a business reality, helping to define the company's vision, setting realistic goals and designing the steps to achieve them. It is therefore considered a very useful tool for reflecting on the key elements of our business, planning and making decisions that help us make good use of available resources and determine whether the business can work overtime (Filion, Cisneros & Mejía-Morelos, 2011).

**Figure 1. Main mission of the business plan.**



Own Elaboration

It should be noted that a business plan is not a fixed or immutable document, but rather flexible and evolving, and should be reviewed and updated periodically. In essence, it is a 'living document' that should be adjusted based on feedback and results experienced by the company. This adaptability allows entrepreneurs to reallocate resources and define new strategies that bring them closer to their goals. While it is essential to have a well-developed plan at the start of a business venture, it is also essential to re-evaluate and modify it in response to market changes, unexpected challenges or new opportunities. In this way, the plan evolves, and a new version is created at each critical stage of the company's growth (Barrow, Barrow & Brown, 2018).

The fundamental purpose of a business plan is to transform an idea into a concrete, well-defined, viable and manageable project. It helps entrepreneurs make informed decisions, allowing us to carry out a planning process to select the right path that will bring us closer to achieving our goals and objectives and guide us in carrying out our activities (Filion et al., 2011). In other words, it helps entrepreneurs conceptualise their proposal and establish consistency between the available resources and the planned objectives.

**Figure 2. The planning process**



Source: Own elaboration based on Filion et al. (2011)

As can be seen in the image above, the business plan is not an abstract document, but rather a structured process that answers specific questions. Each step forms a logical path from the initial idea to the operational and legal implementation of the business:

Step 1 – This is the seed of the project and involves identifying and defining a business idea that has value for the market.

Step 2 – Formally describe what the company will do, its mission, vision, objectives, type of activity, etc.

Step 3 – Answer how the target audience will be identified, how the product will be communicated, and how customers will be reached through marketing strategies.

Step 4 – This refers to how internal resources (facilities, equipment, suppliers, personnel) will be organised to execute the business model.

Step 5 – This involves defining how money, costs, initial investment, cash flow and financing will be managed.

Step 6 – This includes legal aspects such as the legal form of the company,

licences, applicable regulations and intellectual property rights.

Writing the plan therefore forces us to think about all the key aspects of our business, such as the market, the ideal customer, the competition, resources, prices, sales channels, among others. It helps to answer key questions such as:

- What product or service do I offer?
- Who is my customer?
- How will I make money?
- What do I need to get started?

Starting a business without a plan is like navigating without a map or compass. One of the main reasons for business failure is lack of planning.

*‘The business that fails to plan, plans to fail’.*

Pinson (2009, p.3)

The planning process allows us to move from what we expect to happen to what we want to happen. Planning, therefore, allows us to anticipate risks, design scenarios, foresee problems and make informed decisions. In short, it helps us reduce risks and increase the probability of success (Filion et al., 2011). In this sense, the business plan allows us to analyse the market, competitors, available resources and possible obstacles, thus becoming a key tool for minimising errors and anticipating contingencies. Writing a business plan forces us to research, find out if there are enough people interested in our business, how much it will cost to get it off the ground, if there is too much competition or if we will be able to sustain the business with the income... in short, it helps us assess whether our idea is viable, i.e. whether our initial idea can work in the real world.

The business plan, in turn, has an external purpose: it explains and justifies the business to other people or entities. It can be understood as a strategic communication tool that allows us to share our vision of the business with partners, investors or employees. It is an essential requirement for obtaining financing or attracting new business partners (Pinson, 2009). It is a way of demonstrating that our business makes sense, that we know the market well, that we have thought about the risks and that we know how we are going to manage them, which helps us convince others that investing in our company is a smart decision.

Although writing a business plan takes time and effort, it has a number of important advantages (Barrow et al., 2008):

- The systematic approach to planning **allows us to make mistakes on the paper, rather than in the marketplace**. For example, one entrepreneur discovered while making his business plan that with the price he proposed to

charge, he would neither meet his overheads nor break-even. In fact, the concept of overhead and break-even were terms he was unfamiliar with before he embarked on repairing a plan.

- Since lack of capital and initial liquidity problems are two of the main causes of failure of new businesses, **a well-developed business plan can reduce these risks**. The business plan shows how much money we need, what we need it for, when and for how long we need it. It also helps us to experiment with a range of viable strategies and focus on those options that allow us to make the most economical use of scarce initial financial resources.
- The preparation of a business plan will provide **insight into the planning process**, which is very important for the long-term health of a company. As we have seen, companies are dynamic as are the business and competitive environments in which they operate. In this sense, no one expects the events recorded in a business plan to occur as planned, but the understanding and knowledge gained during the business planning process will prepare the business for any changes that may occur, enabling it to adapt quickly.

### **Gamified**

#### **Exercise Unit 1: What would you do?**

Now it's your turn to put theory into practice!

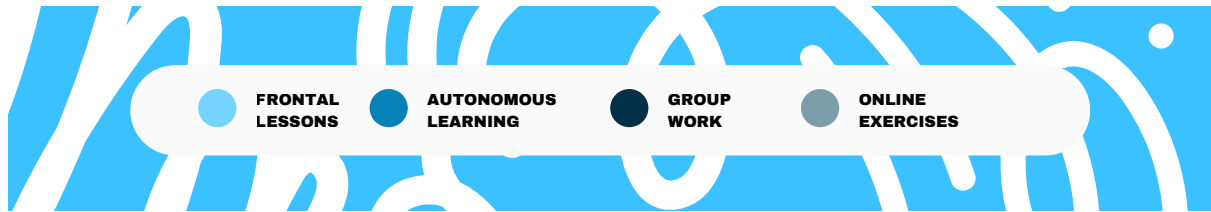
1. Connect to the online platform chosen by your teacher (Kahoot, Quizizz, Socrative or Mentimeter) using your computer or smartphone with internet access
2. You will see between 5 and 10 different scenarios related to failed ventures and planning mistakes. For each scenario, read the situation carefully and select the answer you think is the most appropriate.

Remember: there is not only one “correct” option. The goal is to think critically about the risks of improvisation and the benefits of structured planning.

After each round, you will see the results and discuss them together with the class.

# Learning Unit 2: Create a Business plan: step by step guide

Time	Short Description	Method	Equipment
5 Min	2.1 Introduction	FRONTAL LESSONS	Laptop/Beamer/PPT presentations
30 Min	2.2 Executive Summary 2.3 Description fo the Business and the Product	FRONTAL LESSONS	Laptop/Beamer/PPT presentations
90 Min	<b>Exercise 2.1:</b> Description of the Business	GROUP WORK	Gamification Toolkit
20 Min	2.4 Market Analysis	FRONTAL LESSONS	Laptop/Beamer/PPT presentations
90 Min	<b>Exercise 2.2:</b> Market Analysis	GROUP WORK	Gamification Toolkit
20 Min	2.5 Marketing Plan	FRONTAL LESSONS	Laptop/Beamer/PPT presentations
60 Min	<b>Exercise 2.3:</b> Marketing plan	GROUP WORK	Gamification Toolkit
15 Min	2.6 Operational and Organizational Plan	FRONTAL LESSONS	Laptop/Beamer/PPT presentations
60 Min	<b>Exercise 2.4:</b> Operational and Organizational Plan	GROUP WORK	Gamification Toolkit
15 Min	2.7 Financial Plan	FRONTAL LESSONS	Laptop/Beamer/PPT presentations



## 2.1 Introduction

As we have seen so far, a business plan is an essential tool for structuring a business idea, coordinating resources, assessing its viability and presenting it to third parties. To fulfil these functions, it must consist of a series of interconnected sections that provide a comprehensive, coherent and professional overview of the project.

**Figure 3. Operational Roadmap for Structuring a Business Plan**



Source: own elaboration based on Filion et al. (2011)

There is some consensus in the academic literature suggesting the essential parts that a business plan should contain:

1. Executive summary
2. Business and product description
3. Market analysis
4. Marketing plan
5. Operational and organizational plan
6. Financial Plan

Although the components are similar, the terminology and order of the sections may vary (Hurtado & Marcelo, 2011). For example, the description of the company may appear in the business plan as a company description, business model or company overview, while the marketing plan may be called business strategy or sales or marketing plan. In addition, some sections may be subdivided to create new sections. For example, the market analysis section can be divided into different sections such as target customer analysis, competitor analysis, etc.

The level of detail, emphasis and style of presentation can and should be adjusted according to the target audience, with implications for both the depth of analysis and the elements that are highlighted or supplemented with appendices or explanations (Hurtado & Marcelo, 2011). For example, if we want to develop a business plan to seek private investors, the business plan must be convincing and focused on highlighting opportunities for profitability, with particular emphasis on potential in solid financial projections, risk analysis, scalability, clear competitive advantage and exit strategies.

Furthermore, beyond the traditional sections (summary, market, marketing, operations, organisation and finance), some business plans incorporate complementary elements that reinforce their credibility, such as a risk analysis or a contingency plan (Sahlman, 1997).

Therefore, both adapting the plan to the target audience and including additional sections are fundamental strategies for personalising, strengthening

and professionalising the business plan. There is no single model that can be applied in all cases, as the true value of this plan lies in its ability to communicate the viability of the project in a strategic, effective and relevant way.

Below you will find more details about these essential elements that make up a business plan, as well as the main components that each of them should include.

## 2.2 Executive Summary

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The executive summary is the entry point to the business plan and our letter of introduction. Therefore, it must summarise in a clear, rigorous and attractive manner the most relevant information about the business project that justifies the existence of the business, its viability, its differentiation and its objectives. This section must contain, in an explanatory manner, all the key information about the plan and the elements that will enable the project to succeed. In other words, it is not a simple summary, but rather an argumentative tool with a high-impact communicative function (McKeever, 2019). This section therefore has an introductory but also a strategic function: to present the company in a professional, structured and convincing manner, capable of arousing the reader's interest and trust.

The executive summary is the first section of the business plan, but it should be written at the end, once the entire document has been completed and all the key business data has been compiled. Its purpose is to summarise the key information about the business project in a clear and convincing manner: who we are, what we offer, what our target market is, how we will do it, how much we need to invest and what benefits we expect to obtain.

Its purpose is to capture the reader's attention—investors, banks, partners or public institutions—and encourage them to continue reading. The executive summary should be written in an easy-to-understand format that draws the reader into the project and conveys enthusiasm and clarity, without being a

literal copy of the sections that follow (Pinson, 2009).

To summarise all the key aspects, we can create a table and briefly answer the following questions. This will help us organise the information and maintain a logical order, while covering all the fundamental aspects.

1. **What does the company do? – Business idea, sector and type of activity**
2. **What is the value proposition? – What problem does it solve and how?**
3. **Who is behind the project? – Founders and management team.**
4. **What is the target market? – Potential customers and market size**
5. **What competitive advantages does it have?**
6. **What revenue model is proposed?**
7. **What financing is required? – Initial investment and use of funds**
8. **What are the short- and medium-term objectives? – Measurable and realistic**

For example, Heynanny is a digital platform that connects parents with trusted childcare providers. It is an app that allows users to find babysitters with references, verify their profiles, and maintain direct contact while their children are being cared for. The service is simple, secure, and designed for busy families who need occasional or regular help with their children. Below, we will see how this table is completed using this example:

Questions	Answers
<p><b>What does the company do? – Business idea, sector and type of activity</b></p>	<p>Heynanny is a digital platform that connects parents with trusted childcare providers. It belongs to the digital services sector, specifically in family care and education. The activity is based on a web and mobile app that simplifies the process of finding, hiring, and communicating with babysitters.</p>
<p><b>What is the value proposition? – What problem does it solve and how?</b></p>	<p>It solves the problem of finding trustworthy childcare quickly. The app offers verified profiles, real-time updates for parents, and emergency availability. It ensures both security and flexibility for families.</p>

<p><b>Who is behind the project? – Founders and management team</b></p>	<p>The company was founded by Anna Schneider and Julia Kahle, two German women who are mothers and professionals in tech and child welfare sectors. They lead a small team of developers, customer support, and childcare experts.</p>
<p><b>What is the target market? – Potential customers and market size</b></p>	<p>The target market is urban families, particularly working mothers, in German cities. The service also appeals to single-parent households and parents with irregular working hours. The potential market includes over 5 million families with children under 10 in Germany.</p>
<p><b>What competitive advantages does it have?</b></p>	<p>Heynanny stands out by combining childcare with technology: verified caregivers, in-app updates during childcare hours, training for babysitters, and local availability. The emotional trust and security it builds is a key differentiator.</p>
<p><b>What revenue model is proposed?</b></p>	<p>The platform earns a commission for every booking. There is also a freemium model: basic access is free, but advanced services (e.g., emergency sitters, night care, caregiver training) require a subscription or one-time fee.</p>
<p><b>What financing is required? – Initial investment and use of funds</b></p>	<p>Heynanny requires €80,000 to improve the mobile app, expand to new cities, launch a caregiver training program, and invest in digital marketing. Funds will be used 50% for development, 30% for marketing, and 20% for HR and operations.</p>
<p><b>What are the short- and medium-term objectives? – Measurable and realistic</b></p>	<p>Short term (12 months): Launch in 5 new cities and reach 2,000 monthly users. Medium term (2–3 years): Expand nationally, certify 1,000 babysitters, and partner with municipalities or schools.</p>

Here are some tips to help you prepare this first section of your business plan:

- It is a good idea to start with a short, clear and powerful sentence that

defines the business idea. This sentence should allow the reader to clearly understand the proposed business concept. The summary should then expand on this to provide a comprehensive but concise overview of the key points covered above.

- It is important to bear in mind that, as they read, your audience will be asking themselves key questions such as: How much can this business grow? Is the proposal sound? How strong is the team behind it? What is the risk/return ratio?
- This section of the business plan should be concise. Some authors suggest that it should not exceed one page. If you are looking for investors, it can be extended to two or three pages at most (Pinson, 2009).
- Do not repeat entire paragraphs from other sections. Summarise key aspects such as the value proposition, market segments, competitive advantages, basic financial viability and capital requirements.
- It is essential to review and refine the executive summary until it clearly conveys what the company is and why it has the potential to succeed.
- Visual aids can be used in the executive summary. Tables and diagrams can be used to clearly show financial data, competition, value proposition or product-market fit (Evans, 2019).

## 2.3 Business and Product Description

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Filion et al. (2011) argue that entrepreneurs must be able to translate their ideas into a 'narrative model' that explains not only the business, but also their worldview and why their solution makes sense in that context. This narrative is articulated in the company description, which should provide a clear and detailed overview of the nature, purpose, and structure of the company. This clarity allows not only for a better internal understanding of the project, but also for a convincing presentation to potential investors or partners (McKeever, 2019).

This section not only presents the business idea, but also lays the foundations on which the operational, financial and market strategies will be developed. It details the identity of the company: who we are, what we do, how we do it and

why we do it. It also provides an understanding of the essence of the business project, its value proposition and its market positioning. Therefore, it should enable any reader, even those with no experience in the sector, to understand the nature, focus and fundamentals of the business project (Barrow, et al., 2018) and should answer key questions such as: what will the company do, for whom will it do it and how will it achieve it, thus articulating the mission, vision and objectives of the business, together with the differentiators that will mark its competitive advantage.

There is no set format or order for the components of this part of the plan. You can use whatever order makes the most sense to you. Below, we will detail the most important considerations to keep in mind when writing the business plan for each of the important aspects of this section.

**TIP:** Before writing this section of the business plan, it is advisable to review the theoretical and practical content of this course, especially that corresponding to **Module 1** – Introduction to Entrepreneurship – **Module 2** – Sustainable Business Models – and **Module 3** – Marketing Basics, especially Section 3 – for a proper understanding of entrepreneurship, business models, idea generation, business model canvas, and product concept. If your business model is related to e-commerce, you should also review the theoretical and practical content of module 6 of this course, entitled E-Commerce.

### **History**

Every business starts with a business idea, but what transforms it into a project is the identification of an unmet need in the market. This section should explain the emotional and rational ‘why’ behind the entrepreneurial project. Ultimately, the founding story connects with investors and customers because it conveys authenticity and purpose. Barrow et al. (2018) recommend narrating this section as a brief story (one or two paragraphs) that demonstrates ‘passion with purpose’ and reflects not only the what, but also the why of the company.

Therefore, here we must explain how the business idea came about, why you decided to develop it, and what motivated you to get it off the ground. The aim is

to contextualise the project within a personal, professional or social trajectory, showing that the idea is not the result of chance, but of a detected need or a significant experience. Some questions that may serve as a guide for writing this section could be: When and where did the idea come about? What personal, professional or academic situation inspired it? What need was detected? How did this need connect with an innovative solution? What knowledge, skills or training does the team have in this area? What learning motivated this decision? What previous mistakes or failures also influenced it? What motivates the team to undertake this venture? What values or principles are present (social impact, autonomy, innovation, etc.)? How does the project connect with the entrepreneurs' biographies?

### **Mission and Vision**

This point covers the identity and strategic foundations of the company: why it exists (mission) and where it is going (vision). Although often treated as symbolic statements, their correct formulation is key to guiding decision-making, defining organisational culture and communicating the brand identity coherently (Filion et al., 2011).

The mission describes the company's *raison d'être* in the present. It explains what it does, for whom and how it does it. To facilitate its drafting, the mission should answer three questions: What will the company do (product, process and/or service), for whom will it offer it and how does it solve the need or problem? At the same time, the mission should be motivating, comprehensive and consistent with the objectives and values of the business project.

There is no need to use sophisticated legal terms. Simply express it in your own words, but do so in such a way that the reader can sense your passion for the business you are creating. In addition to answering these questions, it may also be useful to describe your mission by creating a short list of core values, which are the things you consider essential to your business (Nunn & McGuire, 2010).

For example, **Vinted** (check out the W-Rise compendium for more information) is a digital platform for buying and selling second-hand clothing and accessories.

Its model promotes the circular economy by extending the useful life of textile products, allowing users to sell, buy or exchange items they no longer use. The app is very easy to use and has an active community throughout Europe (<https://www.vinted.es/about>).

**Vinted Mission:** *Our mission is to make second-hand first choice. We want to show you just how great second-hand can be. Sell what you no longer need or shop unique pieces you won't find in stores. Vinted is open to everyone who believes that quality items should live long.*

The vision, on the other hand, sets out the company's future prospects, i.e. how it sees itself in a given period of time (what it wants to achieve with the company). It explains what you want to become or achieve in the medium to long term (3-10 years) and should be realistic and achievable.

**Following the previous example, Vinted's vision could be:** *Within 5 to 10 years, to establish ourselves as the European benchmark in second-hand clothing sales, providing a sustainable, accessible and digital alternative to traditional fashion consumption for millions of people in Europe.*

### **Business Objectives**

Strategic objectives serve to translate the business vision into measurable results, guiding both planning and performance evaluation. They are the specific goals that our company wants to achieve within a given period of time. They indicate the direction of the project and allow us to measure whether or not progress is being made. Depending on the time frame, our objectives can be short-term (6-12 months), medium-term (1-3 years) or long-term (3-5 years).

The most effective and professional way to write objectives is to use the SMART method developed by Doran (1981).

**Figure 4. SMART Method**



To add the objectives to this section of our business description, we can create a table specifying the timeframe, the SMART objectives and the success indicators. It is important to bear in mind that we cannot cover everything (two or three objectives per timeframe are sufficient). We must be realistic, but also ambitious (the objective should motivate us but not paralyse us) and think of specific (measurable) indicators.

### **Description of products and services**

This point is the descriptive core of the business plan, where the company's commercial offer must be detailed, clearly explaining what is going to be sold, how it works, who it is aimed at and what value it brings. It is essential because it demonstrates the technical feasibility and attractiveness of the project to investors, customers and partners. This point not only informs, but also convinces the reader of our business plan that what is being offered is desirable, feasible and competitive (Evans, 2019). A detailed (exhaustive) description of the idea to be developed must be provided, in short, of the products and/or services that will constitute the object of the new business.

Therefore, in order to develop this point coherently, we must include some key elements:

- **A clear and accurate description of our products and services:** This should include details such as the definition of the product or service, how it works or is used, who it is aimed at and how it is presented. We will also include a

description of its attributes and characteristics.

**TIP:** Review the **theoretical content of module 3 of this course** – Marketing Basics – especially unit 3 – Marketing Tactics – to understand the theoretical concepts behind product creation. We recommend completing exercise 1, entitled “My product and my persona”, to develop the product idea.

- **Define the value proposition.** The value proposition explains why our product or service is necessary and attractive (Cote, 2020). It involves a realistic assessment of the unique or distinctive advantages of the product and how these advantages will translate into benefits for customers. To write the value proposition, we can answer questions such as: What problem does my product or service solve for the customer? What specific benefit or improvement does it provide? Why should they choose me over other options? It should be a clear and concise statement, limited to one sentence or a short paragraph at most. The questions provided below can help you write this part, as they summarise the key aspects that a value proposition should include:
  - Target Customer – Who is my product or service aimed at?
  - Problem or need – What is the customer’s problem? What do they want to solve?
  - Solution offered – What am I doing to help them or improve their situation?
  - Main benefit – What does the customer gain by choosing me?
  - Key differentiator – What do I do better or differently than others?

**TIP:** We can also use the **Value Proposition Canvas** tool developed by Alexander Osterwalder, which allows us to build the value proposition visually and graphically: <https://www.strategyzer.com/library/the-value-proposition-canvas>. We also **recommend reviewing Module 2** – Sustainable business models – both the theoretical and practical sections to describe the value proposition.

- **Describe the stage your product or service is at.** Indicate whether the product or service is at the idea, prototype, testing or commercial stage. This will allow readers of your business plan to assess the maturity of your

project.

At this point, brief information on the production and provision of the service may also be included (to be expanded in the Operational Plan of the business plan). In addition, indicate whether there are different versions or product lines and briefly explain the revenue model (although this will be developed in detail in the financial plan).

In short, in the description of products and services it is essential to take into account:

- At this point, it must be made clear what your product or service aims to achieve. Create an offer to meet an unmet need or improve an offer to meet an unmet or inefficiently met need.
- Specify in detail what will be produced (goods), what will be offered and how it will be sold. Detail what is and is not offered in relation to customer expectations.
- Specify key differentiating factors.
- Define the value proposition of your product or service, for example, what needs it meets and what shortcomings it solves.
- Highlight the advantages of the product or service compared to those currently on the market. What are the innovative features of our product or service?
- It is advisable to use illustrations in the product description and technical details should be limited to an appendix.

### ***Gamified***

#### ***Exercise Unit 2: Building your business plan step by step***

#### ***Activity 2.1***

Now it's your turn to put theory into practice!

**Access Padlet** through the link provided by your teacher. **In each column, you must include:**

**Founding story:** Write a short **narrative paragraph** about the origin of your project. Use a personal and emotional tone. You can guide yourself with these three questions:

## **Description of the company**

- What motivated your idea?
- Where did it come from?
- What experience inspires it?

**Mission:** Write one clear and direct sentence explaining the purpose of your company (why it exists).

**Vision:** Write one sentence that expresses what your company wants to become in the future.

**Objectives:** Define 6 objectives for your company:

- 2 short-term (within the first year)
- 2 medium-term (2–3 years)
- 2 long-term (5 years or more)

**Product or service:** Describe what you offer by answering these three key questions:

- What does your product/service offer?
- What makes it different from the competition?
- What needs does it meet?

The Padlet will be projected. Using Mentimeter (or a similar tool), you will vote and reflect on:

- Which group best described its story?
- Which project has the clearest mission and vision?
- Which project has the most realistic objectives?
- Which project has best defined its product or service?

Finally, Open your Google Doc and copy the content of your Padlet into the section *Description of the Company*. Also, integrate your value proposition from the Canvas Model (Module 2, Exercise 2).

## 2.4 Market Analysis

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The main objective of this section is to gain an in-depth understanding of the environment in which the company will operate, the characteristics of the sector, identify potential customers and competitors, market trends, and substantiate strategic marketing, sales, and positioning decisions. Market research allows entrepreneurs to know who their potential customers are, what they are like, and where they are for their product or service (Barrow et al., 2018).

Far from being a mere informative section, it is an essential tool for making the right decisions, identifying real opportunities and anticipating future obstacles. It provides information on the situation and estimated evolution of the sector in which the activity will be carried out, the customers to be accessed and through which channels, and the actions carried out by the competition. It is a fundamental requirement to demonstrate that the project is well-founded, responds to a real need and has a chance of success. It allows the business idea to be validated through quantitative and qualitative information, avoiding intuitive decisions or those based on unfounded beliefs. Furthermore, plans that do not demonstrate a thorough knowledge of the target market lack credibility, especially in the eyes of investors (Pinson, 2009).

This analysis should begin with an observation of the market targeted by the product or services we offer, followed by a characterisation of customers and competitors. It should be carried out by gathering primary information (interviews, surveys, direct observation) and secondary information (reports and databases), which will provide a solid basis for the plan's decisions.

This section should cover the following general aspects: analysis of the general and sectoral environment, segmentation and definition of the target market, analysis of demand and customer profile, and analysis of the competition. You can begin with a general introduction to the market, providing the context of the market in which the project operates, with a broad description of the sector or industry (specifying the sector and sub-sector), size, geographical focus (local, regional, national or international), a general explanation of demand and

consumer behaviour, and a brief summary of the competition. This information will provide an overview that can serve as a basis for further analysis. Next, we will describe how to address the other elements that make up this section of the business plan.

### **Analysis of the general environment**

The general environment, also known as the macro environment, refers to all external forces that indirectly affect the company but do not depend on the entrepreneur. These are global factors that influence consumer behaviour, market opportunities and environmental risks. Environmental analysis is the starting point for strategic thinking and allows you to anticipate changes that may affect the survival or growth of the company (Filion et al., 2011).

Various authors recommend using PESTEL analysis to address the requirements of this point and analyse the external effects that may affect the market and the company. PESTEL analysis is a strategic tool that allows the macro environment of the company to be studied, i.e. the factors in the general environment that affect the project but cannot be directly controlled (Akbalik & Çitilci, 2019).

<b>Factor</b>	<b>Guiding Questions</b>
Political	How does legislation or public policy affect the sector?
Economical	What is the impact on inflation, interest rates, employment, etc.?
Social	What values, habits or trends affect consumption?
Technological	What innovations are changing the market?
Ecological	What are the environmental requirements or green expectations?
Legal	Are there any regulations affecting the activity (licences, patents)

When conducting this analysis, it is important to determine in advance whether it will be analysed in the local, national or global environment of our project and to focus on the specific sector and activity of our product or service. To carry out this analysis, reliable information such as reports and statistical sources from national or European official bodies (Eurostat) should be consulted. Reference should also be made to the source, that is, the reports and statistics consulted should be referenced. Without this, the analysis has no value in the business plan.

This part of the market analysis section should not just list data; it should be tailored to our company, i.e. it should indicate what implications it has, how we adapt and take advantage of it, and what decisions we make in this regard.

Once this has been done, we must analyse our specific or competitive environment. In this regard, we must provide information relevant to our sector, demand, customers, competitors, and suppliers in this section.

**TIP:** In order to write this part of the plan it is strongly recommended to read and understand **Module 3 of this course** - Marketing Basics - especially Unit 1 - Assessing Marketing Environment.

### **Data from the sector**

The study of the sector allows us to identify whether the immediate environment presents exploitable opportunities, barriers to entry and factors that determine competitive success.

At this point we must specify (Nunn & McGuire, 2010):

- The size of the sector in terms of monetary value, customers and production.
- Its historical evolution and projections: changes in the sector in recent years, trends (growth, maturity or decline).
- Future projections for 3 to 5 years.

As in the previous point, we must base our analysis on reports and statistics and reference them in our business plan.

## **Market segmentation and potential customer analysis**

Although our product or service may meet the needs of a broad group of potential customers, the goal is to define our target customer as specifically as possible, both quantitatively and qualitatively.

Segmenting means recognising that not all consumers have the same needs, preferences or behaviours. A company cannot and should not try to target everyone in the same way (Kotler & Keller, 2016). Market segmentation is the process of dividing a broad market into smaller, more homogeneous groups of consumers who share similar characteristics, common needs or comparable purchasing behaviours. This segmentation can be based on demographic variables (age, gender, educational level, marital status, profession or income), geographic variables (country, region, city), psychographic variables (lifestyle, personal values, attitudes and opinions, interests or hobbies) and behavioural variables (purchase frequency, level of loyalty, price sensitivity, product use). This segmentation will allow us to focus on which segment or segments are most attractive for our product or service. From there, we must describe the profile of our potential consumers.

**TIP:** To understand how to segment the market, we recommend reading the theoretical content in **Unit 2 – Marketing Strategies – of Training Module 3, Marketing Basics**, of this course. Furthermore, although it is not necessary to include it in the business plan, the **buyer persona** tool can be used to define our customer profile and thus facilitate the explanation of this section. This is a semi-fictional representation of our ideal customer based on real data (demographic, psychographic, behavioural) and target market research. To do this, **we recommend completing practical exercise 1 – My product and my persona – from module 3 of the Marketing Basics course.**

### **Demand Analysis**

Once the market has been segmented, a demand study must be carried out. Demand analysis studies the potential volume of customers who could purchase the product or service, their consumption patterns, their purchasing power and

the expected evolution of that demand over time. Demand is not studied at a macro level, but rather in the specific segment that constitutes the target audience for our project. Therefore, it must be preceded by a rigorous analysis of the customer base (Filion et al., 2011).

1. We must estimate potential demand, namely the number of potential customers in the geographical area of our project, their average purchase frequency and the estimated average spend per customer.
2. Carry out a qualitative analysis of demand, establishing purchasing motivations, frequencies and consumption patterns, barriers that hinder access and perception of the product in the market.

To do this, we will need to rely on statistical data sources (secondary data) and also conduct surveys (primary data) of potential customers or product tests (MVP).

### **Competitors analysis**

When conducting market research for our business plan, it is vital to understand which companies offer products and services similar to ours and show the reader of our plan how we differ from them. Competitor analysis is not limited to identifying rivals; it must also analyse the competitive strategy of each player, compare it with ours and identify gaps in the market (Casillas & Martí, 2010). We must have in-depth knowledge of our competitive environment. All companies have competitors in some form, some sell products or services similar to ours, while others sell a product or service that fulfils the same function. Therefore, this point involves the systematic study of rival companies that offer products or services similar to ours with the aim of identifying their strengths and weaknesses, detecting opportunities for differentiation, assessing our competitive advantage and anticipating possible threats.

Following Ehmke and Akridge (2005), we will first define who our competitors are and then develop their profile. For the analysis, we must take into account their market share, customer relationships, communication (marketing) strategies, prices, distribution channels, product or service characteristics and positioning.

To help better identify our competitors, we can create a table that brings together all the points mentioned above. **Below is an example of a competitor table for UBER** ([https://www.uber.com/fi/en/about/?uclick\\_id=668e25d4-922e-4c16-9aa3-0ead03e9f4b7](https://www.uber.com/fi/en/about/?uclick_id=668e25d4-922e-4c16-9aa3-0ead03e9f4b7)).

Name of the Company	Product or service (characteristics)	Price	Market Share	Distribution (points of sale)	Promotion
UBER	Transport via mobile app, on-demand rides, user rating system	Standard fare based on distance and demand (calculated in app)	Very high in digital ride-hailing	Available in 10,000+ cities globally via mobile app	Digital ads, app-based offers, referral codes
TAXI	Urban transport by regulated taxi services	Regulated fixed rates	Moderate in urban centers	Street hail, phone dispatch	None or low (traditional signage)
CABIFY	Ride-hailing app, focus on comfort	Standard fare based on distance and demand (calculated in app) – slightly expensive than Uber	Moderate in Spain and Latin America; low globally	Available via mobile app in selected cities	Online marketing, premium branding
BOLT	Ride-hailing app focused on affordability and sustainability	Slightly lower than Uber	Fast-growing in Eastern Europe and parts of Africa	Available in over 45 countries through mobile app	Aggressive digital campaigns and eco-positioning

In this part of the business plan, it is not enough to simply list our competitors; we must also evaluate them by analysing their strengths and weaknesses in

comparison with ours, i.e. determine what our competitive advantage will be. In the previous section, we described who our customers are and what their needs are. Here, we must explain how our competitors meet those needs and what we will offer our customers in return (Ehmke & Akridge,2005). In short, it involves competitive or external benchmarking.

**TIP:** We recommend studying Unit 3 of this course – Marketing Basics – especially Unit 2, Marketing Strategies. In addition, completing practical exercise 2 of the module 2 – Positioning Map & Statement – will give you a clear overview of who your competitors are and how to analyse them.

It is advisable to end this full section, “Market Analysis”, with a SWOT analysis of the strengths and weaknesses of your business against the opportunities and threats of the market or sector. Here you have a link with complementary information to elaborate it.: <https://www.investopedia.com/terms/s/swot.asp>

**Figure 5. SWOT Analysis**



**Gamified**  
**Exercise Unit 2:**  
**Building your**  
**business plan**  
**step by step**

Now it's your turn to put theory into practice!

**Access Padlet** through the link provided by your teacher. Your teacher has created a wall called *Market Analysis*. Each group has its own column with the following sections:

## Activity 2.2

### Market Analysis

- Sector data: Find at least **3 reports or studies** about your market/industry and upload them to your Padlet column.
- Analysis of the general environment: Read your reports briefly and then complete the **PESTEL table** in your Google Doc (also Paste the table into this column)
- Demand analysis and customer segmentation: Using **Exercise 1 of Module 3 (My Product and my Persona)**, describe the profile of your *ideal customer* (buyer persona).
- Competitors: Using **Exercise 2 of Module 3**, complete the competitor analysis table in your Google Doc. Then take a **screenshot** of your table and upload it to Padlet .
- SWOT analysis: In your Google Doc, create a SWOT (Strengths, Weaknesses, Opportunities, Threats). Once done, upload a screenshot to Padlet under the “SWOT” section.

Your teacher will project the Padlet. You will discuss and vote (via Mentimeter or similar) on questions such as:

- Which part of the market analysis was most difficult?
- Do we need more information? More reports? Customer interviews?

Don't forget to transfer all results into your **Google Doc** under the section *Market Analysis*,

## 2.5 Marketing Plan

While market analysis identifies what is happening outside the company

(customers, competition, environment), the marketing plan focuses on how the company will act within that environment. This section is based on data extracted from the market analysis, but its purpose is to design and implement the necessary actions to achieve the commercial objectives (Casillas & Martí, 2010). It should be structured in such a way that it not only conveys the business idea, but also convinces that it is an attractive and viable investment opportunity. Therefore, the marketing plan is the section of the business plan that defines the specific strategic and tactical actions that the company will implement to introduce its product or service to the market, generate demand, attract customers and maintain a competitive position.

In this section, we will focus on the price of our products/services, how we will distribute them and how they will be promoted.

**TIP:** To understand more about these concepts and what a marketing plan entails, **we recommend reviewing and studying module 3 of this course, Marketing Basics, specifically the third unit, *marketing tactics*.** If your business model is related to e-commerce, you should also review the theoretical and practical content of module 5 of this course, called E-Commerce.

### **Price**

Price communicates value and, therefore, must be aligned with the image we want to project and with the customer's perception. It also represents the amount of money consumers must pay for a product or service. From an economic and strategic perspective, pricing must meet three fundamental criteria: cover costs, be acceptable to the customer, and be consistent with the company's positioning strategy (Kotler & Keller, 2016). The pricing process follows seven steps:

1. Choose the price objective, which may include: maximising sales profits, increasing market share, positioning the company as an accessible premium brand, discouraging new competitors, surviving in highly competitive environments
2. Determining demand: it is necessary to understand who your product or service is aimed at and determine their purchasing power and how much

they are willing to pay for the product or service.

3. Evaluate fluctuations in demand through reports, sales histories, surveys and interviews
4. Determine costs
5. Analyse the costs, prices and offers of our competitors
6. Select a pricing strategy
7. Estimate the price.

In this part of the business plan, we must justify the price chosen for our product/service. To set the price, follow the seven steps specified above, which culminate in estimating the price of our product or service. There is a wide range of pricing strategies, from simple rules of thumb to sophisticated approaches that involve carefully measuring the value your company offers to your target market (Ehmke & Akridge, 2005). To justify the price in the business plan in a simple way, here are some suggestions:

- Demonstrate that the price covers production costs and allows for a reasonable profit margin. Although this will be specified in section 7 of the business plan, Financial Plan, it would be useful to indicate here the total unit cost and the break-even point, i.e. the minimum sales volume required to cover costs without making a profit or loss. See module 4, 'Financial Basics,' of this course, especially the first section.
- Another key justification is to show that the price is competitive within the market and reflects the reality of the sector. To do this, we will compare our prices with similar products and services offered by our competitors and indicate whether our prices are above, equal to, or below those of our competitors. To illustrate this better, we can create a comparative table of the prices of our products and services and those of our competitors and analyse and justify why they are above, equal or below.
- We can also show the customer's perception of value by identifying differentiating product attributes, relating the price to functional and emotional benefits and/or citing results from surveys or market research.

Above all, our business plan must demonstrate that our price will enable us to make a profit.

In addition, in this section of the plan, we must justify the **pricing strategy chosen**. To select the right strategy, it is useful to ask questions such as: Am I looking for sales volume or high margins? What unique value do I offer compared to the competition? How price-sensitive are my customers? Does my product have substitutes? What are the customer's expectations regarding price? Pricing strategy is not an isolated decision, but a coherent extension of the type of business being developed (digital or face-to-face, sustainable or conventional, B2C or B2B), the desired market positioning, and the expected consumer behaviour. Based on the answers to these questions, we will define our pricing strategy and explain why we chose it. Some of the most common strategies are described below based on Barrow et al (2018) and Evans (2019).

- **Penetration:** Low initial price to quickly gain market share.
- **Skimming:** High initial price to tap consumers willing to pay more.
- **Based on costs:** Price calculated on the basis of costs plus a profit margin.
- **Value-based:** It is set by the value perceived by the customer, not by the cost..
- **Competitive:** Price set on the basis of competitors' prices.
- **Psychological:** Use of prices such as 9.99€ instead of 10€ to influence perception.
- **Freemium:** Free basic version, and paid premium versions (typical for digital services).

Finally, we must include a description of our pricing policy. This refers to the attitude and strategies adopted by the company regarding the financial facilities we make available to our customers to encourage purchases. It includes, for example, volume or loyalty discounts, launch promotions, seasonal promotions or specific campaigns, as well as any other economic advantage used as a commercial incentive.

To help you define your pricing policy, we will start with a short paragraph in which we define the company's general attitude towards price: are we looking for accessibility? Do we want to convey exclusivity? Do we want to encourage ethical consumption or environmental commitment?

Next, we will write a sub-section detailing the specific tactics we will apply to encourage purchases and justify them from an economic and strategic point of view. Some common types of discounts and promotions are:

- **Volume discount:** To encourage the purchase of larger quantities (e.g. 'buy 3 and pay for 2').
- **Loyalty Discount:** For repeat customers, with exclusive cards or codes.
- **Launch promotion:** Price reduction in the initial phase of the business or product.
- **Seasonal campaigns:** Special prices on key dates (Christmas, Women's Day, Sustainability Week).

Finally, although not mandatory, we will describe whether the company will offer payment terms and facilities such as instalments, subscriptions or digital payment methods.

The pricing policy must be consistent with the market segment and perceived value. There can be no contradiction between claims of exclusivity or sustainability and an aggressive discount policy if this is not justified.

### **Promotion**

An excellent product or service will not be successful if potential customers are unaware of it. We must define and include in the business plan how we will convey this information to our customers:

**The advertising media to be used**, choosing between traditional media (press, radio, television) or digital media (social networks, email marketing, etc.). When selecting the media, it is essential to consider their advantages and disadvantages, as well as to detail their cost and how they will be used, and this must be specified in the business plan (Filion et al., 2011).

**Key messages**, i.e. attractive words that speak about the qualities of the company's product or service. These messages must clearly communicate the value proposition.

**Communication policy:** planned promotions (both launch and ongoing),

advertising campaigns or public relations (opening party, media relations, etc.). The market launch plan should be specified, including the sequence of actions that will make up the advertising campaign, as well as the promotions that will be used to publicise and position the product or service in the minds of consumers. In addition to the actions to be taken, it is important to include aspects such as the expected date, price, channel, target and budget in the business plan. This can be done using a Gantt chart or a simple table such as the example below.

For example, **Double Trouble Bologna** (<https://doubletroublebologna.com.myshopify.com/en>. See the W-Rise compendium for more information) is an Italian ethical and artisanal fashion brand created by female entrepreneurs who reuse surplus leather and recovered materials to make sustainable bags, backpacks and accessories. Their model combines responsible design, local production and the circular economy. A possible example of their promotional calendar could be:

Action	Month	Channel	Objective	Budget
Handmade in Italy” campaign	March	Instagram / Facebook	Promote the product as local and sustainable artisan work	€1,500
Participation in ethical fashion fair	May	Event + social media	Attract eco-conscious clients and generate visual content	€2,000
Giveaway with sustainable influencers	September	Instagram + TikTok	Expand community among young women interested in slow fashion	€1,200
Christmas campaign with limited series	December	Newsletter + Instagram	Encourage seasonal purchases with exclusive product lines	€2,500

According to Casillas and Martí (2010) and Barrow et al. (2018), the promotion section should:

- Be consistent with the brand positioning and product price
- Combine different types of media and channels
- Include a temporary action plan
- Be measured with KPIs to evaluate its effectiveness

### **Distribution policy**

Distribution policy, also called 'place' within the marketing mix, refers to the set of strategic and logistical decisions through which the company ensures that its product or service reaches the target customer in an efficient, accessible and profitable manner. In this sense, within the plan it is necessary to determine the most appropriate path that the product/service must follow to reach the consumer.

The business plan should include the types of channels that will be used. The distribution channel refers to the set of means, routes, organisations and intermediaries that enable a product or service to reach consumers from the producer (Kotler & Keller, 2016). They can be broadly divided into:

- Direct channels (direct distribution): the producer sells directly to the end customer without intermediaries (physical and online stores, social networks with direct sales, etc.).
- Indirect channels (indirect distribution): the producer delegates the sale to one or more intermediaries (marketplaces such as Amazon, distributors, retailers, etc.)
- Mixed channels (mixed distribution): a combination of direct and indirect channels (own shop plus sales through Amazon, for example).

The reasons for choosing these channels, the value they bring to the customer and their relationship to the business model must be justified. In addition, the shipping or delivery method must be specified, indicating whether courier services will be used or if collection points are planned. An important point to mention is geographical coverage, i.e. whether distribution will be local, national or international.

**For example, Gravity Wave** collects plastic waste from the Mediterranean Sea in

collaboration with fishermen and transforms it into high-value design products such as furniture, panels and accessories. It works with hotels, city councils and businesses committed to sustainability. Gravity Wave **applies a direct and selective distribution strategy aligned with its mission of sustainability and social impact.** The company distributes its upcycled products—such as furniture and decorative panels made from marine plastic—**mainly through direct B2B sales targeting eco-conscious clients such as hotels, public institutions, and architects.** Initial contact is facilitated through the company’s website and reinforced by active participation in sustainable design fairs and collaborations with environmentally committed designers. Gravity Wave operates under a made-to-order model to reduce overproduction and optimize resources, and prioritizes local logistics partners to minimize carbon emissions. Each shipment is traceable and includes impact data, such as the amount of plastic recovered. **This distribution approach ensures transparency, strengthens relationships with clients who share the company’s values, and reinforces its brand as a trusted leader in circular innovation.**

## ***Gamified***

### ***Exercise Unit 2: Building your business plan step by step***

#### ***Activity 2.3 Marketing Plan***

Now it’s your turn to put theory into practice!

**Open Padlet.** Your teacher has created a wall called *Marketing Plan*. Each group has its own column divided into three parts:

- **Price:** Write the price of your product/service (already defined in previous exercises). Explain how this price covers production costs, helps you reach your break-even point, and ensures a reasonable profit margin. Choose a pricing strategy (e.g., penetration, skimming, value-based, competition-based) and justify your choice.
- **Promotion:** In your Google Doc, prepare a promotion calendar with at least 3 actions. Take a

screenshot of your calendar and upload it to the “Promotion” section of Padlet.

- **Distribution channels:** Describe the type(s) of channels you will use to deliver your product/service to customers (e.g., online shop, physical store, distributors, marketplaces, direct sales).

Reflect and vote on questions such as:

Which group (other than yours) presents the most coherent marketing plan?

Which group has the most realistic pricing strategy?

Which group has the most creative promotional actions?

Don't forget to transfer all the information you prepared (price, promotion, distribution channels) into the *Marketing Plan* section of your Google Doc.

## 2.6 Operational and Organizational Plan

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The operational and organisational plan within the business plan is an essential section that details how the business will work in practice, i.e. how key activities will be carried out on a day-to-day basis, how the team will be organised and what material and technological resources will be necessary to achieve the strategic objectives defined in the business model. This plan must answer five key questions: what will be done, who will do it, with what resources, how much will it cost and in what time frame will it be carried out? These dimensions are what ensure that the strategy can be executed under real operating conditions (Casillas & Martí, 2010).

Firstly, the organisational structure of the company must be explained, i.e. how

roles, positions and responsibilities are distributed within the team. This description should include the profile of the promoter or founder, the people who will be involved from the outset, their roles and, if applicable, future recruitment needs. It is advisable to include an organisational chart that visually represents this structure, even if it is small, as this conveys order, planning and a professional approach. If there are three or fewer people working in the company from the outset, a photograph of each person, their position and a brief summary of their work experience can be included.

The plan should then describe in detail the key operational processes that will enable the goods to be produced or the service to be provided. This includes a comprehensive description of how the design, production, order management, delivery, customer service and after-sales activities will be carried out. It is important to show in the business plan that these processes are sequenced in a logical manner.

It should also indicate the material, technological and infrastructure resources needed to carry out the activity. This ranges from basic equipment (computer, internet connection, digital tools) to essential software or licences (e.g. Canva Pro, WordPress, Stripe, Google Workspace) and, if applicable, the physical space required (co-working spaces, workshops, warehouses or shops).

To help those reviewing the business plan understand the logical order of key operational processes, the people involved, and the tools used, it is a good idea to create an operational timeline showing the stages of business development, from start-up to consolidation. A basic table can be created to serve as a schedule, which in turn will help us realistically plan the launch of the business, the development of products or services, the implementation of marketing strategies, and the gradual incorporation of new human or technological resources.

For example, **Lucirmás** (<https://lucirmas.com/>. See the W-Rise compendium for more information) is a sustainable design company dedicated to the artisanal production of decorative and utilitarian objects from recycled glass. Each piece is handmade according to criteria of sustainability, exclusivity and quality,

promoting the circular economy and responsible consumption in the decoration and hospitality sector. It sells online through its website. An example of this company's operating calendar would be as follows:

Phase/Activity	Description	Responsible	Resources	Duration	Estimated Start
Glass collection and selection	Recovery of used glass bottles from restaurants and local businesses	Materials Manager	Agreements with suppliers, storage space	Ongoing	January
Artisanal production	Manual cutting, polishing, and transformation of the glass pieces	Lead Designer	Workshop, specialized tools	2 months	February
Web development and e-commerce	Creation and maintenance of the online store for direct sales	Digital Manager	Web designer, domain, payment gateway	1 month	March
Collection launch	Development of a new product line and preparation of promotional catalog	Product Director	Photography, graphic design, product descriptions	1 month	April
Direct sales and distribution	Online and trade fair marketing and distribution of sustainable design products	Sales Manager	Online store, inventory, fair calendar	Ongoing	May

This section should provide clear and specific answers about the execution of the business, beyond the idea itself. A plan that does not consider the operational and organisational dimensions runs the risk of remaining abstract, which is why this section of the business plan represents a practical validation that the business model can actually work (McKeever, 2019; Barrow et al., 2011; Evans,

2019).

### **Gamified**

### **Exercise Unit 2: Building your business plan step by step**

### **Activity 2.4 Operational and organizational plan**

Now it's your turn to put theory into practice!

**Open Padlet:** Your teacher has created a wall called *Operational and Organizational Plan*, with two sections:

- **Team description:** Write about the key members of your team. Describe their previous experience. Explain the roles and responsibilities of each person within the company.
- **Key resources and suppliers:** Identify the main resources you need to run your business (technology, equipment, facilities, etc.). Mention essential suppliers (raw materials, logistics, technology providers). Add any strategic allies or collaborators that can support your business.

Once this is done, in your Google Docs document, create an operational timeline (a table containing the following columns: **phase or activity, brief description, responsible party(ies), necessary resources, estimated duration, and expected start date**). This table should show the main activities needed to launch and run your company (e.g., product design, website creation, supplier agreements, marketing launch).

Do not forget to include all the information gathered in this exercise in your business plan (Google Doc).

## 2.7 Financial Plan

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The financial plan is one of the most important sections of a business plan, as it

translates strategic and operational ideas into figures. It is the language understood by investors, banks and any external agents evaluating the viability of the business (Pinson, 2009). But it is also essential for the entrepreneur themselves, who needs to know whether the project is profitable, when it will be profitable and what financing needs each phase will entail.

Financial planning is the result of multiple investment, structural and strategic decisions and must be based on comprehensible and well-founded estimates that reflect the future financial results of the project (Casillas & Martí, 2010). The main objective of this section is to provide a quantitative analysis that justifies the viability of the business project. According to McKeever (2019), a credible financial plan is more important than a brilliant idea without substance. This section allows to:

- Anticipate income, costs, margins and profits.
- Calculate capital requirements and their timing.
- Evaluate profitability and return on investment.
- Detect liquidity needs and times of increased financial stress.
- Identify economic risks and propose alternative scenarios.

**TIP:** In order to carry out this financial plan, we recommend **studying module 4 of this course – Financial Basics** – and completing the three practical exercises to understand the concepts behind cost analysis, calculation and different financing strategies.

Within the business plan, the financing plan should include:

- **Determination of initial costs** (start-up costs), i.e. the planned initial investment, detailing all fixed assets (capital assets) and current assets necessary to start the activity. These costs usually include: incorporation expenses, equipment, furniture, technology, computer applications, licences, patents and works or refurbishment of premises, among others. This table can help to present the initial investment in the business plan.

Concept (What do we need)	Estimated costs €	% Depreciation	Cost 1 <sup>st</sup> Year	Cost Following Years
<b>TOTAL</b>	€		€	€

- Funding required to cover the initial investment.** The sources of funding and the estimated amount for each should be described. A distinction can be made between own funding (contributions from partners, self-financing), external funding (bank loans, 3Fs, microcredits, donations through crowdfunding, etc.) and institutional support (public aid).
- Estimated income and expenditure for the first three years of the project.** Income refers to expected sales (per unit, per service per month) and the price at which each will be sold. If there are different products or services, it is recommended to break them down by line. In addition, expenses should be differentiated between fixed and variable costs. This table can help the presentation of estimated income and expenditure in the business plan.

Concept	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year
Revenue (Specify)	€	€	€
Start-up Costs (Name the concepts)	€	€	€
Fixed Costs (Name the concepts)	€	€	€
Variable Costs (Name the concepts)	€	€	€
Profit before taxes	€	€	€

Taxes	€	€	€
<b>Net Income</b>	<b>€</b>	<b>€</b>	<b>€</b>

- **Determine the break-even point**, which is the minimum number of sales required for revenue to cover all costs, with no profit or loss.
- **Determine viability with a concluding paragraph that summarises, in an understandable way, whether the project is viable.** To write this paragraph, it is necessary to summarise the main results of the financial analysis, such as expected revenue, fixed or variable costs, break-even point and expected net profit. In addition, the feasibility of the project must be justified and it must be determined whether the business is profitable from the outset or whether it needs more time, whether the required investment is affordable and whether the project is financially sustainable in the medium term. Finally, risks and critical aspects must be identified and described, such as seasonality of sales, dependence on advertising, tight margins or unpredictable costs, difficulties in collecting payments from customers, the need to adjust prices according to market developments, etc.

Finally, here are some tips to help you write and present this section of your business plan:

- It is not necessary to produce an exhaustive financial report; simply present key tables (initial investment, income and expenditure, and break-even point) clearly and with explanations.
- Figures should not be included at random; it is advisable to indicate where each piece of data comes from. The figures will be compared with those prevailing in the rest of the sector, so they must be consistent with actual experience.
- Use understandable language.
- Use spreadsheets and insert tables with clear headings into the business plan.

**TIP:** We recommend completing practical exercise 1 in module 4 of this course - Build your Own Financial Plan - which provides a spreadsheet with the main tables to include in the business plan.

## **Gamified**

### **Exercise Unit 2: Building your business plan step by step**

#### **Activity 2.5 Financial Plan**

Now it's your turn to put theory into practice!

**Transfer financial tables:** Open your Google Doc and copy into it the financial tables you created in **Module 4, Exercise 1 (Build your Own Financial Plan)**. These include:

- Income statement (revenues and expenses)
- Cash flow
- Break-even point

**Open Padlet:** Your teacher has created a wall called *Financial Plan* with the heading "Feasibility of the financial plan".

**Feasibility statement:** In your Padlet column, write a short text summarizing whether your business plan is financially viable answering this questions:

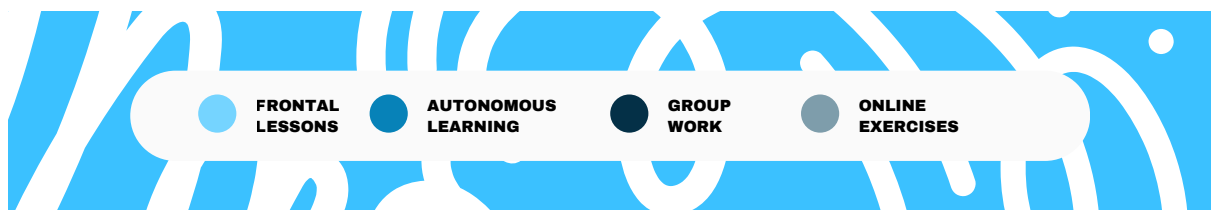
- Are projected revenues higher than costs?
- How long does it take to reach the break-even point?
- Is the expected profit margin reasonable?
- What risks or financial challenges do you anticipate?

Once all groups have published their feasibility statements, you will review other teams' posts and vote (Mentimeter, or similar) for the project (not your own) that best explains its financial viability.

Do not forget to add your feasibility analysis into the *Financial Plan* section of your Google Doc, together with the financial tables.

## Learning Unit 3: Final considerations and tips for writing a business plan

Time	Short Description	Method	Equipment
20 Min	3.1. The importance of effective writing 3.2. Visual presentation of the document 3.3. Content review and internal consistency 3.4 Rewrite and improve 3.5 Common mistakes and how to avoid them	FRONTAL LESSONS	Laptop/Beamer PPT Presentation
110 Min	<b>Exercise 3:</b> Peer review of business plans	GROUP WORK	Gamification Toolkit



### 3.1 The importance of effective writing

A business plan is not just a technical exercise, but also a communication tool.

Therefore, its quality does not depend solely on the validity of the business model or the accuracy of the financial projections, but also on the clarity with which the ideas are presented, the consistency between the different sections and the precision in the use of language. As Pinson (2009) argues, a plan must be understandable to a variety of audiences: from potential investors and partners to public entities, incubators, mentors or even people with no business training. This means that the text should avoid unnecessary technical jargon, overly long sentences or confusing structures that may hinder comprehension.

Effective writing involves organising the content in a logical and hierarchical manner so that the reader can easily follow the narrative thread. It is advisable to structure each section of the plan following a sequence of questions that clearly explain the value proposition using the 5W1H strategic communication approach or Kipling method: Who, What, When, Where, Why, How: Who is the entrepreneur or development team? What is being offered? How is it produced or delivered? How much does it cost? Where does the activity take place? When is it implemented? And why is it considered viable? These basic questions can help to serve as structural guides to ensure that no key information is missing and that the focus remains on the essentials.

As for the ideal length, although it may vary depending on the sector or target audience, it is recommended that a complete plan be between 20 and 40 pages. A shorter document may be perceived as insufficient or superficial, while an excessively long one runs the risk of being ignored or making it difficult to identify the key elements. To strike this balance, a good practice is to include an executive summary at the beginning and use appendices at the end to provide additional technical data without overloading the body of the text.

## 3.2 Visual presentation of the document

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The visual presentation of the business plan is not merely an aesthetic aspect, but a crucial component that directly influences the perception of professionalism, credibility and seriousness of the project. As Barrow et al. (2012)

point out, a well-structured and visually clear document facilitates understanding of the content, builds trust in the reader and reflects the degree of preparation and commitment of the entrepreneur. In contexts where multiple proposals are evaluated, such as calls for public grants, accelerator selection processes or investment searches, a disorganised plan or one with formal errors may be discarded before even being read in depth.

A good design starts with maintaining a clean and consistent structure throughout the document. This means using wide margins (at least 2.5 cm), 1.5 line spacing and a clear hierarchy of headings and subheadings. It is preferable to choose traditional, formal and legible fonts, such as Cambria, Times New Roman, Book Antiqua or Georgia, in size 11 or 12. The use of bold and italics should be moderate and with a clear purpose: to highlight key ideas, technical concepts or proper names, without visually cluttering the text.

The textual content should be combined with graphic elements that support understanding, such as:

- Tables: to present budgets, schedules, financial estimates or comparative analyses.
- Bar, line or pie charts: to show revenue trends, break-even points or cost distribution.
- Process diagrams or mind maps: particularly useful in operational or marketing plans.
- Logo, images of the website, branding and packaging, etc.

These visual resources should be correctly titled, numbered if necessary, and accompanied by a brief explanation that allows the reader to interpret the data without ambiguity.

It is also advisable for the document to have a professional cover page, an automatic table of contents if working in Word or Google Docs, and clear pagination. This makes it easier for the reader to navigate and conveys order. The inclusion of appendices is very useful for adding additional information without interrupting the main narrative: for example, detailed budgets, product

catalogues, team CVs, letters of support or market research extracts. However, appendices should be well organised, referenced from the body of the text and used sparingly: their function is to complement, not replace, the essential content of the main document.

**TIP:** A polished visual presentation does not require great design skills, but rather attention to detail and consistency. It reflects not only what you do, but how you think and communicate your proposal, and in the business world, that can mean the difference between capturing a reader's interest or losing them on the first page. Canva and Microsoft have a variety of free business plan templates you can use if you need them:

<https://www.canva.com/documents/templates/business-plan/>

<https://create.microsoft.com/en-us/templates/business-plans>

As for the format, we recommend having at least two versions of the plan:

- A **complete version in PDF** to send to institutions, mentors or calls for proposals.
- An **editable version** (Word or Google Docs) to facilitate periodic updates.

Finally, if you plan to present the plan orally, it is a good idea to prepare a summary version in presentation format (PowerPoint, Google Slides or Canva), with between 10 and 15 slides, focusing on the most relevant points of the project: problem, solution, target audience, business model, competitive advantages, team and key figures.

### 3.3 Content review and internal consistency

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One of the most important yet often underestimated stages in drawing up a business plan is the final review of its content. This is not just a matter of spotting spelling mistakes or correcting miscalculated figures, but of ensuring that all sections of the plan are aligned with each other, follow a logical flow and consistently reflect the strategic objectives of the project. This review should be done when the document is complete, allowing for a global perspective of the

whole, rather than just the sum of its parts.

The business plan is, in essence, a structured and well-founded account of how a business idea will be carried out. Therefore, internal consistency is one of its most valued attributes, both by investors and by evaluators of calls for proposals or strategic partners. This means that what is proposed in one section must be supported and developed in others. For example, if a specific niche is identified in the market analysis section, this information must be reflected in the product or service design, in the marketing plan and, finally, in the sales forecasts in the financial plan. If there is no consistency between these elements, the reader may interpret that the project lacks rigour or depth.

Similarly, the financial section should act as numerical validation of what is set out in the rest of the document. It is not enough to present a spreadsheet with expected income: it is essential that this data has a logical justification based on commercial strategies, available resources, actual costs and projected operational capacity.

The executive summary, although it appears at the beginning of the plan, should be written at the end. Only then can it adequately summarise the essential points of the project. This summary should not include new information or exaggerate expected achievements: its function is to inform directly and generate interest, not to promise more than the plan can deliver.

Reviewing the content is an opportunity to rediscover weaknesses or gaps in the project itself. Correcting them before submitting the plan can make the difference between a solid proposal and one that raises doubts or is rejected. This phase should therefore be approached with the same rigour and care as the rest of the process. If possible, ask someone else to read the plan, preferably someone outside the project, to get a critical and impartial view.

## 3.4 Rewrite and improve

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Finishing the drafting of a business plan does not mean closing the

entrepreneurial process, as we have seen so far, but rather opening a new stage with greater clarity and preparation. It is important to understand that a good business plan is not the result of a single effort, nor should it be written in one go, but rather the result of an iterative process that combines rigorous analysis, comparison with reality, consultation with experts, constant corrections and personal reflection (Pinson, 2009; Barrow et al., 2018; McKeever, 2019). This document is ultimately a living tool that evolves alongside the business, rather than a rigid and immutable structure.

The development of the plan should be seen as a strategic learning phase. When writing each section, the entrepreneur organises their ideas, identifies information gaps, detects weaknesses in the business model and proposes actions to correct them. It is therefore recommended to work on progressive versions, saving each one so that the evolution of the document can be compared. In this process, it is common for the first drafts to be incomplete or confusing, but with each revision, clarity, coherence and depth are gained.

### 3.5 Common mistakes and how to avoid them

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Developing a business plan is a complex process that requires integrating strategic, operational, commercial, and financial information into a single coherent document. Given this difficulty, it is common for entrepreneurs—especially those starting their first business venture—to make mistakes that, while understandable, can compromise the usefulness and credibility of the plan. Various manuals (Pinson, 2009; Evans, 2019) highlight some common mistakes made when writing business plans:

#### **Failure to clearly define the business model**

One of the most common mistakes is not explaining specifically how the company will generate income. Often, the mission, type of product or even the target audience is described, but the details of how value is created, how that value is delivered and how it is monetised are omitted. Without a clear business model, the plan loses strength and can raise doubts about the economic

sustainability of the project.

Analysing real examples of similar business models can help you structure your own and understand how to explain it clearly. Analysing these examples provides a reference point for what to include, how to organise the information and what the usual standards are. It is not about copying, but rather drawing inspiration from best practices and avoiding mistakes already identified by other entrepreneurs.

It is also useful to rely on tools such as the Business Model Canvas to identify all the parts of the model: value proposition, customers, channels, revenue and key resources. We recommend reading and understanding the theoretical content and completing the practical exercises in module 2 of the course, 'Business Models', to understand the business model and know how to complete the Business Model Canvas.

### **Lack of consistency between financial projections and operational reality**

Another common mistake is presenting revenue and profit estimates that are not supported by commercial logic or the proposed operational structure. For example, forecasting very high sales without a clear marketing strategy or without the human or technical resources to produce at that rate. This lack of consistency generates mistrust and suggests that the plan has been drawn up 'from the top down', adjusting the figures to make them fit, rather than building them from the real basis of the business. To avoid this mistake, it is advisable to request an external review by people with experience in business plans to validate its internal consistency. They can detect inconsistencies, gaps, excesses or omissions that the author may not notice because they are too involved in their idea.

### **Not considering a plan B or exit strategy**

The most solid business plans recognise that the market is changing and that obstacles may arise. That is why it is important to include a contingency strategy that indicates what will be done if sales do not meet targets, if there are regulatory changes or if competitors with superior advantages appear. To avoid

this, it is necessary to present alternative financial scenarios (optimistic, medium and pessimistic) that demonstrate that the plan has been thought out with realism and risk management in mind.

## **Gamified**

### **Exercise Unit 3: Peer review of business plans**

Now it's your turn to put theory into practice!

**Warm-up:** Join the Mentimeter/Kahoot session opened by your teacher. Answer the question: “*What characteristics should a good business plan have?*” (e.g., clarity, feasibility, consistency, design).

**Evaluation rubric:** Based on your answers, the class will agree on 5–6 common evaluation criteria. You will use this rubric to assess another group's work.

**Your teacher will assign you another group's business plan. Open it in Google Docs (editable format).**

**Peer review:** Read the business plan carefully. Fill in the evaluation rubric (score each criterion from 1–5). After the rubric, write **constructive comments**.

Another group will review your business plan. Read the scores and comments they leave for you.

Back in Mentimeter, answer these three questions:

- What did you learn from evaluating another business plan?
- What will you improve in your own plan after receiving feedback?
- Which parts of the business plan did you find most difficult to prepare?

Together with your teacher and classmates, share your reflections and main lessons from the activity.

# Final Test: Module 6 - Business Plan

## **1. What is the purpose of a business plan in an entrepreneurial initiative?**

- A. To justify the need for additional training
- B. To attract capital, structure the business and guide the execution of the project
- C. To replace market research
- D. To avoid having to look for partners

*Correct answer: B*

## **2. What is normally included in an executive summary?**

- A. Only the financial objectives of the project
- B. A general description of the plan, including the value proposition, customers and revenue model
- C. A detailed analysis of the PESTEL environment
- D. A summary SWOT analysis and balance sheet

*Correct answer: B*

## **3. Which of the following elements corresponds to external analysis?**

- A. Organisational culture
- B. Legal regulations applicable to the sector
- C. Key internal resources
- D. Management structure

*Correct answer: B*

## **4. What is the purpose of conducting a SWOT analysis?**

- A. To determine the total cost of the project

- B. To study the competition only
- C. To evaluate internal and external factors in order to make strategic decisions
- D. To project cash flow

*Correct answer: C*

**5. Which aspect best defines the value proposition?**

- A. The quality of the management team
- B. The differential benefit that the product or service offers the customer
- C. The unit cost of the product
- D. The annual production volume

*Correct answer: B*

**6. What is the main objective of the marketing plan within the business plan?**

- A. Record accounting data
- B. Design advertising campaigns for employees
- C. Define how the product or service will be positioned and sold in the market
- D. To structure the sales organisation chart

*Correct answer: C*

**7. Which of the following statements about the business plan is correct?**

- A. It is a static document that should not be modified
- B. It is only used to obtain external financing
- C. It is a dynamic document that should be reviewed and adapted
- D. It is drafted once the business is already established

*Correct answer: C*

**8. Which section should describe the internal processes, resources and structure of the team?**

- A. Organisational and operational plan
- B. Executive summary
- C. Feasibility plan
- D. Market study

*Correct answer: A*

**9. Which of the following aspects is essential in the final review of the business plan?**

- A. Increase the number of pages to make it look more professional
- B. Use synonyms to avoid repetition of ideas
- C. Ensure internal consistency between all sections and avoid contradictions
- D. Translate all content into English for international presentations

*Correct answer: C*

**10. What structural error usually negatively affects the quality of a business plan?**

- A. Using real examples to illustrate market analysis
- B. The business strategy and financial projections are not aligned
- C. Including different visual formats such as graphs or diagrams
- D. Incorporating appendices with supporting studies and bibliographic sources

*Correct answer: B*

## Recommendation for self study

This section provides a curated selection of books, articles, and websites to support further self-study on the topics covered in Module 6. The resources are

selected based on accessibility, academic relevance, and practical applicability.

Accelerate Cambridge (2013). *How to write a business plan*.  
<https://www.jbs.cam.ac.uk/wp-content/uploads/2020/08/how-to-write-a-business-plan.pdf>

British Business Bank (n.d) How to write a business plan.  
<https://www.startuploans.co.uk/support-and-guidance/business-guidance/business-planning/how-to-write-a-business-plan>

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