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TEESEP

***Training, Entrepreneurship, Employment
and Social Inclusion for Ex-Prisoners***

KA210-ADU-27B48F6D

***(Erasmus+ Small-scale partnerships in
adult education)***

Entrepreneurship Guide



Co-funded by the
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WHAT IS ENTREPRENEURSHIP

What entrepreneurship is "comes out" in a simple way and from the word itself. It means to 'venture', i.e. to do something new or create something new, without being sure of the outcome of what I am doing.

"Entrepreneurship highlights, creates and exploits all possible profit opportunities that take place in a regime of uncertainty and come from the excellent organization of production resources (i.e. the elements that contribute to the production process), from innovations, from creative imitation and from the utilization of special knowledge".

Entrepreneurship is that force that creates new products, new industries, new jobs, new wealth. The entrepreneur for his contribution to the economy and society is rewarded with "profit", which is the positive difference between the total income and total expenses of the business.

In everyday life almost all people are active in various situations with practices analogous to entrepreneurship.

Entrepreneurship as a function is a "way of thinking and acting" that serves all of us to deal with everything from our most high-profile life choices to our very practical day-to-day problems. It is a "practice of life" that activates our logic and highlights the pros and cons (benefit-cost) of our every choice and decision.

When we set goals in our lives and strive to achieve them and formulate our strategy on a rational basis, then we operate in a way that we meet in entrepreneurship.

The three most important characteristics of the successful businessman are his industriousness, his honesty in dealing with others and the possession of special knowledge of the subject with which the business he founded deals.

SELF-EMPLOYMENT AND ENTREPRENEURSHIP

Self-employment means that someone is engaged in various tasks, in his own business. The self-employed is also an entrepreneur, and runs a small, usually family-style business, employing few or even no workers and employees.



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KEY CHARACTERISTICS OF THE PERSONALITY OF THE CANDIDATE ENTREPRENEUR

- 1) Will to succeed
- 2) Evaluation and predisposition to take risks
- 3) Hard work and persistence
- 4) Leadership skills
- 5) Ability to realistically plan
- 6) Ability to promote products or services
- 7) Responsibility and honesty
- 8) Adaptability and ability to innovate
- 9) Ability to organize and manage
- 10) Communication skill

THE MOMENT OF TRUTH JUST BEFORE THE FINAL DECISION TO TAKE BUSINESS ACTION

It is necessary for the prospective young entrepreneur to think about his options by answering two burning questions.

- What product or service should I tackle so that I can hopefully be successful?
- Does this activity suit my character?

If the answer leads to the undertaking of business action, the following elements must be gathered for business planning, concerning the nature and size of the market addressed.

- What form does the market you are addressing take?
- Do many companies participate – each with their own strong points – or a few – an oligopoly?
- What are their strengths and weaknesses?
- What is their size?
- What revenue do they make? Is turnover projected to increase, be stable or decrease?
- What part of the revenue does your business aim to cover?
- Who and how many customers does this market serve?

- What is the mindset of these customers?





- What preferences do they have?
- How stable are they in their preferences?
- What customer categories would it be possible to serve and how?

QUESTIONS TO PROSPECTIVE ENTREPRENEURS

The prospective entrepreneur would do well to ask himself the following questions and answer them honestly before making any final decision.

- Are you prepared to work hard and long hours to set up your business?
- Do you like to take responsibility, risks and make your own decisions?
- Do you have some basic knowledge in the administration / management of a business?
- If you need to staff your business, do you know how you will choose and train your employees?
- Where will you set up your business? How much space do you need? Will you need special installation permits?
- Have you calculated how much capital you will need to invest for your business? (purchases of machines, tools, office-furniture, office machines – PCs, housing space configuration costs, promotion and advertising costs, purchase of raw materials or goods, maintenance costs for the first 1-2 months of operation)
- Where will you find the funds you need? Calculate how much of your own funds you can invest and look for other possible sources of financing (bank: lending or leasing, government grant programs, etc.)
- Have you roughly calculated what net income the business will leave you each year? (at the same time, check if you were earning more as an employee and if the return on the capital you invest would be better if you put it somewhere else)
- Have you studied the competition? How will you organize your production? At what price will you sell your merchandise or products? How will you promote your sales?
- Find out about the legislation regarding the hiring and firing of staff and check if a special license is required for your profession!
- Think about where you are disadvantaged as an entrepreneur! Would you be willing to partner with someone who has the skills you lack?





ESTABLISHMENT AND DEVELOPMENT OF BUSINESS

It is a fact that managing a business is a complex and difficult task! Mainly in the first period of its operation, the concern about the lack of liquidity (that is, the lack of money to repay obligations), the efforts to promote sales, the learning of business practice, etc. are elements that cause psychological and physical pressure on the young, man or woman, entrepreneur. This pressure is alleviated by writing the "business plan", because the better the preparation and the business plan of the new entrepreneur, the lower the risks of failure of his endeavor. The establishment, operation and development of small businesses, which mainly mark the supply and development of entrepreneurship, are hampered by the following significant weaknesses and problems:

- A) Insufficient preparation of the entrepreneur,
- B) Inadequate securing of productive factors and especially capital
- C) Unorganized distribution and distribution of products,
- D) Little participation in subsidized programs.

Every new beginning, in any activity we undertake, has difficulties that at first seem insurmountable, but yet, when the person is active appropriately, it is shown that they can be faced and overcome. The same happens at the beginning of the business career.

The other important problems are overcome with the intensive personal work and perseverance of the entrepreneur, as well as with the knowledge he acquires during his preparation and activity. The findings come from a study by the University of Piraeus.

CHOICE OF LEGAL FORM OF THE COMPANY

If someone decides to carry out a commercial activity, he can establish a sole proprietorship, or in cooperation with others, establish a corporate enterprise.

The decision on the type and form of the business must be taken with great care and after the person concerned has consulted the appropriate people.

CAUSES OF FAILURE OF A BUSINESS ACTION





Several times a business can be led to failure because of some characteristics of the entrepreneur himself. The most common causes that you should be aware of are the following:

- Incompetence – inability to communicate with staff
- Not taking advantage of opportunities due to fear of failure
- Inability to evaluate opportunities
- Refusal to adapt to new data, adherence to some management style that was once productive but is now obsolete
- Worry about:
 - o Social recognition of work
 - o Financial performance, earnings
 - o The image formed by friends and family

CHARACTERISTICS THAT ENTREPRENEURS MUST HAVE FOR THEMSELVES AND THEIR BUSINESS TO BE SUCCESSFUL

The entrepreneur in order to succeed in his attempt to create a successful business, must possess at least the following characteristics.

Characteristics of entrepreneurs

- They are confident
- They have the ability to substantiate their opinions
- They are constantly enriching their knowledge
- They are not exposed to really big risks but to moderate ones. They weigh all alternatives to a problem and do not act impulsively. (of course there are exceptions!)
- They have a flexible attitude and are willing to make changes.
- They ensure that they are always informed about matters of wider economic and social interest
- Very often they are creative minds
- They have the desire to create something new and feel the need to succeed.





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- They are independent people. Entrepreneurial people have a strong desire to go it alone. They want to lower the barriers to progress. Sometimes they can be seen as stubborn and disruptive people in their society.
- They are good at solving problems which they see as opportunities rather than threats.
- They believe that they are masters of their fate and their future and do not put the responsibility on others.
- Entrepreneurial people believe that things are shaped by man and do not believe in destiny or luck.
- They are not afraid of hard work or manual labor.
- They may have leadership gifts
- They have imagination and persistence – they don't give up on their plans.

BUSINESS ACTIVITY PROGRAMMING

Programming includes the following:

- **Setting goals**
 - o What will happen?
 - o Why?
- **Strategy formulation**
 - o How will we achieve the goals?
- **Action Program configuration**
 - o By what means?
 - o In what way?
 - o When will it happen?
 - o Who will do it?



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DEVELOPMENT AND PROCESS OF A BUSINESS IDEA

Development and completion roadmap of the business idea

Preparation



Conception of the idea



Evaluation of the idea



Perfection of the idea

MARKETING RESEARCH

Before you start, you need to clarify:

- A) What kind of product?
- B) What price will you charge?
- C) Where will you sell?
- D) How will you promote the product you provide?



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