

**Blended Training Course**

# **Digital and Entrepreneurial skills for immigrant women**

## **HANDBOOK**

 **English**



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# Module 1: Introduction and coaching

# Unit 1 - Introduction

The main reason behind this course is to provide all attendees with the basic knowledge that may help them to confront their own business project, focused on the field of arts and creativity.

This course aims to help the attendees to improve and gain certain skills and train them in a transversal way, so they can adapt much of this knowledge to numerous fields, even to their daily routine and to the different processes of their business.

This training will provide participants with the appropriate digital and entrepreneurial tools to develop a business idea in the cultural and creative field. It will help all listeners to develop soft skills, language skills, teamwork skills or intercultural skills, among others, like financial skills.

The tutorial aims to train attendees with a high level of entrepreneurial knowledge and improve their own skills. It also aims to provide them with the attitudes of a *businesswoman* and support communication between them. This would be a great way to continue learning and enrich participation.

This will be a blended training course, which means that it includes a frontal training in the classroom and an online training as well. Besides Project Work that includes an individual development of the business plan.

Throughout this course, we will discuss different topics that are involved when setting up a business. It is divided into several different issues. All of them are crucial if we want to launch our own business project.

- Computer Literacy: basic things about computing, introduction to the office tools or social platforms. We will also talk about the information research and the use of the web-browsers.
- Analysis and description of digital communication tools for promotion: digital marketing and its impact (production of digital contents, distance meetings and instant messaging platforms or data sharing tools).
- Security tools for digital activities, like secure payments and data protection, online consumer rights...
- Markets of culture and creativity, paying attention to the actual situation of the cultural and creative market. We will talk and analyze the current market context at local level in order to help you mark the difference. We will point out the importance and the need to be NMOinnovative and the different forms of collaborations.
- Online and offline communication in cultural and creative fields. What do they mean? Are they focused on the same audience?
- How to run a business and the regulation for start-ups. We will pay attention to copyright and intellectual property as well as other regulation changes that Covid-19 may have caused.
- Business model and its importance. In this unit we will develop what a business model is. We will talk about the value proposition and the business model canvas and how it can help us to get to our goals.

- Components of the social entrepreneurship model.
- Financing instruments and different types of finance for our business idea.

Right after we complete the whole training, attendees will be able to develop their own business plan and strategy. It will give them different clues to understand how the business world works and how to approach it.



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# Unit 2 – Coaching

Coaching is a form of development, a way of helping others to learn. The coach will lead the coachee to achieve his/her goals. It also means getting out of your comfort zone and daring to do things you thought you were not able to complete.

This mentor will accompany during the learning process but it will depend only on the coachee if the goals are correctly achieved. His/her purpose is helping you, as a coachee, to get to your objectives, not clapping you; the role of every coach is directing you on the right path, but only your own steps can follow you to succeed. So, your time is here, breath deeply and open your eyes and mind as we all are going to learn how the business world is and what is needed to succeed.

## 2.1. “Non chi comincia ma quel che persevera”

First of all, we need to know that all entrepreneurs are human beings, so this means that they also make mistakes. They also fall and fail. The difference between a good entrepreneur and an ordinary seller is that the first group always keeps on fighting. So that means that attitude is much more important than what we actually thought.

The name of this chapter comes from the motto of the Amerigo Vespucci, a tall ship of the Italian navy (this sentence is attributed to the iconic Leonardo Da Vinci). It reminds us about the commitment, the courage and tenacity in moving forward in difficult times. Our attitude means so much! It is very important to face a new project with the right knowledge and the appropriate and positive attitude.

A good entrepreneur keeps on trying, they stand up again and persevere. Although there is no formula for success, all the entrepreneurs share some skills and behaviours.

Starting a new business project always requires a lot of time and energy. Developing a good business idea is almost as crucial as how we approach it. It is not just about how we run a business, but how we face this new challenge (with the technical knowledge of the specific sector) as well as a positive and resilient attitude, as it will help us in the bad moments.

One of the most important things is knowing how to fall and how to get up. For sure we are going to fall, we are going to fail and make mistakes, but our attitude towards these problems is essential and it will mark the difference. The way we face all these situations will lead us to succeed. We are not talking about having a contingency plan for our business (which we absolutely need), but about knowing how to think calmly in order to take good decisions, always with tranquility and resilience.

The entrepreneur must be persistent and constant. Perseverance is linked to daily effort. A good entrepreneur never gives up as he/she wants to complete the project with satisfaction. His/her commitment leads him/her

to achieve the main objectives.

Sometimes an entrepreneur may face a difficult situation, for sure he/she will! The way the entrepreneur will face it, will mark the difference. We must emphasize the high importance of behaviour and positive attitude. Some examples of these difficult situations are the following ones:

- Failure in the first business project
- Lack of support (from a business partner, or from our employees or from the Administration or even from your closest friends or relatives)
- Financial problems
- Unprofitable business due to few sales

In order to face these kinds of situations we should try to break the vicious circle which includes a lot of negativity. We must learn that if we want to get a different result, we need to change behaviour, we must act differently. If we always do the same, the result will remain invariant. So, we need to think broader and sometimes even think bigger.

No matter how many times we fall or we collapse, as we always learn from these situations. We need to strengthen ourselves to get up again and again.

#### EXERCISE:

- We all can think about difficult situations, but can we think how is the best way to face them? How could you deal with a supplier that is not accomplishing your expectations as a business owner? Discuss and debate about the different ways out of bad and problematic situations related to business projects. What would you do to face them? Will you implement a new perspective? Will you be persistent?

## 2.2. Soft Skills

Soft skills are skills which are desirable in all professions. This is in contrast to hard skills, which are specific to individual professions. The word "skill" highlights the practical function (Wikipedia source).

On the other side, we find hard skills which are the ones linked to the academic and technical background and knowledge, the ones easily trained.

So, in short, soft skills can be defined as social, emotional, problem-solving and behavioural skills. It is, mainly, the way we act and react in front of a problem or a certain situation. Soft skills are transversal skills that will help you improve as an entrepreneur and deal more effectively with daily and ordinary situations. This will absolutely help you to improve and to develop as a professional.

These soft skills belong only to humankind, so no computer or any other electronic device, hardware or robot will never ever substitute us in this field. Among the most important and relevant soft skills we can name: communication, critical thinking, resilience, leadership, problem solving, persuasion, public speaking,



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professional writing, teamwork, digital literacy, creativity, innovation, professional attitude, work ethic, career management or intercultural fluency.

In this chapter we will talk only about some of the most outstanding and well-known soft skills that a successful entrepreneur must have. But we need to know that there are plenty of important soft skills. As you will see we can work on them and improve their results.

### Communication skills

Maybe it is one of the most important skills for the daily routine, but also it is crucial for entrepreneurs. Communication is a pillar for life and proper communication skills may lead us to success. Joined with persuasion and actively listening, communication is the ability to share ideas effectively. We will develop the communication skills during different units in this training and how to modulate it to different audiences and targets.

A successful communication will let the audience understand our needs and build trust between both parts as well as solve problems or any misunderstanding.

Building and developing strong communication skills must be at the top for an entrepreneur, as it gives a professional image of us while helping us improve personal and labor relationships. Being a great communicator and speaker today is essential to deliver our message in a proper way and will help us to influence our audience and their purchasing decisions. Today it is essential to develop our communication skills to establish relationships and contact with people who are not physically with us. We must be able to express ourselves correctly, adapt our language and message to our client/audience profile and be able to clearly and precisely transmit our message.

As we mentioned previously, communication encompasses several skills, such as active listening, non-verbal communication or stress management.

We will provide you with some tips to work on effective communication, such as:

- listen to your interlocutor with empathy
- think before you speak and structure your message

### EXERCISE:

- One by one you will go to the center of the room and tell the classmates about the last book you read or the last movie you watched.

In the toolkit we provide you with some links and articles for you to read and deepen the knowledge about this important skill and how to improve it.

### Resilience / adaptability

This means the ability to adapt to new contexts, how we tolerate these changes, and if we are able to keep



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strong and patient under adverse situations.

Adaptability is the way we adapt to changes. It means to be flexible to new environments and also to be open-minded. It is related to the way we behave in response to changing circumstances. Following The Balance Careers website, adaptability talks about the acceptance of changes and if we like trying to do new things or activities. If you are a person who learns quickly, it is because you know how to adapt. You can further nurture your adaptability skills by trying new things and challenging your ability to problem solve in various circumstances.

In order to improve your adaptability skills we suggest working on the following points, as we can read on the employment website of Indeed:

- Be aware of changes in your environment (about new policies, new technology to be implemented or a new procedure...).
- Develop a growth mindset (this has to do with your own willingness to learn new things, new techniques... in short, to widen knowledge and to not be afraid of trying new activities).
- Set goals for yourself (you might set a goal to work on each aspect of your skills that can be improved - because you know they are your weak points-, and take it as an opportunity to improve and learn).
- Learn to acknowledge and accept change as a part of daily life and routine. Add those new changes to our daily life.

#### EXERCISE:

- How can we train our adaptability? Talk about any situation you had in the past where you were asked to adapt yourself to a new context. Is there any way to improve my resilience and adaptability not mentioned in this training? Discuss it with the group.
- Your city hall has implemented a new policy regarding tax collection. You don't like the new procedure as you find it difficult to understand. On the other hand, it is an automated process and takes less time than before. Explain how you would adapt to it pointing out the benefits.
  
- Imagine that on your way back home, your means of transport breaks down. You need to get home quickly, so can you think about a different way of getting back home? How many different possibilities can you name to get home?

#### Creativity and innovation

We call creativity the ability to think about an issue in a new or different way, with a different perspective, or the ability to use the imagination to generate new ideas or new points of view. Creativity gives you the chance to solve complex problems and look for interesting ways to approach tasks. It means to face certain situations from a different and unique point of view; it means not to be afraid of thinking out-of-the-box. This is very valuable in the cultural and creative field.

There are several kinds of creative skills that you can practice to become more creative in the workplace.



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Following the Indeed employment website, if you use these several kinds of creative skills, they can be effective in helping you think differently about a problem or a task. They include:

- Making connections
- Asking questions
- Making observations
- Networking
- Experimenting

#### EXERCISES:

- How do you think a person can improve his/her creativity by using the tips above? Give different examples (for instance, by asking questions we can find and learn new ways of doing certain tasks).
- The circle challenge: on paper, draw 15 small circles (they need to look the same). Then set a stopwatch for thirty seconds. Turn each circle into a unique and different picture. This exercise will help you to think-out-of-the-box and quicker. Check what the rest of the attendees have done. Do they look similar?

#### Leadership

Leadership has to do with the ability to lead teams in a correct and non-imposing way. It is the ability to excite your team and guide them to achieve common goals. A real leader is the one able to get excited about a work project and being able to transmit it and spread it to the rest. Leaders need to inspire their workers to go beyond. A good leader is the one who gives real feedback to the team, that provides rewards when necessary and recognizes the good value and work of other members. Leadership talks about setting effective, appropriate and realistic goals and encouraging the team members to get them. A good leader is also able to diligently delegate.

#### EXERCISES:

- The attendees sit down in a big circle. One of them gets out for a moment, while the rest choose a leader among them. In this game, the leader will start making certain kinds of movements (for example, touching her nose, or clapping hands...). The one that went out, returns and sits down in the centre of the circle – surrounded by the rest-. The purpose of this game is that the person in the center must guess who the leader is, while the people are “following” the leader's movements in silence. Have you guessed who the leader is?

#### Problem solving

Problem solving skills refers to the capability of solving complex problems and the way we approach them. It has to do with research and analysis. It is the act of defining a problem, determining the cause of it, identifying procedures, prioritizing them, and selecting alternatives for a solution, and implementing this solution. In short, problem solving is the process of finding solutions or different ways of solving certain situations.

Problem solving skills can be trained and improved even through our daily life and routine. Some ways of training your problem solving skills are the following ones:

- What will you have for dinner tonight? Planning
- What can I give my husband for our anniversary? Decision making from different options.
- We are driving in our car. The road is closed and we need to get to our destination as soon as possible. How can we make it? Choosing alternatives.

#### EXERCISES:

- You can work in small teams. For this game, you will need a full carton of eggs and construction material like plastic wrap, balloons, rubber bands, corks, etc. Firstly, you will provide an egg to each team and select a random construction material. The task for each team is that they have to construct a carrier for the egg and keep it from breaking.
- Take a big map from a different city of yours. In different small teams, propose the best way to get from point A to point B. Explain your choice.

#### Critical thinking

It is the ability to evaluate our past decisions and be able to admit that there are other ways to deal with the situation. It wants to delve into the practices and different strategies that allow us to evaluate our decisions. It is not about looking for errors or mistakes, but about identifying arguments. It is about analyzing a certain situation/moment and being able to avoid judgments and leave prejudices behind. We use our critical thinking skills when we prioritize data among beliefs, comments or opinions. We can think of critical thinking as the circle we go through when:

- 1) First of all, we question the assumptions or prejudices by evaluating the context and analysing different perspectives. (Why does it have to be done in this specific way? Maybe there are other possibilities for doing this).
- 2) We ponder that assumption or judgement and debate about the implementation of new solutions by adding different points of view that will bring us to new logical conclusions (I should try to implement or change the former process).

We can try to break this cycle all the time, as in general, people are a bit scared of changes and they just perpetuate the original way of doing something. Critical thinking is about questioning what we thought could not be done or handled in any other different way. It involves analyzing, reasoning and evaluation.

An open-minded perspective will help us to develop good critical thinking skills. Critical thinking is also involved when you defend your point of view by including examples and evidence.

## EXERCISES:

- Optical illusions: the theater will show the group different pictures. All of them are optical illusions. Can you guess what it has been drawn? (Including some optical illusions pictures).
- We will divide the classroom mates into two different groups. We will debate about a certain topic (Would it be a good idea to raise the minimum voting age to 21? ). Group A will defend “NO”, and group B will defend “YES”. Please use arguments to expose your Group’s point of view. The purpose of the exercise is to question everything and to be able to gain more skills in evaluating and analyzing different perspectives.

### Teamwork skills

Teamwork skills are a big topic and for some people it would include a wide range of other different skills in it. It refers to your ability to work well with other people, in both a one-on-one capacity and in a group setting. It also includes conflict management, active listening and reliability. Teamwork is an organized way of working among several people in order to achieve common goals. In teamwork, the skills of the members are complementary, since they strive for a common goal, shared by all team members. It is based on the principle of open and direct communication and commitment. Trust in other members is basic and essential for achieving objectives. Teamwork is essential as it helps create synergies (individual knowledge has a greater impact when added to others). It also helps to strengthen companies in situations of change, since strong and united teams are less permeable to crisis contexts.

## EXERCISES:

- Divide the groups in teams of two and have the players sit back to back. One team member will be given a picture of an object or landscape/city. Without saying what it is, the other member of the team must describe the image, without using words that will directly describe the subject.
- To do list game. Outdoors game: divided in small groups (3-4 people), you must complete the “To Do List” that your teacher will give you. The winners are the team members that first accomplish the mission (To Do List – take a picture of a big window, take a picture of someone who wears funny socks, bring an object that may be used for opening doors)

### **2.3. Digital competencies**

Nowadays businesses have two big dimensions: the offline dimension, so that is the traditional one, and the online dimension, which has to do with the digital part of it (website, online communication...). Both of them evolve often and quickly, but we must pay attention to the high level and being updated. It may change almost from one day to the next one. This must keep me vigilant.

Penetration of digital technology into human life is a feature of modern society. This is explained by the progress in information technology and telecommunications. Economy’s digital development issues are accompanied by increased entrepreneurial activity, an increase in the quantity and quality of digital competencies. As written in the Journal Entrepreneurship Education website, in the modern digital world, the

more competencies of digital entrepreneurship a person possesses, the more likely it is for this person to cope with the business challenges that (s)he faces. Accordingly, the lack of certain digital entrepreneurship competencies reduces this person's effectiveness in business activities on a background of the economy's further digitalization.

The so-called digital competencies are transversal skills and can be trained by learning and by daily use. Digital competence is an intersectional competence that involves knowing how to use digital technologies in a critical, collaborative, and creative way. Digital competences are increasingly important for business development.

Competences implies having the ability to learn, identify problematic situations, and use what one knows to solve problems and continue learning. Competences are developed throughout life and allow individuals to resolve a diverse range of problems. Digital competence is related to many aspects of life (work, leisure, communication) and requires more than technical abilities and knowledge, since it also requires having the confidence to use technology while maintaining a critical attitude towards it.

According to The Failure Institute, digital competence involves a mix of knowledge, skills, and attitudes related to various ends (communication, creative expression, information management, personal development), domains (everyday life, work, privacy and security, legal aspects), and levels (cognitive and competitive).

We are aware that digitalisation can drive innovation and create new opportunities for entrepreneurs, giving them the chance to access new markets while boosting productivity by reducing business operating costs. Digital competencies may include the use of computers, laptops or tablets. It also involves the use of different digital tools, apps and software/hardware basic knowledge.

Let's deepen a bit (we will talk further in Module 2):

Software: Operating systems, applications, web browsers, games or programs. We have, for example, Microsoft Windows, macOS, Microsoft Word, Microsoft Excel or internet browsers like Google, Chrome or Safari.

Hardware: Physical components of the computer. This includes the keyboard, monitor, mouse, printer or the Central Processing Unit (CPU).

Internet vs. different uses of computer: we can use a computer without any internet connection. We could use the computer to write an essay or to check our photos. But, if we want to send or share the documents or photographs, then, we will need an internet connection.

Digital tools: Digital tools are all the programs, websites, programs and different online resources that can help us to finish the task in a proper way. These may include Google Maps or Google Drive, SurveyMonkey, Dropbox, Twitter, etc.

Emails tools: They are all the *post-programs* that help us to send emails. Most are for free, and there is no need of specific computing knowledge to use them, like Hotmail or Gmail.

Browsers: We access the internet through them. They allow us to view and visit all the websites. Some examples are Internet Explorer, Google Chrome, Mozilla Firefox or Apple Safari.

#### EXERCISES:

- Using internet, use a browser to get the following information:
  - Paella recipe
  - Date of birth of Leonardo Da Vinci
  - Where is the city of Santa Marta? Is it by the sea?



- We will talk and discuss your latest acquisition of product/service on the internet. What was it? How often do you shop on the internet? Can you name some e-commerce stores or e-market places?
- Can you name more digital tools? Which ones do you use for e-meetings or video conferences? Which digital tools do you use to communicate with relatives or friends?

#### 2.4. Entrepreneurial mindset

An entrepreneurial mindset is a specific set of beliefs, knowledge, and thought processes that drives entrepreneurial behaviour. The Entrepreneurial Learning Initiative says that those with an entrepreneurial mindset tend to:

- believe in their ability to succeed and influence their own outcomes, empowering them to take ownership of their lives.
- have compelling goals that keep them future-focused and intrinsically motivated, driving them to be self-directed, action-oriented, and highly engaged.
- have an optimistic interpretation of adverse events and see problems as potential opportunities, becoming highly resilient, resourceful, and solution-oriented even within highly uncertain, resource constrained environments.
- be lifelong knowledge seekers with a focus on micro-experiments as learning opportunities to test ideas, cultivating curiosity, creativity, and critical thinking.
- display a high-level of reliability, understanding that following through on simple solutions can lead to unforeseen opportunities.
- have a humanistic outlook, being other-focused and understanding that one creates value by looking to solve problems for others.
- surround themselves with an intentional community of positive influence and critical guidance.

Following The Entrepreneurial Learning Initiative website, it is important to note that successful entrepreneurs are often touted as exceptional individuals; a rare breed who seem to have been born with unique hereditary traits.

An entrepreneurial mindset can be developed and enhanced through entrepreneurial experiences. As we can read on The Entrepreneurial Learning Initiative, to cultivate the entrepreneurial mindset, we must create entrepreneurial learning experiences within our classrooms, organizations and communities.

It also involves an empowering belief, being confident of your opinions and actions. An entrepreneurial mindset also comprises believing in yourself. Self-confidence is one of the most important pillars to achieve our goals. Entrepreneurs look optimistic but, at the same time, they must be realistic. Sometimes, being pragmatic and having a down to earth perspective is also crucial to face the facts and look for creative solutions. They must have their feet on the ground but it does not mean that they must follow the ordinary path. Standing for yourself and defending your own opinions, points of view and executions' way may help you to get to an entrepreneurial mindset.

We should not forget that an entrepreneurial mindset also includes the lack of fear of failure as entrepreneurs are courageous and brave. They do not allow their fear of failure to prevent them from going for what they want to achieve.

An entrepreneurial mindset forces them not to stay too long in their comfort zone. They actually look for new situations and opportunities to test themselves. They want to get out of their safe and controlled area in order to acquire more skills. Entrepreneurs are strong and resilient people who are always looking for



creative solutions to their problems. Leaving the comfort zone forces them to be more alert and to see what they can learn from the new context.

Getting out of the comfort zone will track them to the growth zone, which is the goal of it.

We can represent it like this:

- 1) Comfort Zone (feel safe and in control)
- 2) Fear Zone (lack of self-confidence, anxiety)
- 3) Learning Zone (developing and acquiring new skills)
- 4) Growth Zone (live dreams and set new goals)

## **2.5. Other skills (language skills or financial skills)**

In order to run a business we need to have and to develop multiple and various types of skills. We have already talked about some of them, but we can not skip the language skills or the financial ones. Both of them are also very important if we want to set up a business in any field. Please remember that we all can get better on them if we work hard and practice.

Talking about language skills, they are not only the knowledge of the language and grammar itself, but also the way people communicate to each other, how they mark the distance between categories, like seller-buyer or supplier-customer. It is about how direct or indirect they are when using the language and it absolutely involves the culture of the place we are in.

In order to use and adapt the way to speak to your audience, whoever they are, you need to know if you are living in a country where people are extremely polite or direct, as you would need to adapt the way you communicate by using more polite expressions or going straight to the point, for instance.

We need to note that, normally, when we are speaking in a oral conversation we tend to be more natural and easy going than when we write a letter. Language skills comprise all of them.

We can divide language skills in four main groups, as follows:

- a) Listening: learning from others. It is very important to pay attention to others, so you can copy the way they communicate. It is also very important to analyse the context they are speaking in, as it will help you to get to the best “language adaptation”. For example, you would need to use different words or expressions if you can target older people or a teenage audience.
- b) Speaking: copying how others speak. Sometimes we can use their expressions and words by imitation. Context is also very relevant as it will guide us about the communication-manner we will need to use.
- c) Reading: while reading newspapers, books, letters or articles we can learn how to adapt our vocabulary to different contexts.
- d) Writing: reproducing and adapting the language or slang. We must note the difference between writing to the Council to get some financial benefits than writing a short post about a certain creation or a cooking recipe. Each group, audience or readers claims a different language approach.

Regarding the financial skills, they are the ones that help us to analyse and evaluate the financial resources needed to set up a business. We are not talking about deep knowledge of maths, but to be updated about the financial and economical part of the business. This may include searching for different funding sources, controlling financial activities or being able to track and manage financial transactions.

First of all, we strongly recommend keeping your personal and business finances separate. Second, you will



need to keep all invoices with you for several years, so it is highly recommended to work hard on a weekly basis on the financial part of the business, so you can go little by little creating your own budget. In case of unforeseen expenses you will be much more prepared to face it and to find a solution if you have been working closely with the finance of your business. Be tidy and neat with receipts, invoices and financial documents as you may need them. We will develop this part of financial skills/ knowledge in module 12, where we will talk about financial instruments and how to finance an enterprise.

#### EXERCISE:

- Language Skills. Explain to your partners which type of language you would use in the following situations. Give concrete examples of the sentences you would write/tell.
  - 1) You are telephoning your city hall in order to be explained how your new business can be funded.
  - 2) You are going to post a short video about the new events to come in your city regarding your small art gallery.
  - 3) In your blog, you are going to write about your new product and its benefits.

# Unit 3 – Preparation of the project work. The idea of my project.

The preparation of the project involves a lot of work, effort, time and energy. However, it is essential to have previously worked on it, in a methodical way, to be able to start a new project, a new idea that will become a business.

It is about analyzing, evaluating, breaking down and examining the original idea of the project that we want to carry out in order to study its viability and real possibility of starting it up.

We need to take out time and foresee what we want to do and where we want to be in the future, regarding our project. It will take time to shape our idea and bring it to life. For sure it will require time and effort.

There are a lot of things to take into consideration but we can mainly talk about the following ones:

## 1. Idea = passion

It is very important that we just focus our energy to develop a project we believe in and that we actually want to work with. Think carefully and twice. This is not a sprint but a marathon. It is crucial to work on something we like or we have deep knowledge as it will help us in future steps. But it is very important that you don't feel held back by the fact you don't know about a certain topic, since it should not prevent you from achieving your goals. Information can always be found. We suggest getting as much information as possible regarding the sector you would like to work in. Even taking a course would be a great and valuable idea. The more knowledge you have, the better you can face the setting up project.

## 2. Purpose

What problem do we want to solve? We must think about the solution that we give to the people, to the audience about a certain problem that we want to solve. Does our product or service provide our customers what they really need? We suggest writing down a short summary of your project idea, so it could be easily explained to someone unfamiliar with it. This definition of the project will help you to get clear ideas about your future business.

## 3. Planning and appraisal

We need to decompose every business idea into all the processes that the business is formed by. After that, all of them need to be evaluated under detailed appraisal. What do I need to complete the different processes that my product has? We need to check what we need in order to execute our business idea (we might need an office, or get some music instruments, or buy certain types of clothes or electronic devices...).

## 4. Value is the key

All activities must be taken into account in order to be evaluated. Do they add any value? Nowadays, as consumers, we have everything we may need. So we look for new things, services, products or experiences that give us something more, a "plus", that is, we are looking for services or experiences with significant added value.

This added value can be offered in so many different ways, but it is a key factor of success. We must differentiate our service, product or experience from any other.

## 5. Economic viability



We have already talked a bit about this main issue and will develop more content in other units. But, of course, it is absolutely mandatory to make a previous economic plan if we want to succeed in business. This economic viability includes also a true cost/benefit analysis.

After these steps we might initiate our activity. The execution of the project involves monitoring and controlling all aspects, processes and activities within it. Through this kind of appraisal we can check if all processes are working properly, or not. It will help us to verify which kind of changes we need to take or any other modification we need to adjust. This monitoring and evaluating part is a never-ending part that will need to be implemented. With it we want to know if things are being done in a proper way.

#### EXERCISE:

- Think about your own business idea (5 minutes). Write down in a paper a two-line summary in order to explain it briefly. Explain to your partners what you want to do. Let them tell you their ideas, pros and cons about your project.
- Mr. X is working on his business idea. Although he has been working for several years as a hotel receptionist he wants to set up a small tropical fruit store. He knows nothing about fruit and has no contacts in this field. What would you suggest to Mr. X before setting up his business? Would it be risky to open a tropical fruit store? Explain your answers and debate about different points of view.

## **Questionnaire Module 1:**

1. What is the meaning of coaching? Choose from the following options:

- a. Coaching is a way of helping others to learn and a form of development
- b. Coaching means helping other professionals
- c. Coaching means encouraging
- d. Coaching is a synonym of cheerleader

2. Critical thinking, teamwork and resilience are...

- a. Hard skills
- b. Soft skills
- c. Entrepreneurial mindset
- d. They are part of the team work skills

3. What comes next after the comfort zone?

- a. New zone
- b. Fear Zone
- c. Forbidden Zone
- d. Learning Zone

4. To have an entrepreneurial mindset involves...

- a. To be scared of new challenges
- b. Having an in-depth financial knowledge
- c. To be rich
- d. The ability to succeed and have an optimistic interpretation of adverse events and see problems as potential opportunities, among other aspects.

5. What is the meaning of hardware? Give some examples.

- a. Operating systems, applications, web browsers.
- b. To be a tough woman.
- c. Physical components of the computer. Examples: keyboard, monitor, mouse or printer.
- d. Hardware means computers.

### **Online Exercises:**

1. Choose one of the soft skills we have been talking about in this Chapter. Write a short essay regarding it and link it to your own experience. How can you improve it during your daily routine? (100-150 words).
  
2. Email exercise: divide the classmates in groups of two. One of you must write an email to the other one attaching certain PDF documentation. Your colleague must reply to your email by attaching a different document to the email.
  
3. My business Idea. It is time for you to start developing your business idea! Take your time and think carefully about the type of business you want to develop. We suggest following the five-step-preparation and answer these questions in the meantime:
  - What do I want to do? Do I know this sector of work? How can I improve my knowledge? Do I have contacts in this sector?
  - What is my purpose? We suggest writing down a short summary of your project idea, so it could be easily explained to someone unfamiliar with it.
  - What do I need to complete the different processes that my product has? Decompose the total process of your business idea into small activities. Explain them. How can I monitor them to check if they are working properly?
  - Regarding the activities, do they add more value to my product? How can I differ from any other?
  - Is my business economically viable? Make a small economical plan to explain it further.

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# **MODULE 2 - Computer Literacy**

In the present time, digital tools have become the instrument that mediates most communication and information processes to the extent that a functional life without the presence of digital technology is not possible. We all interact with our environment and communicate with others through our phones and computers. Internet and the digital have broken down physical limits and a universe of new possibilities has arrived to stay.

Do you want to take part in this digitalization journey?

### 1.1 Word processing software

Word processing software allow designing, input, edit and formatting texts, with supplementary features. You can produce different kind of texts, from basic documents to CVs, reports, letters, marketing plans, newsletter, brochures.

It is possible to edit and format the text by operating in different ways:

- create a total new document, saving and printing it
- formatting the text in various ways: font type, putting it in **bold** or *italic*, underline it, **colour** it
- adding and edit elements as tables and graphics, and including elements from other files (as pictures)
- manipulate the text within a document by copying, cutting and pasting parts of it

Moreover, word processor software allow organising and enrich the text according to the needs: organise it in columns or in different pages (with relative number), insert illustration or graphics.

Through some features of word processing software it is as well possible to check spelling mistakes in different languages, as to obtain suggestions on how to build more correct sentences.

It is not possible to change or edit the document and layout completely, therefore for some features and modifications other type of software are needed, as publishing ones.

### Web-based word processors

Web-based word processors, such as Google Docs, allow creating or edit texts without installing a software on your device, as it is necessary to have just an internet connection.

Web-based processors allow collaborators to work simultaneously on the same document, and to access the same document from different devices.

A great advantage of the online processors is that backup is not an issue, and the document is automatically saved on the processor.

In the Toolkit, a list of web-based word processors is provided, with guides to learn how to use them.

### Learn the basics

As you can see, the largest portion of the screen is used for text production. If you select a template to start a new document, this area may contain some pre-set text.

However, one of the most important elements you need to master is located just right on the top: the ribbon. This is the main interface, where the majority of commands are found and where the settings are made. The Ribbon is divided into tabs and each tab gathers separate groups. Within the groups, you find the command buttons that conduct various word processing features.



To use the Ribbon, first, click a tab. Then scan the group names to locate the command you need. Finally, click the button to activate the command or to display a menu from which you can choose a command.

There are many possibilities regarding text editing and one of the fastest and easiest ways of trying them out is by selecting a chunk of text. Once you have it, move the mouse pointer to the left area of the ribbon. There you will find the commands responsible for typography, typefaces, type sizes and colours, and highlighting possibilities. Pressing each command will make the chunk of text selected change in some way.

If by any means you make a mistake, don't despair! These software programs have an awesome option to go back. The undo command gives you the possibility to revert almost everything by a simple click. The only exceptions are to undo a document save and when there is nothing to undo. Direct your mouse pointer to the quick access toolbar and click on the undo command. Your document will come back to the form it had before the last action was done.

### **How to save a document**

Saving creates a permanent copy of the document in your computer. That way, you can keep working on the document again but having a backup already saved in case some problem occurs (such as the power gets cut off, the computer switches off, someone closes the document by mistake...).

You don't need to have a document done before you save it. In fact, it is highly recommended to save immediately as soon as you have a few sentences or paragraphs and keep saving it from a while to a while to avoid an inconvenient vanishing.

In the **Toolkit**, you will find basic guides to create and edit texts with the most common word processing software.

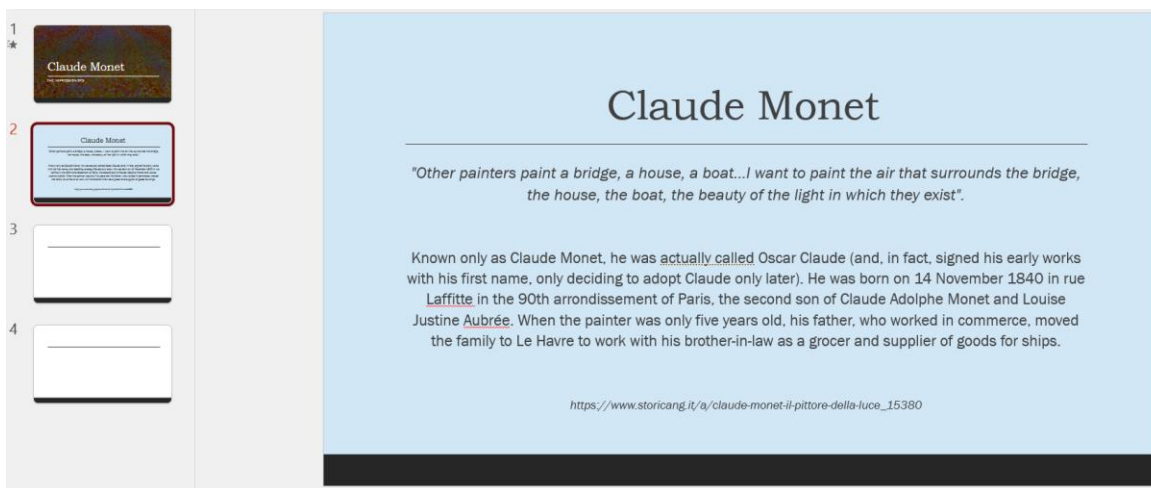
### **EXERCISE 1**

Try out the ribbon's commands for editing text on the following sample and create 10 different versions there of:

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

#### **1.2 Presentation software**

Presentation software allow to create presentations of any kind, from business pitching to school projects, combining text, images, graphics and other elements do display information in a visual manner.



They include a wide range of graphics, templates and visual possibilities that help to adapt the presentations into a particular branding, visual style or aesthetic in a user-friendly way. Often, slides are just a support to a speech or conference, but they are very useful when displaying charts, tables or other data.

Through presentation software, you will be creating a presentation or a slideshow. Both terms are interchangeable as they refer to the group of slides. These slides are passed through one by one manually and can contain **animations**. By animation, it means visual transitions from slide to slide from layers of contents. You can add transitions or visual effects to each of the contents you add to the slide from text or images to graphics or signs. Playing around with visual effects on your slideshow can be very useful to make your presentation more dynamic.

Most of presentation softwares allow you to choose a blank presentation or to select one of the available **templates**, depending on the need. Some of them have the possibility to import an external template from the browser.

As for word processing programs, also presentation softwares have a ribbon with the main instrument to configure the presentation. It contains the buttons that you will use inside tabs. Once you have understood the ribbon and its main features, it is time to keep on going with the presentation, adding new slides with

different templates and going on building your slideshow.

As these software programs are very often used for presentations in front of an audience, it is possible to add **speaker notes**. This feature can be very useful for you while doing your presentations in front of an audience as you are the only one that can see the notes. When using this option, you write the note, and it appears automatically below each slide on your screen.

As for word processor softwares, web-based presentation programs exist, and allow to access the slideshow through different devices and to work on it simultaneously.

## EXERCISE 2

Do a presentation about your favourite artist. Take into account that it must contain 10 slides with the following elements: transitions in every slide, at least 6 pictures or graphics with its own animation and some presentation notes that you think might be helpful when presenting in front of your class.

### 1.3 Spreadsheet software

A spreadsheet software is a tool that works with spreadsheets. There, you can add and organise and analyse numbers and any other kind of data you want to collect with formulas and functions. They are probably among the most complex tool to use due to all the different possibilities and functions it has, but that is also the reason why it is one of the most used in the business and management world.

Displaying data in spreadsheet is more convenient than in word processor softwares, as it allows representing calculations and functionalities and to manipulate and analyse data in a flexible way.

The spreadsheet is composed of **cells** organised in columns, labelled with letters, and rows, labelled with numbers instead.

On top of the spreadsheet, you have a ribbon, which contains the most important and basic commands of the software. From there you can control and modify almost all that is done in the spreadsheet, as inserting images charts, symbols, equations, or importing/exporting data and organise it in different ways, etc.

To work with data on a worksheet, you need first to have a dataset so do the following to start filling with content your spreadsheets:

1. Click a cell, and then type the data you want in that cell.
2. Press enter with the keyboard or tab to move to the next cell.

Data contained in the cells can assume different formats: number, text, date, time, percentage, currency, accounting, or customised.

	A	B	C	D
1				
2	<b>Date</b>	<b>Time</b>	<b>Client</b>	<b>Tot amount</b>
3	20/07/2022	08:12:00	Smith	144,00 €
4	09/08/2022	09:06:00	Black	78,00 €
5	06/07/2022	17:13:00	Robinson	35,00 €
6	03/07/2022	18:36:00	Patel	198,00 €
7	23/08/2022	08:03:00	Evans	23,00 €
8	09/03/2022	11:47:00	Walker	78,00 €
9				

With **formulas**, you have the possibility to play around with data through formulas and functions. But what is actually a formula or a function? A formula is an expression that operates on values in a range of cells. Excel formulas allow you to do diverse calculations such as addition, subtraction, multiplication, and division, averages or percentages.

Functions, unlike formulas, normally refer to those complex calculations that cannot be done manually. Functions in Excel have specific names that reflect their functionality, as summing only data responding to certain conditions.

As for word processing and presentation softwares, spreadsheet softwares are also web-based, as Google Sheets, with the same benefits. Web-based programs present some differences in the formulas and functions.

### EXERCISE 3

From the Toolkit, choose a spreadsheet software to use and insert the data contained in this dataset:

First	Second	Third
23	4	7
12	11	13
45	89	12
5	78	93
9	14	87
25	37	61

Then, following the guide provided, try to:

- modify the format of the cells in “currency”



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- colour the cells in the first column in blue and the second column in yellow
- add a column on the right containing the sum of the data in each line
- of each line, calculate average and product
- calculate the minimum value in the first 3 lines



# Unit 2: Distance meetings and instant messaging

## 2.1 Videoconferencing and video calls

Thanks to the arrival of the internet in our lives, connecting with others has never been so accessible. Here you will find some of the most useful and user-friendly tools you can find and that will help you to manage your business better.

One of the main possibilities offered by technology, especially in Covid-19 times, is the opportunity to hold video conferencing and video calls, that allows users (friends, colleagues, clients, investors, ...) to organise face-to-face meetings from different locations. The opportunities offered by this technology are endless: from business meetings and interviews to trainings and classes, from regular meetings with the staff to informal calls.

Different softwares and programs exist (as Zoom, Microsoft Teams, Skype, Google Meet), but all share a set of fundamental characteristics and requirements: camera (both external or built into the computer), microphone, device (smartphone, tablet, laptop, ..), internet connection.

Some of the main platforms allow also to conduct dynamic meetings with features and components as polls, screen sharing, whiteboards and so on.

In the toolkit you can find the main software used and guides on how to get started.

The main features you can find in almost all the softwares for distance meetings are:

- screen sharing, to show real time a desktop, tab or window. It allows also real-time editing
- recording, to review the meeting and provide the recording to someone who could not participate. Not all the software guarantee this possibility.
- chat and messaging, one-to-one or with all participants, as a side conversations from the main videocall

### Zoom

The software for online meetings that can be used via a mobile or computer. Zoom allows you to connect to others through video. It offers the free option for up to 40 minutes meeting without any limit to the number of meetings that you can host.

<https://www.youtube.com/watch?v=QOUwumKCW7M>

### Microsoft Teams

Microsoft Teams is an application that can be used for online work with your team. The users can stay connected and informed during high-quality online calls. What is more, Microsoft Teams gives the opportunity to send messages via Chat to someone who is attending to the call. The users can share the

screen and files during the call.

<https://www.youtube.com/watch?v=bAesIjrem7E>

## Skype

This program is a communication platform used for remote work of individuals and businesses. It can be used for one-on-one or group conversations. Skype has different notable features like for example screen sharing - a user is able to share a desktop during the call, which can increase productivity and work. Another very useful feature is the possibility of live subtitles, that allows deaf or hard of hearing people to read the words that are spoken during the live call.

<https://www.youtube.com/watch?v=NRcb3uB3Jac>

## Google Meet

It is a good option to make video calls directly from the mobile app or web browser. Moreover, users who have a Google Account can call for free for up to 60 minutes. This service is a good solution for businesses and individuals. The calls via Google Meet can be recorded and the users can be muted.

<https://www.youtube.com/watch?v=wGXI0KpkR50>

## How to organise a successful video call?

In order to organise a smooth and effective video call, here there are few steps to follow:

1. Choose the most suitable platform according to your needs: think if you need to do activities with participants, as a poll, or if you need a whiteboard. Choose the software/app accordingly.
2. Check if your microphone and camera are working, and if your internet connection is stable enough.
3. Define the objectives of your meeting and items/topics you will talk about, making a list ahead of time. You can also provide the list in advance to the participants.
4. Verify participants' availability. You can use a simple tool as Doodle (<https://doodle.com/en/>) to choose a suitable day. We advise you inform the participants with notice, communicating the link to connect and the topics and estimated duration, and to send a reminder the day before.
5. If needed, choose a moderator for the meeting, who will be in charge of ensuring the respect of timing.
6. At the beginning of the meeting, set the rules. For example, especially if there are many participants, remind everyone to mute their microphone when they are not speaking so to avoid background noises. Or ask participants to use the feature "raise the hand" if the platform allows if they want to ask questions.

## EXERCISE 4

Apply what you learned by joining a test meeting in one of the most common distance meeting platform, Zoom. To do so, visit <https://zoom.us/test> and try out all of the different settings available.

### 2.2 Instant messaging

Instant messaging (IM) is an online communication method which connects two or more people almost in real-time through an application or a software. Differently from emails, IM is characterized by flexibility and immediacy of communication and brief and more informal messages, as it imitates in-person conversations.

In order to start a conversation, users must usually know each other's username. A frequent practice is to build a contact list or group. Once a user receives a message, the application or software gives an alert, as a notification or a pop-up window, with the incoming message.

The applications and softwares available are growing. The toolkit presents the most common one, providing basic guides on how to use them.

All of them share some characteristics and features, as:

- group chats, to share information and collaborate among a set group of users (as colleagues for example)
- file sharing, being them pictures, documents, contacts, videos.
- voice and video calling, both one-to-one and in groups (with some limitation on the number of participants per call).

The most known applications in case of instant messaging are:

#### WhatsApp

It is a very popular application used for instant messaging, that allows users to make audio and video calls. Moreover, a user can create a group with more participants and they can call and chat together at the same time. It is free but relies on a Wi-Fi or data connection. The user can use it for sharing files or photos, voice record messaging, and chatting.

<https://www.youtube.com/watch?v=y3EdIiJeTXk>

#### Telegram

Telegram is an application for messaging. Its benefits are speed and security. The user can chat with others for free. It provides video calls, file sharing and secret messaging, etc. The account is tied to the user's mobile phone number and is verified by phone call or SMS.



<https://www.youtube.com/watch?v=Gki-8fFqhxQ>

### **Facebook Messenger**

Another free mobile app is mainly used for instant messaging. The users can share their photos, audio records, and videos via Messenger. It is accessible to users with Android or iOS. Messenger has a lot of extended features for example playing games in a group message without downloading another app or the possibility to share a user's instant location.

<https://www.youtube.com/watch?v=SAmOfkn1Tfg>

### **Slack**

Slack is a platform used for instant messaging with lots of incorporated tools. This application combines group and person-to-person messaging for free. It is mainly used for work teams to unify them and improve their communication. Slack is accessible for iOS and Android users but what is more, they can download it as an app to their laptop.

<https://www.youtube.com/watch?v=o3HJuPaITWk>

# Unit 3: Data sharing tools

Data storage is a term that refers to how information is kept in a digital format that may be retrieved at a later time. Computers, laptops, tablets, smartphones, and other digital devices all store data. There are many different technologies used to store data. Some store data temporarily, and some for long periods of time. Many stay inside a computer or device, while others are portable and can be used on different devices.

However, as digitalisation advances, the proliferation of digital contents increases, and a new problem arises. We produce more data than we can store. Our digital devices have a limited storage capacity, so it is time to consider alternatives such as cloud storage.

Cloud storage is a way to save data securely online so that it can be accessed anytime from any location and easily shared with those who have permission. There are several free cloud storage services such as Google Drive and Dropbox and in the Toolkit you will learn how to use and take advantage of the most useful tools that exist nowadays.

Generally, cloud storage can be defined as a data deposit model where it is possible to store in servers hosted by third parties information as pictures, videos, music files, documents, presentations, and other forms of media. In this way, data are saved and secured online and are accessible when needed from different locations and devices, and shared with people allowed. Data and information are accessible from different devices: computers and laptops, tablets and smartphones.

A great advantage of cloud storage systems is the possibility to back-up data and recovery off-site.

Cloud storage systems are often used in business, to store data and information that do not have to be accessed frequently but need to be kept. Moreover, using a storage system allows group collaboration on the same shared file.

Nowadays, many personal and sensitive data are stored on cloud system, and cloud security is a crucial concern.

## Google Drive

Modern cloud-based storage for saving various types of files (documents, videos, audio, or photos). Its pro is accessibility and the possibility to use it for free. Google Drives offers to work with online applications that are Google Docs, Google Drawings, Google Forms, Google Slides, Google Sheets, or Google Sites. It also offers to share the files with other users and what is more, there is the possibility to edit and download documents.

<https://www.youtube.com/watch?v=gdrxAoqfvbA>

## Drop Box

Drop Box is online storage with the possibility to save files. What is more, the users can sync all saved files to their devices. It has a functionality that allows users to share files with others via shareable links. Drop Box is free just for a Basic account with 2GB of free storage.

<https://www.youtube.com/watch?v=4Nan6Zt6bzw>

## EXERCISE 5

Use some of the materials previously done by you (like a presentation or word document) to master how to share files on a cloud system of your choice. Send at least one document to three of your classmates. These files must be downloaded immediately after. Once this first step is completed, your classmates will have to reciprocate the exercise with you by sharing with you their files and you will have to download it as well.



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# **Module 3 - Analysis and description of digital communication tools for promotion**

By the end of this module we will be able to answer a key question about how social media (or other digital marketing tools) can help in the development of my business. Through the analysis and description of digital communication tools for promotion, we will be able to develop the right communication strategy and the right channel with our target group and evaluate its impact on them. We will talk about how to produce digital content or how often we need to post.

Our goal is to provide all attendees with the right skills to develop their own digital communication strategy and take advantage of the free promotion we can get from them. Besides this, we will help them with different uses of these platforms (distance meetings platforms, emails or instant messaging platforms or data sharing tools).

## Unit 1 – Digital Marketing. Promotion with digital tools

First of all, let's talk a bit about marketing, what it is and what it is made for. Marketing refers to all the activities developed and done by a company in order to pursue the consumers to get his/her product, a certain service or the activity he/she is promoting. Marketing activities pay attention to the four P's, the so-called "marketing-mix":

- price: how much will my product/service cost? We may say that the Price element is the more flexible component of the marketing-mix, since it is easy to modify, even in the short term. Price includes psychological aspects as well as external and internal factors, like characteristics of the market, of the demand, competitors, costs...
- product: it has to be with the emptiness we want to fill in with our product, idea, service, performance or experience. There are three levels in order to cover it:
  1. Core Benefit – the essential benefit we get from it and solving our needs/problems. For example, a bar of soap helps us to wash ourselves. It solves the main and basic needs.
  2. Actual Product – It involves the product structure. It is the part where we work on the differentiation from another competitor, like the brand, design, presentation, packaging, enhanced features...
  3. Augmented Product – All the extra attributes of products or services, such as guarantee, different forms of payments, installation, after-sales services, etc.
- place: it has to be with the distribution: online sales, offline sales, pureplayers companies, etc. There are different levels of distribution channels (direct, from maker to consumer or indirect ones, including brokers or other intermediaries).
- promotion: it refers to all the activities related to communication campaigns, such as advertising, promoting, public relations, sponsorship, trade shows, direct marketing, events and many more. The communication strategy can be understood related to only two concepts:

- a) It is based on a definition of a certain message
- b) Which tools shall I use to spread the word in order to get to my target?

So now that we know a little bit about marketing and its purpose, do we know what digital marketing is about? We call digital marketing to all the strategies developed by a company focused on promoting its brand/name on the internet. Its main difference from traditional marketing is the exclusive use of online channels. This type of marketing allows us to obtain statistics and an analysis of the results in real time. Online channels are the communicating channels related to the internet.

Digital marketing offers important benefits, such as:

Immediacy: they can have the marketing campaign results in real time, that help us to make it more precise and to change it every time needed.

Global reach: we can get to anyone connected to the internet, wherever they are. Borders do not exist on the internet.

Loyalty: Through the different tools of social media we can get to know our target much better, so that means we can make a more personalized message in order to create loyalty and to get to our core client.

Accuracy on target: the more we know our customers the better we can focus our message. It means that using the right tools/online platforms can lead us directly to the group of people we were exactly looking for.

The title of this unit is "Promotion with digital tools". We need to separate two concepts that, even though most of the time go together, have a main different meaning and use. They are: advertising and promotion on digital tools. The first one refers to the activities with an overcost that are focused on long-term results. Promotion, on the other hand, is much more recommendable for small businesses as they have no overcost but a great impact instead.

Promotions refer to the entire set of activities that communicate the product, brand, or service to the user. The idea of promotion is to make people aware, attract and induce them to buy the product, in preference over other competitors. It is one of the four elements of the marketing mix (we have already seen them before). There are several means of promotions such as press releases, consumer promotions like discount coupons, free distribution of samples, rebate, offers, trial offers, contests, etc.

The meaning and use of advertising, according to the creative digital marketing agency Smart Touch, in



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Saudi Arabia, is a technique used to persuade potential customers to buy the product. Advertisements come in different ways through various channels such as television, radio, magazines, newspapers, billboards, posters, walls, buses, etc.

Smart Touch agency reminds us that one of the main types of promotion is direct marketing. It mainly targets potential customers. Social media marketing, internet marketing, and email marketing are all types of direct marketing used by most companies. For small businesses, promotion is a more cost-efficient method for increasing sales and consumer awareness resulting in short-term immediate gains.

Regarding digital communication tools for promotion, we absolutely need to mention all the social media platforms and online tools. They can help us to develop a good promotional campaign with a great impact, while spending very little, and most of the time, even for free.

The online presence is as important as the in-person presence.

Digital communication tools may include the uploading of a video on YouTube explaining our project, spreading out the word of our next performance by publishing posts on Facebook or Instagram, run an email marketing campaign by sending a simple email including all the information we want to give to as many people as possible (potential customers) or to post a new article or short report on our blog... The goal we want to achieve with all of them is always the same: we want to let people know that we are doing something in particular and should not be missed (it can be a dancing performance, a cooking course, a small book of poetry, some paintings using cutting-edge techniques or our photo exhibition, etc). Whatever we are doing, we must make use of digital tools to get the most out of them. The investment will be measured only in time, since promotional campaigns do not carry extra expenses. We must take advantage of all the benefits they can give us for free.

There are some different ways to promote your brand on the internet and depending on our purpose we can make a different choice among them:

#### 1. Social Media Marketing

This promotional campaign will be developed on different social media platforms, such as Facebook, Twitter, Instagram or LinkedIn. Posting on them new information or videos will help us to promote our brand and will generate leads for our business.

#### 2. Content Marketing

It is the one based on posting articles, videos, reports or content on our website or blog. We must create and distribute relevant and valuable information for our audience.



### 3. Email Marketing

This kind of marketing promotion is just sending a commercial email including all the information we want to be known to a list of contacts.

As a practical example of promotion on the Internet for very small business projects, we can name the spanish-ukrainian made cookies “Cookranias”: some refugee women, together with their Spanish host, are selling their own cookie recipe through some online channels. ([https://www.abc.es/sociedad/abci-galletas-terapeuticas-cookranianas-enf-202204181737\\_noticia.html](https://www.abc.es/sociedad/abci-galletas-terapeuticas-cookranianas-enf-202204181737_noticia.html)) Also, the word of mouth is still one of the best advertising ever.

#### EXERCISE:

- A small theatre company is going to perform in your city. They will perform a children's play. How would you help them to promote this event? On which online platforms do you think is necessary to make a post regarding the theatre play? Can you explain the concrete activities you would do in order to promote the performance? Discuss it with the group.
- Imagine that you are already running your own business. It has to be with flowers and small plants. One of your business lines is making the bridal bouquet as requested by the bride. You want to enhance this business line. What kind of digital marketing campaigns and activities will you do for achieving your goal?
- You run a handmade footwear small e-commerce. You work in your own basement in order to save money but need to promote your craft products in your town. Can you think of different ways of promoting your new brand of footwear? Can you name some exclusive online digital promotion activities that may help you to spread out the word?

# Unit 2 – Social Media Marketing, Content Marketing and Email Marketing. How to use them for the creative sector? (open pages and their management).

As we have said before, there are mainly three big types of promotional marketing. In this unit we will widely talk about them and explain their use and benefits and their pros and cons. We will redirect all this information attending to the creative and cultural sector.

## 2.1. Social Media Marketing:

Nowadays the different social media platforms are part of our daily routine. Thanks to them we are connected to everyone in every moment. Our former way of interaction will not ever look the same as it was before these social media platforms existed. They have changed radically the way we behave and socialize with friends, relatives, colleagues, business partners or clients. They help to get to people we have never thought they could be interested in our products, services or ideas. With them we can easily share our ideas or information with the community or virtual network.

Social media platforms help to spread out our network and get to new and broad audiences that are not physically at the same place we are. And this is part of their magic, as well as the immediacy they bring. News, comments, videos, photos and posts are easily and rapidly spread out throughout the entire world in minutes. They can get “viral” if people really enjoy these videos or posts.

So one of the key factors is to make people be attracted to what we are showing them. It is about the content and the content, both aspects are crucial, parallel and connected. Without the first one we can not have the second one, as they are linked. We need to take into consideration that social media platforms are full of new messages and videos every minute so we need to work hard on them and post at least one or two times on a weekly basis in order to be remembered. We need to be constant and prepare our presentations accurately.

We need to give new and relevant information to our clients every week. So we must be creative and active on these platforms. If we want to succeed we will need to be in charge of the planification of our presence in social media and we will lead the strategy based on the various platforms.

### EXERCISE:

- In groups of 3 make a list of all the social media platforms you know. Once you have it, explain in

which social media platform you will focus your presence in the following contexts:

1. Need to enlarge the number of contacts at work.
2. Want to show your friends about your last weekend break in Lisbon.
3. Want to inform your community and neighbours about the bus-library that is moving to your district every Thursday and Friday.
4. Show your dissatisfaction regarding the new educational law in public schools that the Government will implement within some months.
5. Ask your son if he is joining you for dinner.
6. Show your friends about your next dog adoption.

We have listed the following social media platforms regarding their importance and relevance. Herein is the list of the main ones (no matter the sector our business is involved in):

Facebook	YouTube	Linkedn		Snapchat	
		Twitter			
WhatsApp	Facebook			BizSugar	Medium
Messenger	Vimeo	Pinterest	Tumblr	Spotify	Viber
Instagram	TikTok	Flickr	Reddit	WeTransfer	WeChat

There are a lot of different social media platforms, but we specifically recommend the following ones, much more related to the creative and cultural field: Pinterest, Instagram, YouTube or Vimeo. You can upload a video or photos on any one of them and check people's interest. It absolutely worths to open an account on all of them, as we believe their strong relation between them and the creative sector is very relevant.

Besides this, we also recommend having a Facebook page where you can write and post about your products, services or performances. Facebook is a good speaker as it is normally used by hundreds of people in and out your community so it will help you to spread the word.

We need to pay attention regarding the difference between the personal Facebook page and the one created to help with promotion of your business. It is very important to separate them. For business purposes we suggest creating a public profile on Facebook, as it will help you to spread the word easily. Follow these steps to become a public profile:

- ★ Click the Create button next to the Page link above your Facebook home page.
- ★ A name you can give your page will inspire your users (we suggest using your Business name or brand).
- ★ You can describe your Page under one of the following categories: Public Figures. The



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information should be as comprehensive as possible.

- ★ You should put a photo on your Page. Images are always catchee! It would be nice if you could put a cover photo on your page.
- ★ Click on Continue, and then you will have your public profile, related to your business.

At this point we need to talk about transmedia and how it can help us with our promotion. Transmedia storytelling is the technique of telling a single story combining multiple media forms, across multiple formats or platforms, always using digital technologies. We could use a transmedia technique through different channels, like LinkedIn, Pinterest and Facebook or combining linked posts on Instagram, WhatsApp, Twitter and Vimeo.

#### EXERCISE:

- In groups of 4 make a transmedia storytelling about the setting up of an art gallery. Can you explain how your transmedia narrative platforms will include? Will you post the same messages in every digital platform you named or will you change the original message for each platform?

#### 2.1. Content Marketing:

Content marketing is the one based on the information, data, videos, tips or photos provided. You are your own writer so it means that no one but you knows better about what you are doing. You have to tell the people what you do, how good you work and the impact your business has in your community. You have to give your audience new content, new videos or the latest information regarding your business, your manufacturing.

Some platforms to take care for the content marketing are the followings:

- Website
- Blog
- Newsletter
- Community (a virtual space for followers)
- Podcast
- Webinar

Relevant content is always welcome by your customers and potential clients. Keeping the idea of an alive business and an up-to-date web page means that you care about your craft and products and also about the people that follow your business. It is an active showcase where you can show your products and their qualities while at the same time you can interact with your clients and get to know their needs better.

To develop a good content marketing strategy you just need to update your website as much as possible, with new entries every week or every two weeks. Having a blog is just one idea that may help you to broaden your business marketing strategy and will let people know what you are doing. For the creative sector it is very important to have not only a professional website or blog but also a very dynamic one. It has to be very simple, rich and visual, with a balance between text and photographs or videos. A good tip is to link it with your YouTube channel.

Creating a blog that marks the difference is not easy but paying attention to details may lead us to have a good position on our consumer's mind. Blogs with great impact are always remembered by users and readers. Remember that consumers/audience like fresh, original and creative content.

#### EXERCISE:

- Today is your first day as an entrepreneur: you have just set up a business. You have your own website, which content will you upload? Be specific and explain in detail all of them. For your monthly newsletter which appealing content will you include? Discuss it with the group.

#### 2.2. Email Marketing:

Be careful because it is not just sending an email and forget about catching new clients. Mailing marketing strategies are focused on getting new leads, redirecting them to the e-shop and generate "traffic" in order to increase sales.

But it is also a way to inform our network customers, partners or potential clients about new events related to our business or to show our products or services in detail as we can include step-by-step guides, video performing, video instructions, an infographic, discounts, etc. This is our space so we must talk about our brand, our services, the benefit of using our products, the value of our brand and all the related advantages it has.

A good mailing campaign tries to:

- Get personal
- Have a short and appealing subject line
- Drive traffic to your website by including links to it

According to The Sprout Social website, it will help us to promote our products while developing relationships with potential customers. Copying their comments "there is nothing quite like word-of-mouth marketing, and having solid foundations with your customers is a

great way to keep them excited about your business. When you have customers who have enthusiasm for your business, not only will they continue to shop with you, but they'll tell their friends and family about you as well".

The website of technologies Pride, an online marketing service provider, confirms that an email campaign is a great opportunity to remind clients about your business and brand. The more often your clients see relevant emails from you in their inbox, the more likely they are to choose your company when looking for a product or service. Their suggestion is to combine sales emails with educational content, this means to send them information regarding our offers or products but also relevant content regarding our sector or articles about the new trends and innovation in our field or work.

The Information Technology company of Pride gives us another tip, which is to add reviews and testimonials to your email campaigns so your readers (subscribers to your newsletters) have the proof in front of them. You can also provide a link to your site page containing customer feedback, so they can check that you are for real and that your business is not something vague.

Some examples of this kind of platforms are ActiveCampaign ( [www.activecampaign.com](http://www.activecampaign.com)), Sendinblue ( [www.sendinblue.com](http://www.sendinblue.com)), Mailchimp ( [www.mailchimp.com](http://www.mailchimp.com)), or Drip( [www.drip.com](http://www.drip.com))

Mailjet ( [www.mailjet.com](http://www.mailjet.com) ).

We would like to talk a bit about another platforms that help us to spread the word, like instant messaging platforms or data sharing tools. They also can help to promote our brand, products or services while, at the same time, developing relationships with potential clients. Sometimes they can be very helpful. The instant messaging platforms, like WhatsApp, Viber, WeChat, ChatON, Tango, Kik Messenger or Telegram. Its greatest advantage is immediacy. It is advisable for short, direct messages that must be attended to or answered shortly.

Regarding the virtual meetings, it is essential to download any of the apps that, for free, give us the opportunity to get in touch with people who are far from us. They help to improve the productivity of the company and help to enhance relationships with customers and suppliers.

They increase the number of communications between different actors related to your business, and also improve the monitoring of projects with collaborators or employees. Different platforms can be Microsoft Teams, Zoom or Google Meet, Webex or Slack

#### EXERCISE:

- Mrs. A is a good friend of yours. She has started a small business related to catering.



She is thinking of a mailing campaign to let her clients know more about what she does and the provided services by her catering enterprise. For example, she attends conferences and events and serves the catering, as a brand new service. Ask and debate the next questions:

- Which is the target Mrs. A needs to get to?
- Make up a short and appealing subject line

# Unit 3 - Instructions on how to use tools to improve visual communication (canva, crello, Piktochart, Easle.ly...)

In this unit we will develop some of the most important visual communication tools or platforms. They are basic to develop the visual part of the digital communication as they are tools that use a lot of colours, visual effects and look very modern and up-to-date tools. First of all we highly recommend you to open an account (for free) in all of them. Use them as much as possible to verify which one is better for your activity or which one is easier to use.

Besides the information included in this training, we will develop them by the show videos.

According to the notes in Wikipedia, “Canva is a graphic design platform, used to create social media graphics, posters, documents presentations, and other visual content. The app includes templates for users to use. The platform is free to use and offers paid subscriptions such as Canva Pro and Canva for Enterprise for additional functionality”. [www.canva.com](http://www.canva.com)

Crello is a design application used to create photo montages, videos or animations. These montages can be used or posted on social networks. In short, we can say that Crello is an app that allows us to make professional designs without too much effort. [www.crello.com](http://www.crello.com)

Piktochart helps us to create infographics, posters or online presentations. It allows users who have no design experience to create their own posters or flyers, using customizable templates. It is a simple way to create visual content that will be useful for your business. <https://piktochart.com>

Easle.ly is an online tool that helps to create infographics or presentations. There are pre-designed templates to help to start. It gives you the chance to edit text, objects or shapes. The free version offers a good number of templates. Easle.ly is highly recommended to start producing and editing our own infographics. [www.easle.ly](http://www.easle.ly)

There are much more tools focused on design that may be helpful and useful for our business. Here we copy some of them: Prezi, Lucidpress, Google Workspace.

EXERCISE:



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- Using Canva, create a poster related to your own business idea (we suggest adding visual content, images or an appealing message).
- With the help of Crello, create a short video or animation regarding your business idea. For example, a flower store, an small theatre company or online cooking courses.
- You must create your own flyer to inform the audience about your new business/ e-commerce. With your Piktochart account create one impacting flyer.
- Infographic: We have seen before that Easle.ly would help us to create a visual infographic, although we are not acquainted with web design. Choose one of the following topics and create a fresh infographic:  
Topic 1: diversity and inclusion  
Topic 2: women and employment  
Topic 3: leaning remote and online courses

# Unit 4 - How to create a marketing strategy

According to the Venngage website, a marketing plan is a report that outlines the marketing strategy for a certain period of time. Typically, a marketing plan includes:

- An overview of your business's marketing and advertising goals (where do I want to go from here?)
- A description of your business's current marketing position (where am I at this moment?)
- A timeline of when tasks within your strategy will be completed (how soon do I want to get results, year basis, quarter, six-month basis?)
- Key performance indicators KPIs . (how can I measure them? How can I track and evaluate if I am doing it right?)
- A description of your business's target market and customer needs. (what does my audience want? And the most important thing: who are they?)

A good marketing plan should include aspects, such as the goals we want to achieve (they must be realistic), define our market current position, timeline of development and performance indicators, in order to track and monitor. Apart from all this, our best advice is to keep it simple. Sometimes, less means more.

The very first step is writing a simple short executive summary, that will be the guide and basis for the development of any future marketing activity. From this point you can move forward and go beyond by describing the achievement you want to get.

A marketing strategy is needed all the way. We are the best to promote our activity and business and must be conscious that it is a long term work and not something that is done in just a specific moment. We need to research all of our competitors (and also copy them when necessary) and set accurate metrics and realistic goals and achievements.

A good marketing strategy takes care of the planning and management, the website design and optimization process. It also takes care of social media and the traffic building.

## EXERCISE:

- Marketing Strategy: A good friend of yours asked you to help her with her marketing strategy. She is setting up a small art gallery with photo expositions. Help her to establish a rational marketing strategy for the following 2 years.

### Questionnaire Module 3:

1. What does marketing mean?
  - a. Marketing refers to all the activities developed and done by a company in order to pursue the consumers to get his/her product, a certain service or the activity he/she is promoting.
  - b. Marketing is a way of promotion.
  - c. Marketing means business.
  - D. It is an online tool to communicate with others.
  
2. What does online marketing stand for?
  - a. We call digital marketing to all the strategies developed by a company focused on promoting its brand/name on the internet.
  - b. It is an online business.
  - c. Marketing online stands for shopping on the internet.
  - d. Marketing online does not exist.
  
3. How much money do you often spend for promoting your business on the internet?
  - a. Nothing, it is for free if you use the right tools.
  - b. A lot of money.
  - c. 50% of the annual budget
  - C. Very little.
  
4. How many big types of promotional marketing are there?
  - a. None
  - b. Only one: marketing online

c. 1,542 types

D. Three: Social Media Marketing, Content Marketing and Email Marketing

5. When do you need a marketing strategy?

a. Only the first week of setting up a business.

b. You need it all the way. It is a long term work.

c. During the weekend.

D. Only when you promote on the internet



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### **Online Exercises:**

1. Digital communication tools for promotion (social media platforms and online tools). Can you make a short list of them? What kind of content is the best to post on them? For instance, on Facebook we will post a discount code and on YouTube a promotional video.
2. Email campaign. It is the time for you to develop an email campaign for your business. You should create an email that promotes your business, service, product, etc through an email campaign. Bear in mind that a good email campaign tries to be personal and include a short appealing subject line. Use one of the platforms suggested on this chapter to create it.
3. Create different promotional materials using visual communication tools according to the requested instructions:

Canva - create a poster of your business, product, services, etc. (we suggest adding visual content, images or an appealing message).

Crello - design a photo montage related to your business idea, your products or services. For example, a flower store, a small theatre company or online cooking courses.

Piktochart - create a poster or flyer of your own business and inform the audience about it.

Easle.ly - create an infographic or presentation related to your business idea.

4. Create your own marketing strategy focused on your own business idea. Which social media platform will you use? Have you already got an account on them?

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# **Module 4 - Digital tools for office work for Management**

# Unit 1 - Basic things about computers

Following the Finnish education website Peda, we call computers to any electronic device that operates under the control of programs stored in its own memory unit. It is an electronic machine that processes raw data to give information as output. A computer is capable of storing large amounts of data or instructions in a very small space.

Nowadays, we have not only the traditional computer, but also laptops, tablets or even a smartphone.

All computers are made of electronic components and have some things in common: they all have hardware and software. In Module 1 we have talked a bit about their meaning but it is always good to refresh it:

Software are the operating systems, data or programs to execute specific tasks. For instance, audio player, video player, photo editor... We use any of these programs to create a video or to record a film or to edit some pictures.

Hardware, on the other hand, is any part of the computer that has a physical structure. It divides into the inside parts of the computer. Some examples are the monitor or the mouse. Inside the computer case are various components that allow the computer to run:

- **CPU**

The Central Processing Unit, so-called CPU, does nearly all the calculation. It is the main microchip in the computer and its main purpose is distributing tasks to all other parts of the computer.

- **Memory**

RAM (Random Access Memory) is the most important “memory” of the computer as it keeps within it data or programs used.

- **Hard drive**

It stores and retrieves digital data. We could say that the hard drive is the warehouse of the computer. It keeps data even after the power is turned off or until the user decides to erase it.

Besides this basic knowledge of the different parts of a computer, we would like to talk and develop the meaning of operating systems. What is it? An operating system is a software which performs all the basic tasks like file management, memory management, process management, handling input and output, and controlling peripheral devices such as disk drives or printers, following the Tutorial Point website. They also point to some relevant functions of an operating system like the memory management, the processor management or the control over the system performance. Some examples are Apple macOS, Microsoft Windows or Google's Android OS.

## EXERCICES:

- In groups of two or three confirm if they are Hardware or Software?

Google Chrome? Skype? USB? Printers? Video player? Mouse?

- Your teacher will show a picture of a computer that includes some other components. Can you name them? Do you know what they are made for?



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# Unit 2 – Wifi and how to access to it

Let's start from the very beginning. We can say that nowadays the internet is everywhere, but do we really know what the internet is? The Internet is a system of computer networks. It allows us to get information, to share photos, and to collect data from almost everywhere. In order to get into the internet, we need to connect our electronic device to a network (private or public – preferentially a private one) and right after that, we can surf the internet, read worldwide newspapers or buy things from a store in another country. The Internet has broken all barriers and borders. Maybe it would be fair to say that if your business is not in internet, then you don't have a "real business". It will absolutely help you to enlarge our audience and our target group and thanks to the internet our products can be sold in places really far from our homes.

In short, the internet is the network that will connect ourselves and our business to the rest of the world. This technology is at our fingertips so let's embrace it and connect to the internet!

## 2.1. Wifi and how it works

Wifi is the mobile technology that connects different devices (like computers, laptops or smartphones) to the internet. This technology allows us to interconnect wirelessly. We will not get indepth into this technology but we need to know that thanks to it the world is much more easily interconnected and the internet is available to almost everyone.

Wifi is a wireless network that, as its name already says, does not need a cable connection to get into the internet. We will explain how it works:

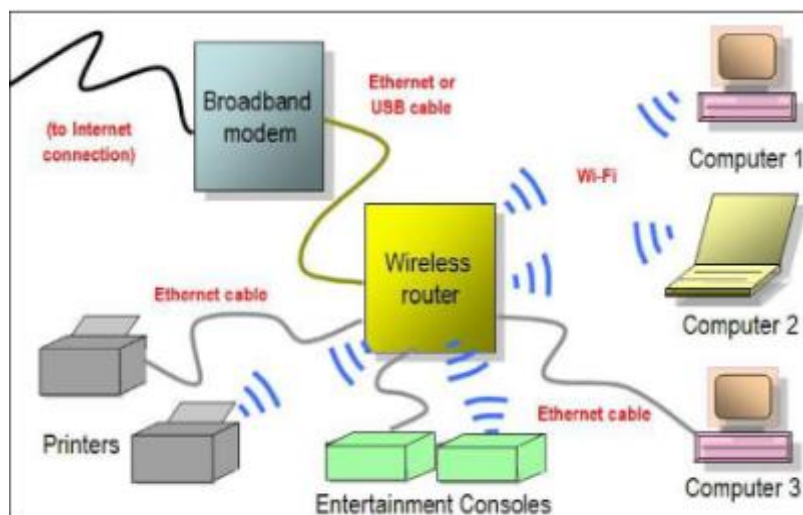


Photo The Peerless-AV blog / Wireless Router Network Diagram

We can find a simple explanation of how the Wireless router Works on the The Peerless-AV blog, they explain that a computer's wireless adapter translates data into a radio signal and transmits it using its internal antenna, although the radio frequencies are different from the ones use in the car radios or walkies-talkies. A

wireless router receives the signal and decodes it back to its initial data stream. The router then sends that data stream over a hard-wired Ethernet connection to the Internet. This process also works the same in reverse, which enables 2-way communication.

## 2.2. Wifi and internet connection for everyone!

Most of us got a smartphone which is connected to the internet. We have a network-name for it that includes a password. Once the password is entered we can surf the internet from our mobiles.

Even at home, if we have an internet connection we have a network-name for it and, of course, a password. We can get into the internet if we connect to our “network” and include the password.

Moreover, if we have at home a wireless router it will allow us to connect to the internet from different devices.

Now we know that wifi is the technology that allows us to surf the internet from different devices at the same time. We just require one relevant element, which is a router, that manages all the connections to the internet. We can say that the modem is inside of it. Through it, and once the password is included, we can surf the internet.



Photo DLink website.

[https://eu.dlink.com/es/es/support/faq/routers/mydlink-routers/dir-8801/es\\_dir-8801\\_conectar\\_mi\\_ordenador\\_wi-fi\\_a\\_mi\\_router](https://eu.dlink.com/es/es/support/faq/routers/mydlink-routers/dir-8801/es_dir-8801_conectar_mi_ordenador_wi-fi_a_mi_router)

### 2.3. How can I connect my computer to Wireless internet connection at home?

If you want to connect any device to the internet on a wireless basis just follow the next steps and get helped by the images:

1. Look for the Wireless intensity Connection button (normally close to the time and date). Click on it.
2. Select from the list the Wireless network you want to connect to.

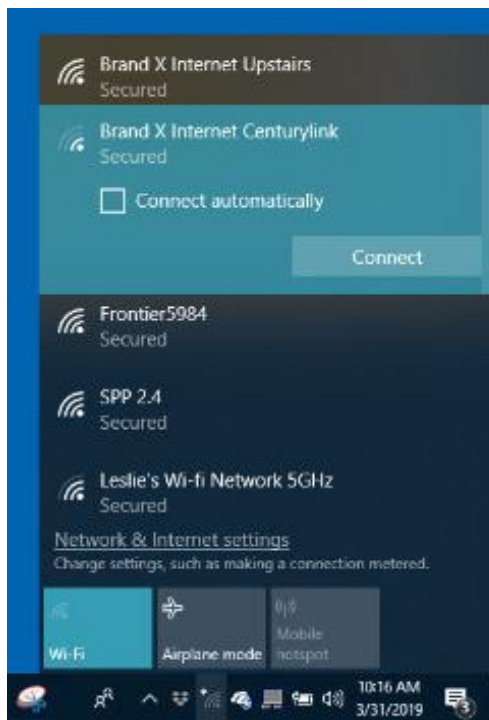


Photo Brand X Internet

[brandx.net/support/computers-networking/windows-10-network-configuration/windows-10-networking.html](http://brandx.net/support/computers-networking/windows-10-network-configuration/windows-10-networking.html)

3. Click the “connect” button and it will ask you for the password.

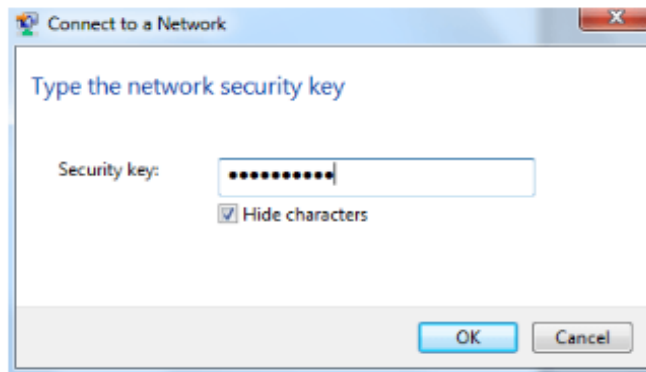


Photo DLink website.

[https://eu.dlink.com/es/es/support/faq/routers/mydlink-routers/dir-8801/es\\_dir-8801\\_conectar\\_mi\\_ordenador\\_wi-fi\\_a\\_mi\\_router](https://eu.dlink.com/es/es/support/faq/routers/mydlink-routers/dir-8801/es_dir-8801_conectar_mi_ordenador_wi-fi_a_mi_router)

4. Your computer will be now connected. And it will automatically do so whenever it will be close to the router. It works the same for smartphones.

We advise you to always use private networks (using a password which is not known by all of the people), without being for public use. The networks of some of these places (from airports to coffee shops) are networks with low security in which your personal, banking or photo data can be compromised.

Please take into consideration that there are different ways of connections, without signing a home internet contract. Other possible options are:

- **Mobile hotspot:**

Mobile hotspot allows you to share your telephone's mobile data connection with other devices.

Going further, WiFi hotspots are Internet access points that allow you to connect to a WiFi network using your smartphone or laptop when you are away from your (home) network.

- **MiFi:**



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It is a portable router that acts as a hotspot for your electronic device (a cell phone, tablet, or a computer). You can connect to Wi-Fi without worrying about using your cellular or mobile data. Although MiFi is a Brand name we actually use it to describe a wireless router that works as a mobile WiFi hotspot (we already have talked about WiFi hotspot before).

### **EXERCISES:**

- Divide the classroom in groups of three. Comment in your groups how many electronic devices you have at home. Do you connect to the internet at home or at work? Do you use a Wireless connection?



# Unit 3 – Introduction to Office Tools

Office Tools are a type of application software. They help us with all the office and administrative tasks. These programs assist the users to work and manage large amounts of information, data and documents. Thanks to them we can create datasheets, curriculums, presentations, databases, reports, dossiers and so many more.

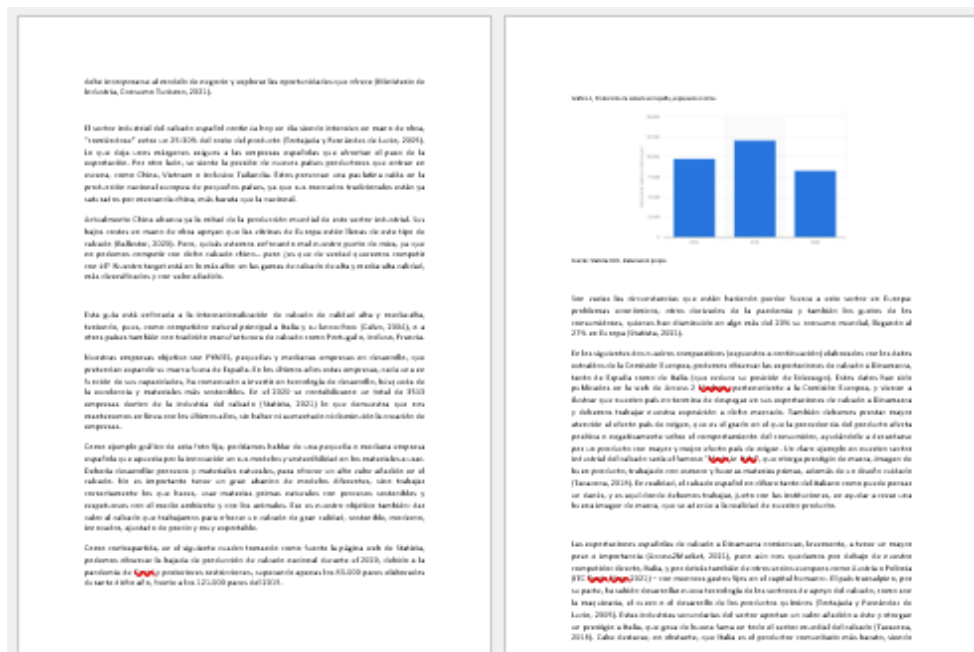
The tools help the users to be more efficient and accurate in their results.

So in this case, users can perform such tasks repeatedly with less time and effort, paraphrasing the Toppr website. As they also explain in their web site, these Office Tools include software such as word processors, presentation tools, spreadsheets, database systems, email tools, among others.

Some examples of them can be Microsoft Word, WorPad or LibreOffice. In the next lines we will explain some of the most important and relevant tools to know about:

## Word Processor Tool:

It is actually the tool we are using now to write and present this training. It is used for administrative written purposes since it helps to prepare a lot of different kind of documents: a curriculum, a report, some notes, a short story...



It assists to create new text and give it a certain format. We can change its aspect and manipulate it. Of course we can save it for later or erase it. A Word processor helped to edit new or saved documents and got many different other tasks, like checking grammar checks in different languages, searching for certain key-words, establishing margins, adding images, changing the type and size of the text or its color as well as setting headers or footers.

We encourage you to follow any tutorial on the internet to improve your knowledge in Word processors.

### Presentation Tool:

It is the software that helps us to make presentations by slides. We can copy-paste the text in these “pages” called slides and add different images while we give a nice format to the text. It allows us to manipulate it and add some pictures, audio, graphics.

Some examples can be PowerPoint or Google Slides.



### Spreadsheet Tool:

It helps the user to present a comprehensive information of the data. The spreadsheet is formed by cells (intersection of a row and column).

It contains additional features like graphs, charts, 3D graphs, tables, etc in order to make our documents much more understandable. This software stores the data and has various formulas to be inserted. It helps with calculations (addition, subtraction, multiplication, finding the average. We can name MS-Excel or Google Sheets among the most important.

It is a very recommendable tool to use for calculation and it helps to prepare budgets so we encourage you to follow any tutorial on the internet regarding the Spreadsheet tool.

	A	B	C	D	E	F
1						
2						
3						
4						
5						
6						

So in short we can say that the Office Tools are helpful for many daily administrative routines as it assists with files and reports and stores many useful and relevant information for our business. They help us to manipulate and add comments on their files, edit pictures or videos, organize files or data and analyze and make calculations on them.

We absolutely encourage you to keep on working on these Office Tools on your own and discover how many tips they can offer you. They will simplify your administrative daily routine and help you to organize your financial data and information.

### EXERCISES:

- Working in classroom in groups of 2, please confirm which kind of software Office tool you will use for the following examples:

-Present a budget to a new distributor

-Write a letter to the Council

-Prepare an invoice of a customer

-Make a short presentation for a workshop with a group of other entrepreneurs to look for business synergies



# Unit 4 – Social Platforms

According to Technopedia.com, a social platform is a web-based technology that enables the development, deployment and management of social media solutions and services. It provides the ability to create social media websites and services with complete social media network functionality.

Social media helps us to communicate with people who are physically far from us, they also help to share information, data, comments or ideas. They have become a new way of communication as valid as the traditional ones and it has really changed the way we communicate and the time frame of it. Social platforms reward immediacy. Every news, every new event going on must be published immediately. The quicker, the better.

We are referring to Facebook, Instagram, Tik Tok, Twitter, LinkedIn or YouTube. They are now the engine of our communication, the way to establish new relations, conversations and shopping. It is basic for us to know how to use them and it will be a good idea to surf on them, get an account for free and post new comments, ideas, videos or photos.

Social platforms are, nowadays, the former town square, a meeting point to meet friends, relatives, to get informed about the community or news from far away, in short, they are a place to interact with people you may know or you may not know yet. This is a very extensive topic so, in order to provide more information, we attach some weblinks in the Educator's toolkit so you can learn more about their functionality and uses.





Social media are interactive digital channels of communications and facilitate the creation of virtual communities and networks, while social platforms could be considered the system of spreading information through the internet as it is actually a system for disseminating information over the internet and a form of electronic communication.

We connect to social media platforms through our computers, laptops and more over, using our smartphones. This is the so-called Mobile Social Media. One of the main differences from others is that they incorporate the current location of the user. Mobile social media tools, according to Wikiwand website, can be used for marketing research, communication, sales promotions or discounts, informal employee learning or organizational development, relationship development like loyalty programs, and e-commerce.

All the people and all professions take advantage of the social media platforms, as they allow users to be creative and quick. Most of the football clubs communicate with their fans through them and inform them about new relevant updates, impressions, new players...

It is not only used to entertain. For example, journalists are among the ones that use social media quite often.



Also politicians have got their own public profile to communicate with the audience, updating data, publishing any new event going on or simply informing about any news. It fosters citizen participation while interacting with citizens.



We can confirm that businesses, wherever their field is, use social media tools for the same purpose: to improve their sales. Thanks to social media platforms entrepreneurs can easily interact with his/her target and get to know them much better. They take the best out of it and promote their brand on different social media to spread the word about their products, services or about any event related to their business.

We encourage you to open a free account in most of them, so you can already start to check how connected the world can be. In order to open an account just enter the website (it can be Facebook, LinkedIn or Twitter) on your browser and fill in the mandatory personal details. From that moment on, you will be connected to the rest of the users and will let you get to a broader audience and promote your business for free.

In next modules we will develop these contents and explain why promoting on the internet is a good idea for new entrepreneurs. Take into consideration that communication channels are the bridges that connect us to our target audience and this interaction is essential. We need to be sure on which social media platform we want to be, as their audience may be radically different.

### **EXERCISES:**

- Do you know Facebook? In groups of 3 we ask you to create a group on Facebook and a first post.
- Divide the classmates in groups of 2 or 3. Between you tell the rest how many free accounts you already have on different social media. Which one do you use the most? Do you think that these social platforms can be useful for promoting small businesses? Explain your answer.



# Unit 5 - Information research

Information research includes processes, data, information, and the application of different methods to find out more about a particular subject. Nowadays, information research is mainly done via the Internet. Research on the Internet has a lot of advantages for example quick access to information, cost-effectiveness, diversity, and more. On the other hand, it brings some risks which include uncertainty over the validity of the collected information, unknown sources, or even instability. Therefore, before any research, you have to consider all the cons and pros that are related to the information research by using the Internet.

To find some specific information on the Internet, you can use web browsers or research catalogs. The web browser is a software program that takes you anywhere on the internet. Thanks to the internet browser you can find different types of information like text, images, or videos from anywhere in the world.

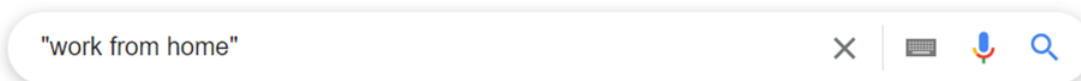
The web browser re-collects information from different websites and displays them on your computer or mobile phone. The researched information is transferred using the Hypertext Transfer Protocol, which defines how text, images, and video are transmitted on the web. The current offer of the internet browsers is very wide, you can choose from Mozilla Firefox, Microsoft Edge, Google Chrome, Opera a Safari, etc. Each browser looks slightly different and may have different additional features.

To understand how to search for information by using a specific browser, we show you some practical hints that will help you with your research. Thanks to them you will be able to work more effectively and faster. For your practical demonstration, we decided to use a well-known and most used web browser – Google.

1. Basic research with one defined keyword (e.g. work from home) – the browser finds all websites that contain the keyword in any order and number.



2. Specific research with one defined keyword – if you want to find just exact keywords in the order you have to use quotations (" "). Adding the quotations, the browser finds just the exact phrase.



3. Excluding some terms from the defined keyword – by using a minus (-) symbol, the browser excludes all websites that do not contain the word after the minus sign.



4. One exact research from two different keywords – if you want to find the results that are about one defined keyword or another, but nothing else, you can use your modifier (OR). This modifier gives you more accurate results.



5. Specific file types – if you are searching for a specific kind of file that includes your defined keyword. Firstly, you have to define file type (for example PDF), after that write on the browser the following phrase (filetype:pdf) and your keyword.



### EXERCISES:

- How can you specify keywords on the browser? By using:
  - a) minus symbol (-)    b) quotations (" ")    c) no specific symbol
- For what is the symbol minus used on the browser?
  - a) to exclude the word after minus    b) to include the word after minus    c) to define specific file types
- If you want to search for PDF file type, what do you have to write on the browser?
  - a) filetype:pdf    b) pdf:filetype    c) filetype: "pdf"
- In groups of 3 write down 3 web-browsers that you know.

# Unit 6 - How to react when having a technical problem

As useful as the digital world can be, it's not foolproof. Everything from internet connectivity issues to problems with device functionality can stop you from getting work done. Before you can start solving your problems, you'll need to figure out what's going on with your tech. You might wonder why you would bother figuring out how to solve technical problems for yourself if you could call your IT team to do the work for you. The simple answer is that learning how to rectify these issues now makes you more self-sufficient in the future. If you know how to solve the issues that could be damaging your productivity in a matter of seconds, you can save yourself a lot of time and disruption when something goes wrong.

This section contains some brief explanations regarding the different steps in the following chart. These explanations can help you better understand what to do and why to do it:

- Find a relevant button/menu item and click it.

In most cases, something relevant should be easy to find. Try to play around with the options and settings a bit if you're not sure what to do. Often, you can find the solution easily yourself if you're just willing to look for it and try things out.

- If you're trying to fix a problem, restart the device.

Doing this solves a huge amount of technical issues. If you're not sure how to restart your device, search online for instructions. Make sure that you're restarting the device itself, and not just the screen if the two are separate. Note that it's generally preferable to turn the device off completely, wait 10 seconds, and then turn it back on; this is because it sometimes takes a while for all the components to power down, and for the capacitors to discharge.

- Search online for a solution using a few relevant keywords.

Odds are that someone has encountered this issue before. If they did, there will often be a digital record of the solution online. If you're not sure which keywords to use, pretend that you're asking a tech expert for help, and use the same keywords that you would use when explaining to the expert what you're trying to do.

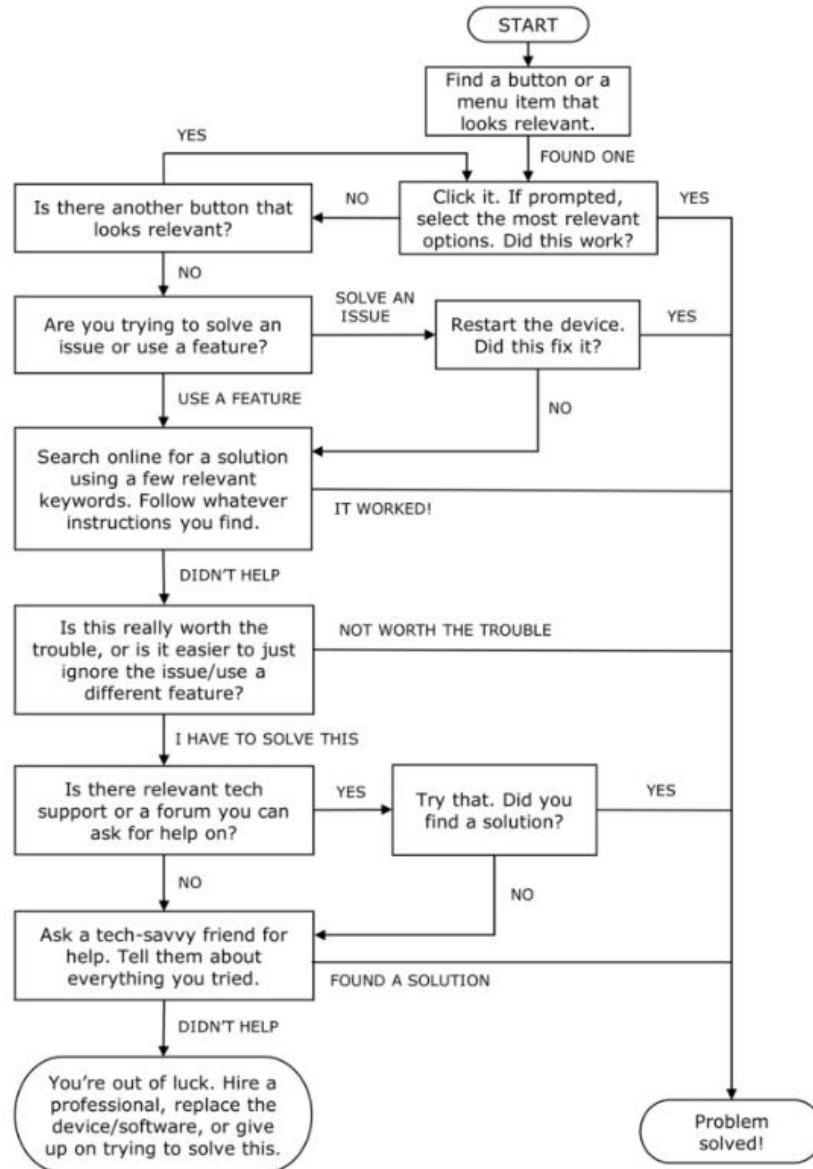
- Consider whether this is worth the trouble.

Often, trying to figure out how to use a certain feature can be much more work than trying to do the same thing using a different feature. Similarly, some issues are so minor that they're not worth the time



and effort. The steps up here require only a small amount of effort and have a high success rate, which is why this is a good cutoff point for deciding whether to continue searching for a solution.

Flowchart for Solving Technical Issues  
effectiviology.com



- Post the question on a relevant forum or contact tech support.

This can help in cases where you can't find the solution yourself. The benefit of asking for help in a relevant forum is that you can usually reach a high concentration of experts, who will sometimes be able to answer in a minute questions that you would have otherwise spent hours trying to find the answer to.



- Ask someone for help.

If you decide to ask someone for help, make sure to tell them what you already tried. This can help them find a solution, and it shows that you put some effort into solving the issue before coming to them. Keep in mind that unless they are experts on the topic, they will probably follow the same steps outlined here, though they might be able to find something that you missed. This is also often true for hired, professional help.

Even if you are not a tech expert, you can solve nearly all technical issues by using a simple, systematic approach.



**Survey:**

1. Do you have access to a computer in your house?

- a. Yes
- b. No

2. From 1 to 5, grade your knowledge about

using computers:      1          2          3          4          5

using the internet:    1          2          3          4          5

operating with office tools:    1          2          3          4          5

knowing how to fix problems when they occur:    1          2          3          4          5

how do find the information I need?:    1          2          3          4          5

3. Would you decide on promoting your items on the internet via social media?

- . Yes
- a. No

4. Would you know how to get wi-fi access?

- . Yes
- a. No

**Questionnaire Module 2**

1. What is a computer?

- a. Any electronic device that can be plugged in
- b. A software



c.It is an electronic machine that processes raw data to give information as output

2.What is the WiFi connection?

a.It is a system of computers network

b. It is the mobile technology that connects different devices to the internet.

c. It is a new social media platform

3. Which are the main uses of an Office Tool?

a. It helps to edit text and make coffee

b. It assists the user to connect to the internet

c. It helps to manipulate, create and edit text. It allows users to add comments on files, edit pictures or videos, organize files or data and analyze and make calculations on them, among creating presentations.

4. In your opinion, which is one of the main purposes of why entrepreneurs use social media platforms?

a. They help to enlarge the target group so it can increase the sales

b. They are a good way to spy the competitors

c. Entrepreneurs don't use social media platforms as they are against digitalization

5. If you need to look for information regarding the topic "performing arts in Hungary", what will you write in the Google searching box?

a. arts in Hungary

b. "arts in Hungary"

c. filetype:pdf Hungary



### **Online Exercises:**

1. At home, using any Office Tool you have, please do the following tasks:

-Word Processor: Write a short essay explaining your business idea.

-Presentation Tool: Create a short presentation regarding your business idea, its purpose, added value and what it is made for.

-Spreadsheet Tool: Complete a short budget or invoice.

2. According to your own business idea, create your own social media communication strategy by explaining in which social platforms you will be in. Please, answer the following questions:

2.1. Which kind of communication will you have with your audience? Why have you chosen this approach?

2.2. Which kind of posts will you do to make your business appeal? Please, expose some examples.

3. At home, using Google web browser look for the following information:

- How many coast kilometers does Estonia have?
- How many digital nomads are in Europe? Which are the favorite countries for them to work from?
- Self-employment in Europe: can you check how many people are self-employed in Europe? What about your current residence country? Have you obtained any other relevant information during your research?

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# Module 5- Security tools

# Introduction

Security measures and tools are fundamental for any activity undertaken online, especially important in terms of e-commerce. Why is this so? With the implementation of effective security measures, you will be guaranteeing not only the safety of your clients, but also your business and yourself. Apart from protecting sensitive data, safe browsing, or secured payment (which are just a few examples), you may be required to introduce additional security measures based on the rules and conditions of the markets you are targeting. In this module you will find out which security measures are a must, which ones your customers are expecting, why you should invest in your e-security and how all these measures will impact your own business with the use of online strategies. Security consideration in terms of online activities and data protection and online consumer rights will be explored. This module is comprised by 3 learning units in total:

## Unit 1 – Security considerations in terms of online activities

The learners will consider security considerations in terms of their online activities, including safety precautions in terms of e-commerce.

*Key concepts: security, online activities, e-commerce*

## Unit 2 – Data protection and online consumer rights

The learners will consider data production rules securing consumers' rights. Specifically, the learners will be introduced to the EU General Data Protection Regulation (or GDPR) which describes different situations where a company or an organisation is allowed to collect or reuse your personal information.

*Key concepts: data protection, consumer rights, GDPR.*

## Unit 3 – Secure payments

Given that payment is the most sensitive area for consumers, the learners will consider in this unit measures for safeguarding secure payments. They will also be introduced into how to keep their consumers informed about the payment methods which are available.

*Key concepts: secure payments, payment methods.*

## Learning objectives

After studying this module, you will be able to achieve the following learning outcomes:

### **Knowledge:**

After the successful completion of this unit learners will:

- Be familiar with security measures that will facilitate safe and secure online activities, protecting their business and their clientele.
- Be aware of data production rules securing consumers' rights.
- Be aware with methodologies that lead to secure payments.

### **Skills:**

After the successful completion of this unit learners will be able to:

- Create strategies on how to use the Internet as an efficient and safe channel for their online business activities.
- Identify the requirements for protecting sensitive data.
- Create strategies towards adhering data production rules securing consumers' rights.
- Establish secure payments for their online business activities.



***Abilities:***

After the successful completion of this unit learners will be able to:

- Perform online activities for their business.
- Appropriately handle clients' personal data.
- Receive payments in a secure manner from clients.



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# Unit 1 – Security considerations in terms of online activities

## Practical activity – Padlet

**What is e-commerce?** What comes in your mind when you hear the term ‘eCommerce’? Put your thoughts in a sentence or word here: <https://padlet.com/oliatsi/anffma61kv8exiok>

### Content

E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or over the Internet. In other words, it refers to business transactions that take place on the internet. E-commerce has experienced considerable growth since the dawn of the internet as a commercial enterprise. Over the last few years, it has become an indispensable part of the global retail framework. Like many other industries, the retail landscape has undergone a substantial transformation following the advent of the internet, and thanks to the ongoing digitalization of modern life, consumers from virtually every country now profit from the perks of online transactions. Its advantages include: eliminating time and geographical limitations, streamlining operations, and lowering costs.



### Watch a video

Learn more about e-commerce by watching the video: <https://www.youtube.com/watch?v=Ad8RHZRYBFU>

## Practical activity – Padlet

**Why should I adopt eCommerce for my Business?** Think about advantages/ opportunities of eCommerce. Put your thoughts in a sentence or word here: <https://padlet.com/oliatsi/8bi1048iez2g90cz>

### Content

*Why should I use e-commerce?*



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You can exploit the advantage of the internet and create a channel supporting regular activities performed by your business or the main channel of sales. In both cases you must be aware of the common features and principles behind e-commerce. We start from securing, protecting, and introducing regular measures for a safe business site.

Some of these advantages from the businesses' perspective include:

- Additional ways for the promotions of your product(s) and/or service(s)
- No boundaries in targeting audience, the number and market segments
- Improvement of communication with the customer
- Storing customer online behaviour and order history
- Easier customer authentication
- Possibility to release e-campaigns and announcements on new product releases
- Possibility of offer various ways of payment, depending on your preferences and that of your costumers
- Implementation of additional security measures
- Easier to react to market trends and market niche

Some of these advantages from the consumer's perspective include:

- Availability 24/7 to check your product(s) and/or service(s), make an order and contact you
- Ease of checking and verifying the e-shop
- Provides information about the time of delivery, carrier and tracking code
- Stores all store policies in one place

Since e-commerce is providing both consumers and business with more opportunities and ways to benefit from it, the safety aspect becomes even more important with the increasing number of activities available online.

### ***Different types of e-commerce***

There are difference types of e-commerce, such as: Business-to-Consumer (B2C), M-Commerce (mobile commerce), F-Commerce (Facebook commerce), Business-to-Business (B2B), Consumer-to-Consumer (C2C). We briefly elaborate on those different types below.

***Business-to-Consumer (B2C)*** One of the most popular examples of B2C transactions is buying and selling goods on the internet. Many businesses have virtual storefronts that are the online equivalents of their retail outlets. Some businesses have no physical storefronts but they operation through the use of their website merely or the of an e-platform. Buyers browse and purchase products by having access to the company's website or platform. An example if B2C transactions is Amazon.com arguably being the most famous online shopping destination.



One of the biggest drivers of e-commerce has been the interfacing of websites with bank accounts and by extension, credit cards. This makes it easy to pay for products online, allowing for secure electronic

payments via credit cards, debit cards, or gift cards, which is far more efficient than writing and mailing checks (see more about online payment in Unit 2).

### ***M-Commerce***

M-commerce stands for “mobile commerce”. This is largely a subsection of B2C transactions, but the rapid penetration of mobile devices with internet access has opened new avenues of e-commerce for retailers and their customers. M-commerce generally involves e-commerce taking place through the use of mobile phones.



One of the most common examples of m-commerce is electronic ticketing. Air tickets, movie tickets, train tickets, play tickets, tickets to sporting events, and just about any kind of tickets can be booked online or through mobile apps. Instead of receiving a paper ticket, buyers download an electronic version of the ticket that can be scanned with the use of a QR code. While electronic ticketing does not eliminate lines at entry points, it does reduce long lines for ticket purchases or picking up tickets at a will-call booth.



### ***F-Commerce***

F-commerce is short for “Facebook commerce” and refers to e-commerce that takes place within the Facebook environment. The popular social media site provides a captive audience to transact business, and many small businesses rely more on their social media presence than they do on traditional websites. This type of e-commerce also is a subsection of B2C transactions and closely related to m-commerce. Many Facebook users access the site via their phones, and businesses often provide links to online purchasing options through their pages

and posts.

The low cost is one of the main advantages of an f-commerce, especially for small companies that do not have enough budget to develop and maintain a website, or another online environment for selling their products and services. Facebook itself recommends using this modality for the sale of clothing, beauty products, accessories (such as bags and suitcases), etc.

Launching an f-commerce is a very simple process. First, it is necessary to create a company page in which the store tab will later be added. If e-commerce already exists outside of Facebook, you can simply link the tool that has been used and the products in the catalogue will appear. If, on the other hand, the store is only going to be available on Facebook, it is necessary to enter the products manually. This type of social commerce also extends to other social media, such as Instagram.

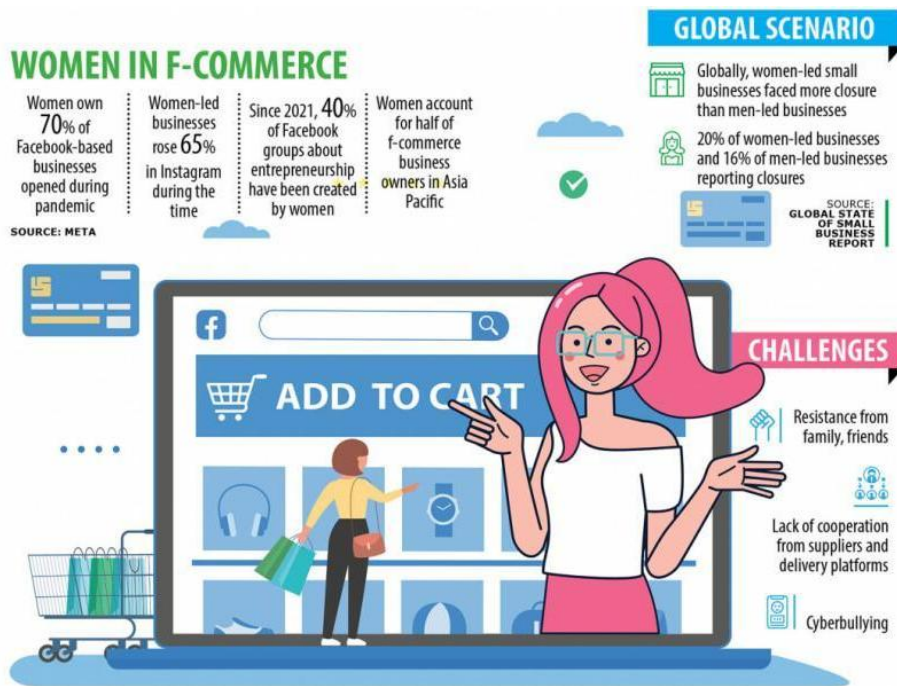


Fig. 1. Women take lead in F-commerce. Source: [Women Take Lead in F-commerce | The Daily Star](#)

### Practical activity on F-commerce

In this practical activity we are going to practice, Facebook commerce (F-commerce) which refers to e-commerce that takes place within the Facebook environment. Facebook is the gateway to getting your products in front of billions of shoppers. Here are a few ways Facebook can grow your business:

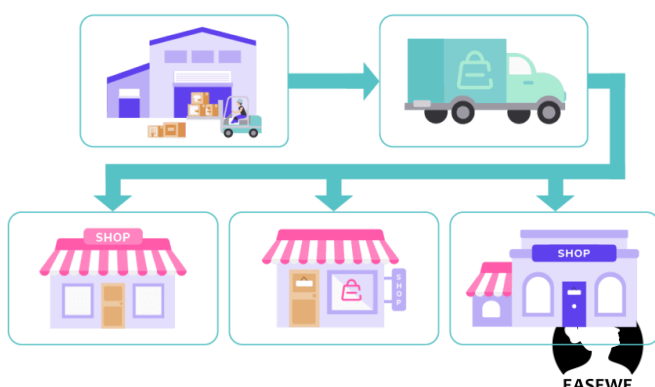
- Facebook Shop
- Instagram Shop
- Facebook Product Catalogue
- Facebook Pixel (retarget customers with ads, measure conversions, and setup dynamic ads)
- Facebook Messenger

Follow the steps listed below for starting using Facebook Pay on Facebook or Messenger:

- Firstly, you need to have a Facebook Business Page. If you do not have one yet, you can create it now, you can follow the guidelines provided by Facebook here: [Create a Facebook Page for your business | Meta Business Help Centre](#)

### Content

#### B2B: BUSINESS TO BUSINESS ECOMMERCE



#### Business-to-Business (B2B)

In B2B transactions, both the parties are businesses, such as manufacturers, traders, retailers, etc. For example, a manufacturer might need a certain part for its construction work. Nowadays, with e-commerce, most of these types of sales are automated. Inventories are tracked electronically, and when numbers drop below a



certain point, an order is submitted immediately to a supplier.

### Consumer-to-Consumer (C2C)

C2C transactions represent a form of trading. Auction sites are perhaps the best example of C2C e-commerce. Physical auctions existed before online auctions, but the internet made auctions accessible to many buyers and sellers. Online auctions are an efficient mechanism for price discovery. Many buyers find the auction shopping mechanism much more interesting than regular storefront shopping.

### C2C: CONSUMER TO CONSUMER ECOMMERCE



#### Further reading:

- Read more about e-commerce here: [Learn the Basics About E-Commerce \(thebalancesmb.com\)](https://www.thebalancesmb.com)
- Best practices in e-commerce: PCI Security Standards Council (April, 2017). Information Supplement: Best Practices for Securing E-commerce. Retrieved from: [https://www.pcisecuritystandards.org/pdfs/best\\_practices\\_securing\\_ecommerce.pdf](https://www.pcisecuritystandards.org/pdfs/best_practices_securing_ecommerce.pdf)
- Zott, C., Amit, R., & Donlevy, J. (2000). Strategies for value creation in e-commerce: best practice in Europe. *European Management Journal*, 18(5), 463-475.
- Learn more about security systems in e-commerce: [E-Commerce - Security Systems \(tutorialspoint.com\)](https://www.tutorialspoint.com)



#### Watch a video

Learn more about types of e-commerce:

<https://www.youtube.com/watch?v=R4Z5YIfJLQ&list=PLNnMBUpvY6JiDNTpNESlthsFZa6FDE-3B&index=10>

### Practical activity on types of e-commerce

State true/false for the following sentences:

1. C2C type of E-commerce deals with Business and Customer. **Answer: False (correct answer is B2C)**
2. The lack of a personal touch can be a disadvantage for many types of services and products in e-commerce. **Answer: True**
3. E-commerce provides more options to compare and select the cheaper and better options. **Answer: True**
4. M-commerce can be used through desktop computer. **Answer: False (correct answer is through mobile or a tablet).**
5. Social commerce is a subset of that involves social media like Facebook and gmail. **Answer: False (correct answer is Facebook, gmail is not a social media medium).**

## Content

### *Why should I consider security measures in such online activities?*

Despite the numerous benefits and possibilities that the use of the internet brings into your business activities, it also exposes every entity under threat. Some common threats are malicious emails, unsafe pop-ups, unauthorized breaches, virus and many more. When people make purchases online, they enter important information to make the purchase. Therefore, to protect consumer's data, *e-commerce security* is necessary.



Security measures should be undertaken regardless the business sector, whether you are managing in-store or online sales, and in the case of domestic or international sales. With the implementation of effective security measures, you will be guaranteeing not only the safety of your clients, but also your own business or your self's. With online measures it is however trickier, since experiencing any complaints, misunderstandings, errors, or faults, you will only be relying on the mechanisms that are controlled computer-wise, which will impact the relationship with customers and your reliability. Less worries, if these are detected and it is possible to react before any damage is done, but trouble comes when you are attacked without knowing about this. Then it is too late, you can introduce new measures, but such that will be effective from that very moment, exposing to risk any previously stored data. Therefore, the implementation of security measures is a necessity, but also the regular and precise control over them, regularly update the software and browsers, the basic security measures of online users.

When thinking about online safety, consumers usually identify it with payments online. They are not mistaken, but there is more behind it. Safety in e-commerce also includes:

- The ability to confirm both who the seller and buyer is.
- Encrypted (coded) transmission of data between the consumer and the seller, especially credit card details.
- Securing the server from unauthorized persons accessing the customer's data without their consent.
- Securing the server from third party attacks, both from outside (the Internet) or from inside (the LAN's).

Consider the fact that you are at the stage of setting up a business and are planning to sell online. This is a critical moment for your business. Therefore, it will be especially essential to thoroughly secure you online presence from the first online activity. The website performance, data storage, shipment procedures, currency exchange, tax or custom obligations, and payment options you offer are all closely related with guaranteeing secure online activities. These must be supported by anti-fraud solutions, security seals and SSL certificates. An SSL certificate is a digital certificate that authenticates a website's identity and enables an encrypted connection. Let's now concentrate on some of these security measures.

### *Website performance, including SSL certificates and security seals*

The first important thing is documenting that your e-commerce site is protected. Start by acquiring a Secure Sockets Layer (SSL) certificate. An SSL certificate links the domain name, server name or hostname with and organizational identity (i.e., company name) and its location. It is implemented in order to secure connections from a web server to a browser, in specific to secure credit card transactions, data transfer, logins and social media browsing. An e-commerce that has an SSL certificate will have a padlock or green bar next to the HTTPS protocol on the address bar, previously http ('s' in https stands for secure).

### *Further reading:*

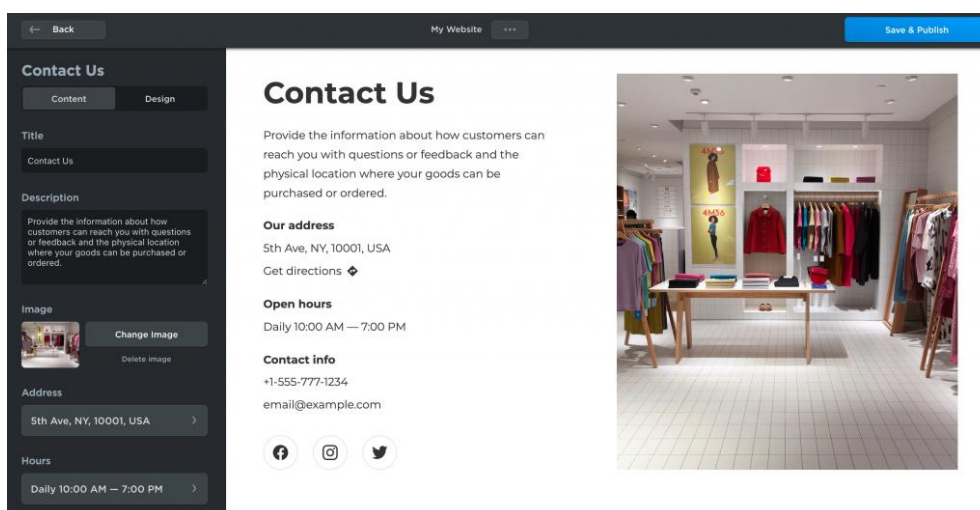




Read more about the SSL Certificate here: [What is an SSL Certificate & Why is it important? \(kaspersky.com\)](https://kaspersky.com/What-is-an-SSL-Certificate-&-Why-is-it-important/)

At this point work on the e-commerce site privacy policy. In line with the *GDPR legislation*, your e-shop is obliged to *inform customers why you need them to provide specific data* (check Unit 2 for more information). With the availability of a privacy policy for consumers to consult at any time, you are ensuring that the website is safe and that you are complying with the legislation. Return policies, safe shipment procedures, and ensuring delivery on time are also key security measures that customers are looking for.

Another important measure is providing your customers with *contact details*. This information does not necessarily provide protection but gives an indication how to reach the e-shop in case of any questions on own security or questions on how the consumer's data is being stored. A contact form is not enough. An e-shop should display the full company name, its email address, address (physical location or warehouse) and if applicable a phone number or other forms of contact (social media, VoIP) for the customer to reach you in case of any doubts, but also bank or transaction details. The more information you share, the more liable you will be in the eyes of your customers, increasing their sense of protection and impacting your conversion. See the example given below in the figure.



**Fig. 2.** Contact details of your e-shop. Source: [How to Build an E-Commerce Website](#)

Another important element to consider related to *trust seals*. A trust seal is a seal granted by an entity to websites or businesses for display. Trust seals comprise an example of security seals, documenting the adherence of your e-shop to a privacy policy, but also when the last security scan was conducted (i.e., for malware or viruses) and if your website is safe. A trust seal will show to your customers that you are using additional security measures to protect their safety, including their data and privacy.

There are two types of seals:

- Server verification.
- Site verification.

### Practical activity - Practice your knowledge in a quiz (correct answers appear in bold)

#### What is an SSL?

1. It is a code necessary for checkout in an online purchase

2. It is a type of website especially for selling products and services online
3. **It is a protocol that creates an encrypted link between a web server and a web browser**
4. **It secures online transactions; thus, customer information is kept private and secure**

#### What is the benefit of an SSL padlock icon?

1. It is added automatically once we setup a website for online purchases
2. **It prevents criminals from attempting to steal and customer info (like name, address, credit card number)**
3. Once inserted, is for a lifetime
4. **It empowers the trust between the online business owner and the prospect customer**

#### About trust seal

1. It is a digital signature needed by a customer during the checkout process
2. **It is a small badge displayed on the ‘payment’ page of a website**
3. **It demonstrates the concern of the online business owner on security transaction’s issues**
4. **It indicates the presence of SSL protocol (Https) between the visitor browser and the webserver**

#### Content (continuation)

The first will scan the hosting server for the elimination of dangers. The second will protect users from inserting undesired scripts into viewed pages (cross site scripting) and tampering user data, which may void transactions or the destruction of data (SQL injection).

An e-commerce that has a trust seal will have a badge or ‘secured’ / ‘verified’ message (e.g., Norton Secured) on its page, but also in many cases on the address bar, and its legitimacy can be checked by clicking on this icon to go to the page that verifies the authenticity of that seal. Another indication that the site is secured is the ‘protector’s’ green name in the browser’s address bar.

#### *Some additional safety precautions in terms of e-commerce*

Any of the above-mentioned security measures (or information about them) must be provided in your customer’s language. You should also be aware that depending on the country, different security measures may be required. If you are lacking a security measure that your customer is looking for, but which is a basic measure demonstrating the compliance of websites to protecting users’ safety and personal data, you will lose the trust and most likely the customer from that specific country. Especially, if you have customers visiting your site that have basic knowledge or skills on online security, privacy policies or information on the adherence to the principle of confidentiality of information should be clearly displayed and available in the customers’ languages.



For the safety of your customers and your e-shop, these are some online activities that you should be able to recognize and immediately eliminate since they are signs of **cyberattacks**. Some of those are listed below:

- *Defacements*. This means replacing a site’s content with their name, logo, and/or ideological imagery. The result is that your site is cyberattacked.
- *Suspicious pop ups*. This means fake messages that appear on the screen, usually clickable. The result is accidentally downloading malware and infecting your website/computer.



- *Malvertising*. This means malware advertising campaigns to spread malware and infect webpages. These advertisements are characterised by poor quality (spelling mistakes, incorrect product, etc.), so they should be easier to detect.
- *Phishing kits*. This means false websites imitating real sites that are intended to trick users. Although they may look very similar to their real versions, these websites are also characterised by poor quality (spelling mistakes, incorrect product, etc.), so they should be easy to detect.
- *Malicious redirects*. This means the redirection to an infected site and can be identified when you enter one URL and are redirected to another site.

***Further reading:***



How to protect yourself from them? Read more about the cyberattacks: [6 Types of Cyberattacks that Can Harm Your Business \(scnsoft.com\)](https://scnsoft.com/6-types-of-cyberattacks-that-can-harm-your-business/)

# Unit 2 – Data protection and online consumer rights

In light with the current regulations, personal data collection is governed by the consumer's consent that they agree that their data is collected and stored. Therefore, you must explain to your customers why you are asking for their data and that you are responsible for protecting it.



Personal data according to Cambridge dictionary is information held on computers that relates only to you, and that you do not want everyone to know. More information is also provided by European Commission on [What is personal data?](#)

*An obligation is the protection of personal and sensitive data, as well as the distinction between them as different levels of protection may be required. Personal data, apart from names, addresses or bank account details, are Cookies and IP addresses, and biometric data will be classified as sensitive data.*

## Categories of personal data

There are various classifications of personal data made by countries or international organizations. It is true that most are quite similar. Huang et al. (2020) combined different characteristics and commonalities of various classification methods as shown in the following table.

**Table 1: Categories of personal data**

Category	Examples
<b>Basic information</b>	Name, age, place of birth, date of birth, gender, gender identity, preferences, proclivities, personal photos, race, color, national or ethnic origin
<b>Identification</b>	Government-issued identification, driver's license, passport, health IDs, Social Insurance Numbers (SIN), Social Security Numbers (SSN), PIN numbers
<b>Biometrics</b>	Genes, fingerprints, voice prints, palm prints, auricles, irises, facial features
<b>Authenticating</b>	Passwords, PIN, system account, IP address, email address, security answer, personal digital certificates
<b>Medical and Health</b>	Physical and mental health, drug test results, disabilities, family or individual health history, health records, blood type, DNA code, medical history, medical device logs, prescriptions, and health insurance coverage
<b>Professional</b>	Job titles, salary, work history, school attended, education history, employee files, employment history, evaluations, references, interviews, employer data, certifications, disciplinary actions

<b>Financial</b>	Cars, houses, apartments, personal possessions, purchases, sales, credit, income, loan records, transactions, taxes, purchases and spending habits, credit records, credit scores, credit standing, credit capacity, physical assets, and virtual goods
<b>Communication</b>	Telephone recordings, voice mail, emails, SMS, phone calls, IM and social, network post, physical address, telephone number
<b>Contact</b>	Contact lists, friends, connections, acquaintances, associations, group membership, email address
<b>Browsing history</b>	Media produced, consumed, and shared: in-text, audio, photo, video, and other forms of media; Real-world and online context, activity, interests, and behavior: records of location, time, clicks, searches, browser histories and calendar data, purchases activity, online shopping, social network profile information and the like
<b>Device</b>	Hardware serial number, software list, IP address, Mac address, browser fingerprint
<b>Location</b>	Country, GPS coordinates, room number, longitude and latitude

### *General Data Protection Regulation (GDPR)*

#### **Practical activity – Padlet**

What do you know about GDPR? Give your idea by sentence or word here: <https://padlet.com/oliatsi/imriivo6wi0rbinb>

#### **Content (continuation)**

GDPR stands for ‘General Data Protection Regulation’. This is a regulation imposed by the European Parliament and Council, to each member state of the European Union. Its purpose is to protect the personal data of the European citizens. It became effective on 25 May 2018.

The regulation introduces limitations to both data collection and data use, explains data protection and data privacy, and limits data use without customer alienation. Digitalisation makes it easier to collect data, but with the introduction of GDPR the amount of collected data significantly drops. On the one hand it is the consumers that are more reluctant to provide their data, on the other hand it is the businesses that are starting to understand that they do not need to collect so much data. By collecting only the data that is relevant, you are demonstrating to your customers that you are only requiring that data necessary to, for instance finalize a transaction, not taking advantage of their data but taking care of their privacy and protecting their data.

Following the GDPR regulations, the processing of personal or sensitive data is prohibited unless agreed otherwise by the consumer. This implies the need to carefully secure any data you will be requiring from e-shoppers, for example for setting up an account, signing up for e-newsletters or in the payment process. Shoppers must understand that you (the retailer) need this data, why and for what purposes you are storing their data. No all consumers will understand this at once and may not be considering that you are protecting your own data as well.



In addition to EU members, any company which trades goods and services out of Europe, is subject to this regulation. Adherence to the regulation in each member state is monitored by the by the local commissioner who is appointed by the respective state government. Negligence to regulation compliance, leads to a penalty by the local commissioner. Penalty may be being just a serious notification, a ban of transactions of the business owner or even big financial penalty (amount up to 20 million euros or 4% of worldwide turnover for the preceding financial year - whichever is higher)!



### Watch a video

What is GDPR: <https://www.youtube.com/watch?v=w8FAoGHIymo>

## Enhanced personal privacy rights

Candidate customers, consumers, customers may give their CONSENT to a Business owner (i.e.: eShop/website owner) for the latter to have these data be stored and processed. A clear statement by the Business owner on the reason for data collection is needed to be given. For example:

*'A person's data may be collected for the sole reason to have the transaction between the two parts, for sending the products to the customer or for sending just further information before the final agreement.'*

Main rights of people who give their consent on their personal data collection by a business entity are listed below.

Right to:

- Access to his/her personal data
- Rectify – correct any errors
- Erase their given data by business storage systems
- Restrict data processing
- Data portability (transfer their data elsewhere)
- Reject any automated individual decision making (and right to request a human intervention instead)

As per the General data protection law, three principles need to be satisfied for the personal data collected. These are Confidentiality, Integrity, and Availability. By **Confidentiality**, it is meant that the data, which is collected and stored by the business owner, is accessed, and processed only by the people who have been authorized to and not others. Second principle, **Integrity** implies that the personal data that was collected by the business owner is stored as accurate and consistent as given by the personal data owner/customer. This is implied for the data, over its lifetime. Third principle is **Availability**. That is, personal data collected and stored by the business owner must be available any time to anybody who has been granted access and process of (by the Business owner). Abbreviation of the above principles in the GDPR world is CIA -Initials of the three principles and not the well-known Central Intelligence Agency of the United States of America.



### Watch a video

Video on consumers' objections: <https://www.youtube.com/watch?v=Fh7MNJdKCGM>

In e-commerce data collection and data storage is not necessary for the purpose of completing an order. It can be for the purpose of tracking/analysing consumer's online behaviour or their subscription to an e-newsletter. However, whichever the case, the consumer must confirm they agree for the website/e-commerce to collect their data, which applies under the GDPR.

The *Digital Single Market Strategy* of the EU (launched May 2015) is among others for the protection of customers' rights online, thus affecting the rules behind e-commerce. This is an ongoing process; hence important steps have already been made to guarantee consumers' online activities. If your business is present in the digital online space, you will be obliged to act in compliance with these rules. If your e-commerce will be demonstrating pro-activity, then you will be building trust and honesty of your brand.

The new rules and main postulates of the Digital Single Market Strategy are, among others, aimed at:

- Payment services.
- New cross-border parcel delivery services.
- Banning geoblocking.
- Additional consumer protection rules (into force in 2020).
- New VAT rules for online sales of goods and services (into force in 2021).

The purpose of the Regulation (EU) 2015/2366, namely the *Payment Services Directive*, is to increase consumer rights, guarantee safe and faster payments, describe refund rights, give clear information on payment methods, and promote mobile payments. It is for the benefit of both the consumer and the trader.

In any case, a business owner who collects personal data from candidate customers and customers must ensure the adherence to the above principles by applying further organizational and technological measures which are beyond the scope of this module. In the text that follows, you may have a look at a sample of a private policy. A private policy is a document created and posted by the online business owner on its eCommerce shop/website. This policy shows how the business owner collects, manages, and protects the personal data of its customers (Like Name, email address, shipping address, phone number).

Sample of a Privacy policy template:

# Sample Ecommerce Privacy Policy Template

## Privacy Policy

Our Privacy Policy was last updated on [DATE].

This Privacy Policy describes Our policies and procedures on the collection, use and disclosure of Your information when You use the Service and tells You about Your privacy rights and how the law protects You.

We use Your Personal data to provide and improve the Service. By using the Service, You agree to the collection and use of information in accordance with this Privacy Policy.

## Interpretation and Definitions

### Interpretation

The words of which the initial letter is capitalized have meanings defined under the following conditions. The following definitions shall have the same meaning regardless of whether they appear in singular or in plural.

### Definitions

For the purposes of this Privacy Policy:

- **"Account"** means a unique account created for You to access our Service or parts of our Service.
- **"Company"** (referred to as either "the Company", "We", "Us" or "Our" in this Agreement) refers to [COMPANY INFORMATION]
- **"Country"** refers to [COMPANY\_COUNTRY].
- **"Cookies"** are small files that are placed on Your computer, mobile device or any other device by a website, containing the details of Your browsing history on that website among its many uses.
- **"Device"** means any device that can access the Service such as a computer, a cell phone or a digital tablet.
- **"Personal Data"** is any information that relates to an identified or identifiable individual.



### Watch a video

Learn more about GDPR by watching the video:

<https://www.youtube.com/watch?v=6pzPKaJeRCw>

## Practical activity - Create a 'Privacy policy' document

Create a 'Privacy policy' document (using the link provided below) with information on the reason you do collect the personal data from your customers and other relevant information. Once the policy is generated, you may download it as a Word file, or use the script and post it on your website (on a separate webpage called 'Private policy') so any visitor of your eCommerce website can read it and develop trust on you as a Business who is privacy sensitive with the personal data it collects.

Open your web browser and go to <https://app.termsfeed.com/wizard/privacy-policy>



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of the European Union

Follow the wizard.

**Practical activity - Practice your knowledge in a quiz (correct answers appear in bold)**

1. GDPR stands for:
  - a) General Data Production Restriction
  - b) General Data Privacy Regulation
  - c) **General Data Protection Regulation**
  - d) Generic Data Privacy Regulation
  
2. GDPR compliance is required by Business Owners of:
  - a) All countries worldwide
  - b) All states of America
  - c) **Any country who trades goods and services with citizens of European states**
  
3. In the context of GDPR, what are the rights of a consumer:
  - a) **Access his/her personal data**
  - b) **Correct any mistaken data**
  - c) **Reject any automated decision-making result**
  - d) **Claim a human being intervention for a decision-making process by the business owner**





# Unit 3 – Secure payments

Technology tremendous advancement the last years, is a fact. In all life's sectors, from Medicine to engineering, to education, up to purchases via the web. That is, eCommerce. As stated in a Report of UNCTAD (United Nations Conference on Trade and Development) on 3rd May 2021: 'The dramatic rise in e-commerce amid movement restrictions induced by COVID-19 increased online retail sales' share of total retail sales from 16% to 19% in 2020' (UNCTAD, 2021). It stated also that 'global e-commerce sales jumped to \$26.7 trillion in 2019, up 4% from 2018'. Based on this huge opportunity raised for merchants and consumers and the high levels of eCommerce growth, further to the growth of the applications for design and build an online store, the options for payment methods also had a distinctive increase in number.

Merchants' best vehicle to differentiate among the numerous competitors in the world of eCommerce, is the right payment method.

The overall shopping experience shapes the final step. i.e., will the eStore visitor, being at the check-out page finalize and buy? A big percentage of this answer depends on the payment method(s), the merchant will present to the visitor.

Decision on the payment method, is better to be based on the target group/candidate customers. The group they do belong. Demographic group i.e.: Age, sex, education level, digital literacy level, financial level. Geographic region (Country, availability of different payment methods)



## *Secure payments*

Payment is the most sensitive area for consumers, so when offering your customers to make online payments, make sure you convince them that the offered payment methods are secure. Keeping your consumers informed will increase their certainty in the safety of the service you are providing. For example, not all consumers are aware that entering credit card or debit card information is done through an encrypted page, therefore the e-shop does not have access to sensitive data (in this case, card number). Explaining the payment process is a

step to earning their trust.

## *Secure payment methods*

Popular payment methods in eCommerce:

### **Credit card payment**

Most used method in the eCommerce industry. Consumers need just to enter the card details along with their respective CVV (Card Verification Value) as issued by their Bank. Most popular companies worldwide for credit cards (in cooperation with Bank institutions worldwide) are Visa, Mastercard.



### **Watch a video**

How Do Credit Card transactions Work?

<https://www.youtube.com/watch?v=k76g9jQMxAo&t=4s>



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## **Debit card payment**

After credit card, payment with debit card is one of the most popular ones, worldwide. It is mostly used by less financially privileged people as a debit card is connected to a bank account with person's 'only' savings. (No excess is allowed)

## **Bank Transfer**

In this method, the consumer transfers money to a bank account, around the world. It is considered a safer way to transfer money as the transaction should be approved by the customer. (Making though the shopping experience longer and slower).

## **Direct deposit**

With this method, the consumer can transfer the amount of money of the goods and services purchased, directly to the seller's (eShop owner) account. Fast way, old fashioned maybe due to the rise of more innovative technologically methods.

## **App payments**

This method refers to the option of purchase within the app itself. An action call, prompting to 'Buy here' may lead to the payment within the app itself without the need to exit and go to another site for purchasing. Examples are Facebook, Instagram (social media pages).

## **Cryptocurrency**

Crypto payment, a more innovative payment method is a cheap, quick, and fast ways to transfer funds. For international funds transfer, there is no need for local currencies use. A crypto card may be used. The eCommerce business owner may accept payment via a digital invoice as a QR code is. The customer can scan this code and gets the necessary information: the amount to be paid and the wallet address, that amount needs to be transferred. The customer may confirm the payment and the crypto is transferred to the eShop account or digital wallet. This method ensures the payment in a few clicks, in safety and in convenience (as it is not done manually).

## **Electronic wallets**

Another innovative payment method, with additional names as Digital wallets or e-Wallet. E-wallets function as storage for both, the buyer's funds and the eShop owner information. The customer needs to link his/her bank account to an e-wallet. Deciding to pay online with his/her e-wallet, the customer will be directed to the e-wallet page. Password input will ensure the product purchase. Lately, this method became highly preferred by consumers, considering the fact that there is no need for entering any debit/credit card credentials. Most popular e-wallets are Amazon Pay, Apple Pay, Google Pay and Ali Pay.

## **eCommerce Payment Gateways**

This is a service given by a third-party company. It facilitates the financial transaction among the buyer, the eBusiness owner and the Bank i.e.: it processes the buyer payment information and generates a link to allow him/her (the buyer) to complete the purchase. The eBusiness owner needs to sign-up and integrate the payment gateway tool. Afterwards, the eShop owner will only need to wait for the payment processor to deposit the purchases in his/her merchant account.

The financial cost that the eBusiness owner has towards to the third-part company offering the above service, at the beginning is high but the return of investing is satisfactory. Popular eCommerce payment gateways are PayPal, Square and Stripe.

## PayPal: One of the most popular payment gateway systems.

PayPal has over 250 million users worldwide. Therefore, having PayPal as a payment option in your eCommerce website, you offer the feeling to the visitors to feel familiar and most probably proceed with the purchase of your products/services.

Learn more about the aforementioned payment methods here: [Best Payment Methods for Your eCommerce Store](#)

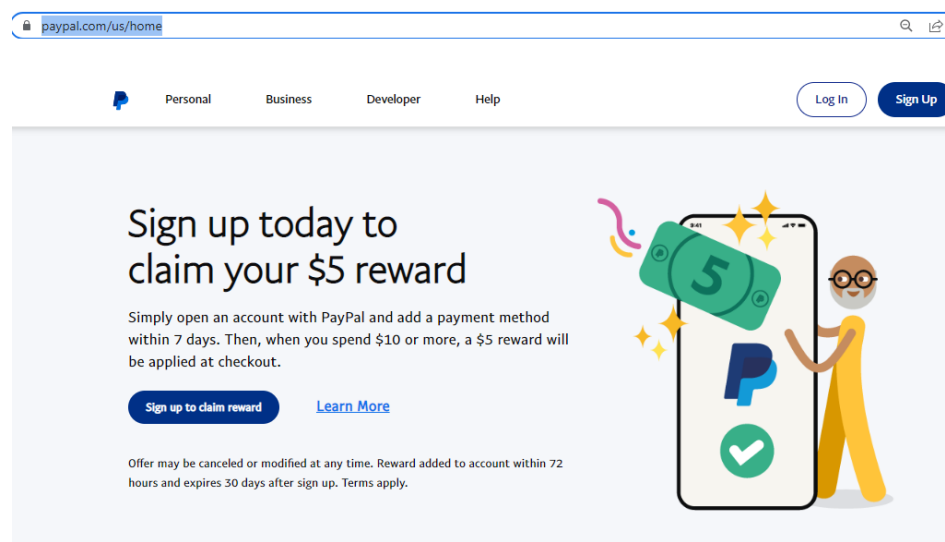
### Practical activity - Create a PayPal Business account

A PayPal business account makes it fast and easy for businesses just getting started, as well as those that are more established, to accept and process credit card payments, debit card payments, and more in over 25 currencies and from over 200 countries.



Before you go to the website of PayPal (as given in the URL below) to create your PayPal Business account, you may watch a video/tutorial here: <https://www.youtube.com/watch?v=JWSK-LqUge4>

To create your Business paypal account, go to: <https://www.paypal.com/us/home>



Need to connect PayPal with your online store? [Sign up for a Business account →](#)

Click on ‘Sign up for a business account ‘

By clicking on ‘Sign up for a business account’ it takes you to:

# Millions of businesses put their trust in us

Here's why you should too -  
400M+ active customers  
30% more repeat buyers<sup>4</sup>

Contact Sales Sign Up

Talk to an account specialist to get started, 1-855-456-1330.



Press to the button **Sign Up** which is next to 'Contact Sales'

You are presented with a prompt to give your Business email:



Sign up for a Business account

Enter the email address you'll use to sign up or log in

Continue

Then, another prompt, to enter a password:





## Sign up for a Business account

< your email >

Continue

Pay attention to the guidelines of password:



## Sign up for a Business account

< your email >

Enter at least 8 characters.  
Enter at least 1 number or symbol (!@#\$\$%^).  
Don't use common words.  
Use upper and lowercase letters.



## Sign up for a Business account

< your email >

Continue

Once you give/created the password, next prompt is to give the info on your Business as below and continue.



## Tell us about your business

We'll confirm your information to help keep your account secure.

### Business contact

### Business details

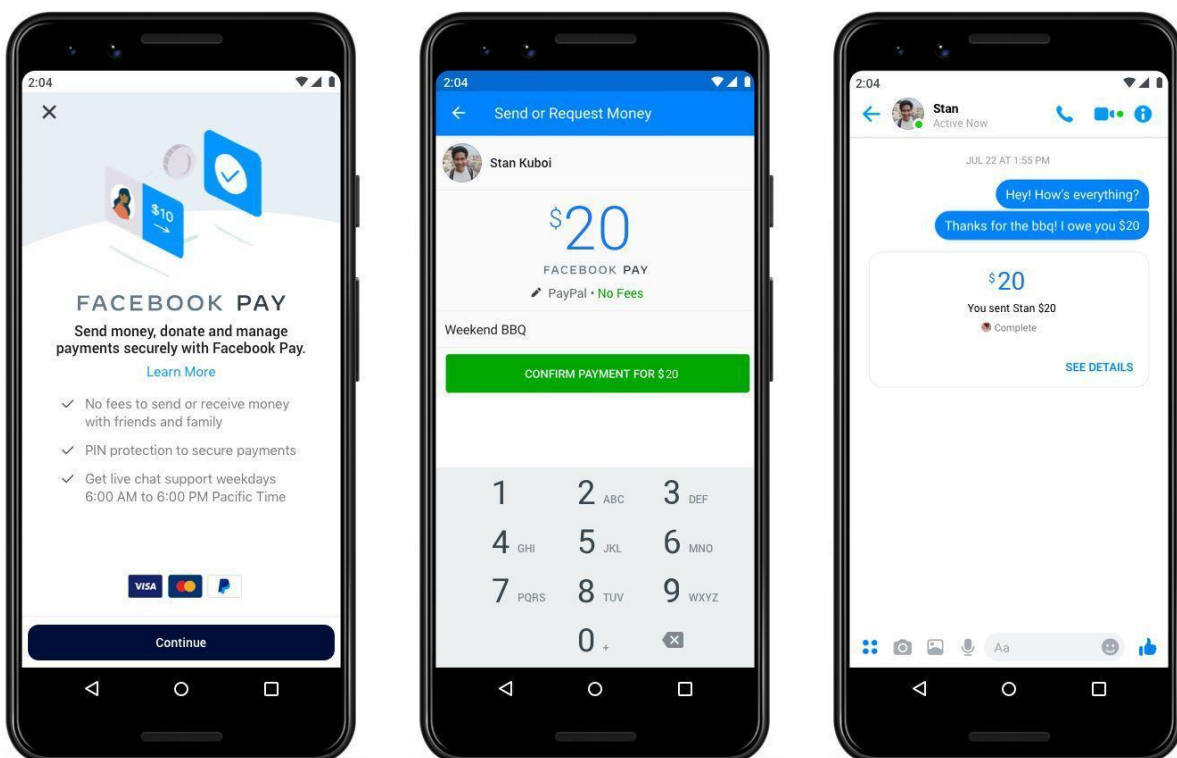
### Business phone number



## Practical activity – setting up a payment method on your Facebook page

In this practical activity we are going to set a payment method in your Facebook Business page. Follow the steps provided below.

- Go to your Facebook Business Page, go to “Settings” and then choose “Facebook Pay”.
- Add a payment method
- You can choose to setup Facebook Pay across the different apps (where available) — Facebook, Messenger, Instagram, and WhatsApp
- Watch the following video to see how this method works: [Facebook App - Facebook Pay | Facebook](#)



**Fig 3.** Facebook Pay. Source: [How You Can Receive Payments on a Facebook Business Page](#)



### Watch a video

Security measures for your eCommerce Business:  
<https://www.youtube.com/watch?v=dCUaIvIFyv8>

Tips on Online Banking Payments: <https://www.youtube.com/watch?v=wWPFBDsK0uo>

## Practical activity – your eCommerce business

In a Padlet app, give the title of your dream eCommerce business. Write down in bullet points or in more details what are you thinking /dreaming to sell online. What product or services. Who will be your target group customers? Is this online business will sell via a Custom website -eShop or are you going to benefit from any of the various apps like Facebook, Instagram, eBay, Etsy or other for eCommerce activity? What payment method are you planning to offer to your worldwide customers and why?

## Evaluation quiz

Choose the correct answers for each question. More than one option can be correct. (Correct answers appear in bold).

1. E-commerce is a channel for:
  - a) **Consumers**
  - b) Traders
  - c) **Suppliers**
  
2. Safety in e-commerce implies:
  - a) **Protecting the back end of the website**
  - b) **Protecting customer data**
  - c) **Protecting online payments**
  
3. Encrypted data in e-commerce means:
  - a) Rewriting data for the means of e-commerce
  - b) **Coding data to protect sensitive data**
  - c) **Hiding data from revealing it to third parties**
  
4. Examples of digital security include:
  - a) SSL certificates, trust seals, malware
  - b) Trust seals, privacy policies, phishing kits
  - c) **Privacy policies, trust seals, SSL certificates**
  
5. Popular payment methods in e-commerce include:
  - a) **Bank transfer**
  - b) Providing credit card details to the seller
  - c) **Credit card payment**

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# **Module 6 - Markets of Culture and Creativity**

# UNIT 1 - HOW TO ANALYSE THE MARKET CONTEXT AT THE LOCAL LEVEL

Market research is a process to gather information on customers or potential buyers and on the market itself, so to better understand the potential customers, their reaction to a product or service launched according to their needs and expectations, and how the product/service performs in comparison to competitors. Thanks to market analysis, companies and business owners receive information and hints to adjust, improve and tailor their offer to meet market demand of the target group.

The same principles valid for commercial companies hold for freelancers and beginners. In order to understand market and customers, beginners need to start thinking themselves as business.

In general, two types of market research can be carried out:

- **Primary research**, aimed at creating personas for your customers and learn more about the target segment of the market
- **Secondary research**, which is conducted with data from external sources as reports, public research, databases, ... and can give a general understanding of a market or segment of it.

Which kind of information can be obtained from a market analysis?

- People's attitude towards a specific aspect, product, service, brand
- Trend of the industry
- Challenges and barriers of a certain industry
- Where and on which channels customers buy or look for information and opinions
- Which aspects influence the decision-making and purchasing process
- Pricing
- Ways to build a relationship with your customers

## How to start a marketing research?

In order to start collecting these pieces of information to build the offer, a business owner, being it a freelancer or a multinational company, needs to ask and find an answer to these crucial questions:

- Who are the customers/clients of my offer? What needs, preferences and expectations they have?
- Where do they buy?
- Who are the main competitors?
- How do my customers feel about aspects as price, promotion, packaging? What do they value the most?
- How could be my product/service improved to meet expectations of the customer?

The main aspects to consider when conducting a local market analysis are therefore:

- A. Market area, meaning where the customers buy the product. There are different factors influencing this dimension: the type of products, the channels adopted to sell, the presence of competitors.
- B. Customer, who buys the product. Building the profile of the ideal customer, or buying persona, helps in creating a more tailored offer, understand the market and the potential for selling.
- C. Competitors in your market area, and if they have successful practices.

The first thing to conduct a market analysis is to build a **plan**, understanding first for which **objectives** the research is carried on: does it have the aim of identifying and know more the ideal customer? Or to find out more about competitors?

Having a clear plan and objective in mind help you structure a valid and successful marketing research, which focuses on the needed data.

When the objectives are clear, it is time to define how the analysis will be conducted, meaning the **research strategy** with a clear plan of action, stating how the information will be collected and analysed, the instruments (surveys online, focus group, discussion on social media, secondary sources as publication and reports, ... ), the timing and resources for the research. The choice of the sample is strongly connected.

After the collection, data must be analysed and interpreted in light of the set objectives, so as to draw conclusions and identify meaningful insights.

The final stage of the research involves understanding how this pieces of information can apply to the business, for example in terms of improvement of the product and customer satisfaction.

# UNIT 2 - TRANSITION FROM TRADITIONAL PRINT MEDIA TO DIGITAL

In order to understand the transition from traditional print media to digital one that is happening in the last years, it is essential to define firstly what they are, their differences and similarities.

Traditional marketing uses offline instruments as media, TV and radio, magazines and newspapers, direct mail and telephone, billboards and flyers, to advertise and promote products and services.

On the other hand, digital media advertises products and services through online channels, as softwares, websites and social media, promoting through electronic devices. It is a marketing strategy in continuous evolution, following new technologies and trends, and it has the capacity of reaching a wider audience as more and more people have access to internet and social media. Common techniques used are: contents and ads on websites, email campaigns, SEO (search engine optimisation), affiliate marketing.

But when was Digital Marketing born?

The definition was firstly used in the 1990s, and it started diffusing in connection with the evolution on the Web at the point in which users could also upload their content on the internet besides only looking for information. The first clickable banner was created in the first half of the 90s, and in the same years Yahoo was created, while in 1997 the first social media (SixDegrees.com) was launched.

The nature of the two marketing experiences are intrinsically different, the traditional one being more static and with a low potential of engagement, the digital one allowing a higher rate of interaction and a more dynamic experience, and a two-way communication.

Even if the digital progress fostered the transition from traditional to digital marketing, there are still companies making extensive use of traditional methods. The choice varies according to different factors, the first one being the target audience the advertisement wants to reach. If for example the target audience is mostly made of elderly people, then research show that traditional means work better than digital ones. The same happens if the promotion is run by a small local business: traditional marketing with flyers and offline contact has better results if the aim is to involve people at local level.

Digital marketing, on the other hand, thanks to its greater outreach, can involve a global audience, faster and at a lower cost, or even for free in many platforms (let's think about emailing for example, or social media accounts), avoiding all the costs of traditional marketing related to printing and shipping.

Digital marketing allows a greater flexibility in producing, correcting and updating materials.

Moreover, it is way easier to measure the return on investments, the effectiveness and the engagement of the target audience, in the form of social media followers, click and visit to the website. These data allow to get insights on the type of content or channel which is most effective and performs better, or the best time of the day to publish a content.

Also digital marketing, however, has its downsides. First, digital promotions can be seen as annoying and while surfing the internet, as pop-ups.

Furthermore, as opposed to traditional marketing, the forms of digital marketing, as ads on social media or banners, are temporary and, most of all, can be neglected going from one website or page to another.

The transition from printed marketing to digital one is going on for years, and will progress in the future with the evolution of technologies. The Covid19 pandemic put on display the need and request for digital content more than ever. This tendency will influence not only the way in which business will promote their products and services, but as well how entities and institutions as Universities, non-profit organisations, Public Administrations will communicate.

### Practical activity:

Match the terms which belong to traditional marketing and digital marketing

DIGITAL MARKETING	TRADITIONAL MARKETING
-------------------	-----------------------

### Terms:

Social media, Email marketing, Print media, SEM, SEO, TV, Billboards, Standardized targeting of customers, Customized targeting of customers, More expensive, Less expensive, Hard to measure, Measurable, Flexible, Permanent,

# UNIT 3 - HOW TO START A SALES CHANNEL

A sales channel can be defined as a touchpoint between the customers and the seller. Through sales channels, freelancer and companies can reach their customers and present their offer. These channels can be direct, if there is a straight contact between buyer and seller, or indirect, if on the contrary there is an intermediation of a third part, as a retailer.

Each channel has specific characteristics, advantages and downsides, and they do not get to the same target audience. When starting a business, or when trying to reach a wider audience, before choosing the appropriate channel(s) it is necessary that the main features of the product and business model are set and clear: the type of product to sell, who the customers are (in terms of age and demography, habits, preferences, ...). This analysis is fundamental both for the choice of a physical shop, when the location is key to attract clients, and for e-commerce.

With the development of the digital age, those who sell a physical product are sometimes taking advantage also of online channels, to reach a target audience which goes beyond the area covered by a physical selling point.

Exploiting an online sales channel will benefit first of all in terms of a wider reach: research shows that buying online is an increasing trend, especially among younger generations, and selling online represents therefore an opportunity of growth. Moreover, startup and management costs are lower than the ones of a physical shop, and especially in the initial phase it can constitute a starting point without the risks connected to a physical store. Another crucial element is the direct client interaction that can be established, which represents a key element especially at the beginning of the activity. Positive feedback will influence new customers, while negative ones give suggestions for improvement.

When running a business online, the goal is not only to attract people, so they visit your marketplace or website, but to invite them to buy your product. In order to turn them into customers, it is essential to pay attention to some dimensions:

1. **Understand what customers are looking for.** In this sense, the interaction and contact with customers is fundamental, as through feedback it is possible to improve the product and the services offered. Contacting buyers both online and offline, asking and exchanging for feedback and suggestions is the key to develop a successful and respondent business.  
Observing and monitoring their preferences is another way of understanding what the customers want, what product they prefer, ... You could also look at what competitors and other sellers are doing successfully and is appreciated by customers, so to implement in your own business.
2. **Keep it professional.** Pay attention to the graphic and the order in your website, platform or marketplace, make sure the customers have all the needed information, remember keep everything up-to-date.
3. **Include a clear »Call to action«.** If you want your customers to buy, subscribe to a newsletter or follow you on social media, write it clearly and invite them for the desired action.
4. **Explain how to buy.** Share clearly dimensions of the product, payment methods, delivery times, shipment and refund policy.

Freelancer and business owners are sometimes afraid to start selling online, worrying about their lack of competences and ICT skills, but today various resources are at disposal for free or at a low cost even without knowing how to code. The choice of the correct platform here is fundamental, to avoid paying extra costs and to be aware of the possibility and limitations of free or low cost versions. When choosing your platform, pay attention to factors as features available, website load speed, data security, payment methods accepted, ...

Other dimensions to keep in mind:

### **Promotion of the online store**

Often, a multidimensional approach is advisable, with different instruments as social media, newsletters, paid advertising, search engine optimization. Social media as Facebook, Instagram and Pinterest allow to upload photos, descriptions and information. There is no need to use all of them, the choice should be made on the target groups and on their habits and preferences.

If your social media channel already have a solid base of follower, use its power! Otherwise, the time spent on updating and maintaining your social media channels is an investment for the growth of your business. You can increase the frequency of the posts, invest on the graphics you publish. According to the nature of your product, short and engaging videos can foster the engagement of customers. Social media allow immediate interaction, involvement and brand awareness.

Newsletters can be used to inform about new releases, product categories and sales, containing fun and engaging information.

**Tip:** you can use Canva ([www.canva.com](http://www.canva.com)) to create graphics, posters and posts for your social media.

Use MailChimp ([www.mailchimp.com](http://www.mailchimp.com)) to send creative and fun newsletters.

### **Shipping methods**

In Ecommerce, shipping is at the core of the offer. Having a structured shipping strategy requires providing customers with cheap and fast shipping methods. Having a good shipping is not made of countless options, but on a combination of options, customers' needs and expectations.

There are different types of shipping:

- **Free shipping**

Free shipping has a lot of benefits for the customers, and will increase the purchasing in your online shop, but the costs need to be absorbed. The idea is to keep shipping costs as low as possible, but especially at the beginning of your business providing free shipping can be too expensive and not sustainable for the activity to grow.

- **Flat-rate shipping**

In this case, the cost of the shipping is not changing according to dimensions, weight or size of the product. So the customers pay a single price no matter what they buy, and that ensures clarity and transparency during the purchasing process.



## - Real-time rates

Real-time rates correspond exactly to the costs that the carriers charge to the business owner. The cost changes according to size, dimensions, weight, shipping destinations. It is essential to state clearly the shipping costs to the customers at the check-out.



## WHERE CAN YOU SELL YOUR PRODUCTS ONLINE?

When putting products out for sale, a seller can choose if to use own platforms or external websites and marketplaces. Having only your own ecommerce website or social media as the main channel for selling is an option, but it will most probably not give enough visibility to create stable flows. Usually, it is advisable to create a mix of channels, to create a comprehensive showcase of the offer, but everything depends on the type of product.



Facebook Shops: it allows to create a personalised online store accessible through Facebook and Instagram, showcasing a collection of products that can be explored, browsed and bought by customers. The graphic and design of the shop can be changed and customised. In Shops, for each product it is possible to specify all the details as price, mode of purchase, ... and to manage the process from booking to shipment.

Marketplace gives the opportunity to shop and sell items. Specifically, through Marketplace sellers can show their items with the correspondent price. Customers can also directly contact the seller to get information or negotiate on the product.





Instagram is one of the most used app in the world, with a huge number of users, and can help share the products to a wide public.

Selling on Instagram requires a Facebook Shop and an Instagram Business Profile, which has to be connected with a Facebook Business page. Once your Instagram profile is approved for shopping, then it is possible to tag and highlight products in each post, instead of putting the link in the description of the post. When selling on Instagram, the picture is the linchpin, so it is necessary to invest time in creating a compelling and engaging graphic, using as well stickers and other Instagram elements.

**TIP:** try to develop your own aesthetic, with a style and colour palette, so to give consistency to your posts.

Pay attention to the use of relevant hashtags!

## Etsy

Etsy is well-known marketplace for hand crafters and artists. According to surveys and research, certain products as art, jewellery and home and living perform better on Etsy. As more and more small businesses and artisans sell on Etsy, it is recognise as a marketplace where to find unique items and purchase from small and local business.

Setting up an account and a storefront on Etsy is simple, and requires just a little personalisation. As for Instagram, visual elements are one of the most important factors, so invest some time on photography. Even if creating an account is free, Etsy has some limitations and charges fees both on transactions.

### **Case study: Selling on Etsy/ How to kickstart your etsy store with Jess Van Den**

Listen to a podcast episode on Jess Van Den's story, who started making and selling jewellery as a hobby in 2008, turning it in a full-time business in 2010.

<https://www.jewellersacademy.com/blog/2021/selling-on-etsy-how-to-kickstart-your-etsy-store>



eBay is a business with operations in about 32 countries. The company manages the eBay website, an online auction and shopping website. The website is free for buyers, while sellers have a limited number of free listings and are then charged both for listing items, and separately when the products are sold.

Sellers can list products at fixed prices or auction-stlye, and to show their item it is possible to use pictures and descriptions.



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Amazon is one of the largest marketplaces in the world. When selling on Amazon, you can choose among different plans, with different associated costs). Moreover, a referral fee will be collected by the platform as a percentage of each transaction, varying for different category of product.



When Pinterest was launched, it was mainly a place to browse through DIY ideas, recipes and hand-crafting for inspiration. Now, research show that 47% of visitors use Pinterest just to purchase and research new products.

Setting a Pinterest account is easy and quick, and there are different ways to sell items, as Buyable Pins, Rich Pins, Promoted Pins. Each one works differently in terms of visits and purchase process. A Pinterest account can also be connected with an Etsy marketplace.

### Practical activity

#### True or false

1. Through local market research, a business owner gets information on customers and on the market as a whole **(T)**
2. Market research is not necessary at the start-up phase of a business **(F)**
3. Traditional marketing is still the best instrument to reach certain target groups **(T)**
4. Digital marketing allows to have more flexibility and to reach the target audience at a lower cost **(T)**
5. With flat-rate shipping, the cost changes according to size, dimensions, weight, shipping destinations **(F)**

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# **Module 7 - Management of Cultural and Creative Enterprises**

# Unit 1 - What is business management?

Business management means defining a business's strategy as well as planning and coordinating all phases of its operation, i.e. the work of employees, the use of available resources such as financial, natural, technological, and human resources.



Practical activity: What do you think are the tasks when managing a small business? Discuss in the group.

If you are the owner of a small business within the cultural and creative market, you will most likely have to do most of the management activities yourself. When you start your business it is advisable to create a **short- and medium-term business plan** in which you determine where your business should be in 2-3-5 years. Your plan should include the **market analysis**, the analysis of your **competitors**, a **marketing plan**, and a **business operation plan**. If more people are working within your business, it is also useful to create an **organisational plan**. Your **financial plan** will numerically support everything you describe in the text of your business plan.<sup>1</sup>

<sup>1</sup> 16. Startup Guide, press online, 2021

Once your business is already operating, **managing operations** is an important part of your management activities, such as maintaining the company's success and its customers, promoting its growth, which makes **quality control and quality assurance** needed. This may apply to the manufacturing process, to product quality, to suppliers and personnel, etc. You will also have to keep track of sales, cash and credit, revenue and profits.

**Financial management** tasks are one of the most important parts of the management of a small business. Developing an accounting system that provides information, not just a bookkeeping that records sales and payments, might be important for you. Financial management might involve creating, maintaining, and analysing documents such as the general ledger, annual budget, balance sheet, income statement, cash flow statement, and accounts receivable and payable. The business must also have access to sufficient cash and credit and avoid over-indebtedness<sup>2</sup>.

Managing your business means not only mean setting the **strategic goals**, but also **planning** and creating the **tactics and identify the specific steps** to reach these goals. In order to reach the goals a **timeline** must be set and kept, the **performance must be monitored** and **regularly evaluated** (e.g. annual SWOT analysis), so that problems can be identified and solved by **adjusting processes**, tactics, communication, etc.

Read more about the branches of business management: [What Are the Branches of Business Management?](#)

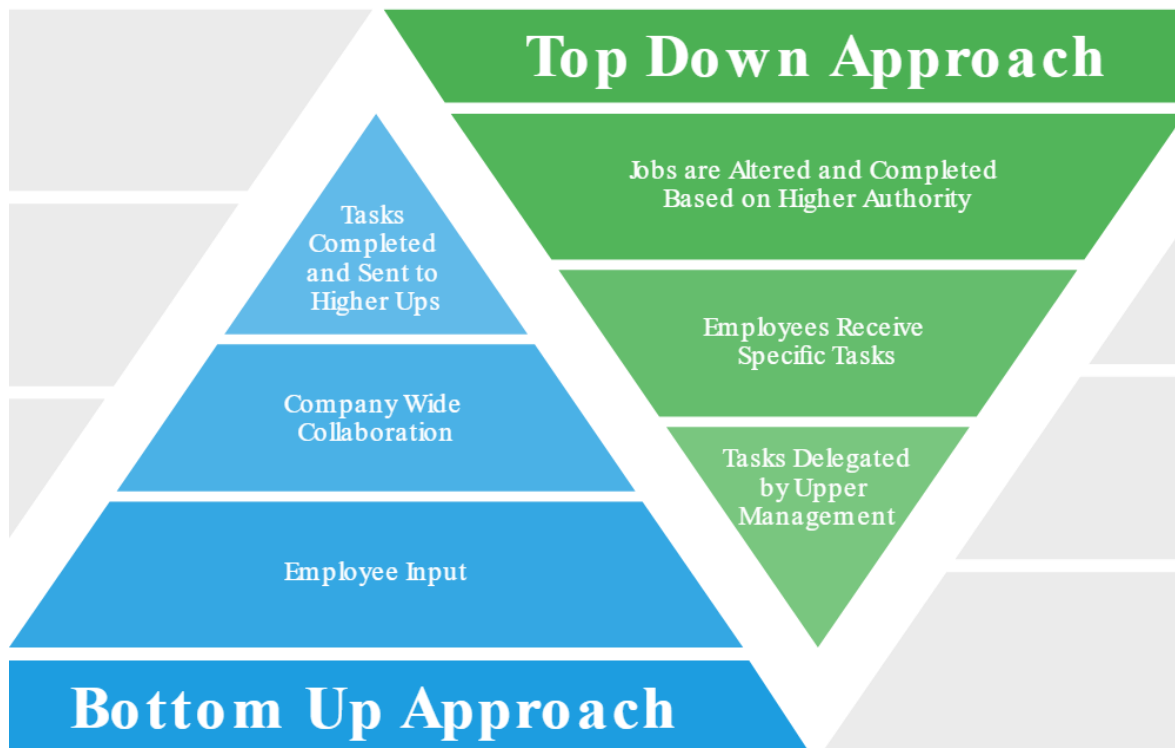
### 1.1. Top down vs. Bottom up management

The traditional management approach is the top-down management approach, where the business owner or the leadership sets the goals and the business's directions and the others only execute. While bottom-up management is the opposite, where ideas, goals and projects are gathered by the team and individual contributors, and continuous feedback is required and provided.<sup>3</sup>

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<sup>2</sup> <https://smallbusiness.chron.com/definition-small-business-management-3994.html>

<sup>3</sup> <https://www.betterup.com/blog/top-down-vs-bottom-up-management-approach>



<https://www.smartsheet.com/top-down-bottom-up-approach>

The characteristics of the Top Down approach are the clarity of responsibilities and tasks, as well as the power and authority. This hierarchical approach brings with it the standardisation of products and services, and facilitates quality control, and makes it easier to make decisions and reach goals faster. The risk of the Top Down approach is that there is no room for feedback and discussion and therefore bad decisions may occur. Also, employees might not identify with the company's values and are less motivated, as there is very little room for creativity, which might lead to employee dissatisfaction.

The Bottom Up approach is very different. Here the entire business and its goals are shaped by its employees, therefore it results in a unique perception of the company. The employees can contribute to the success of the company, which has a more interoperable organisational structure. They can add their creative input, discuss ideas on different levels, give and receive feedback. It is an advantage for both the business's owner and its employees that decision making processes and assets can be reallocated.<sup>4</sup> This approach leads to greater employee engagement, they are more motivated and feel more connected to the business.

Most businesses are not strictly operating along one approach, most organisations will fall somewhere between the two ends of the spectrum. However, startups and especially small businesses operating within the cultural and creative field are typically using the Bottom Up approach, as in a small group of creative people the exchange of ideas and feedback is feasible and forward-looking. It is however important that you create an environment, where employees and team members are happy to share their feedback. It is also essential to have guidelines and rules, which are known and accepted by all members, in order to avoid disorganisation and frustration.

<sup>4</sup> <https://www.smartsheet.com/top-down-bottom-up-approach>



Practical activity: What do you think are the advantages/disadvantages of the different management approaches? Would one of them be applicable for your business? Why? Discuss in the group.

Read more about Bottom Up Management: [How To Empower A Bottom-Up Culture In Your Company](#) and [The Trick to Implementing Efficient Bottom-Up Improvement](#)

Watch the video about different management styles: [Management styles | What is your Management Style?](#)

## 1.2. The Business Plan

A business plan is a written document, not longer than 15-20 pages, in which you describe the business's activities, short- or medium-term objectives, and how you want to achieve them. The business plan is not only a tool for finding investors, potential partners, or when seeking funding. Following it will help your business to succeed. It is recommended to periodically review the business plan and adjust it if needed. Every business plan is different, however, there are some elements that should be found in all of them.

### Executive summary

This is a short summary (1 page) of your business's most important information. This part should include your inspirational and emotional mission statement, the reason why your business exists, and your organisational structure. How to write an executive summary?

- Start with the problem that your business will solve or the need it will meet.
- Describe the recommended solution.
- Explain the value of your solution.
- Conclude with the importance of business, explain why it matters to offer your solution to the problem
- Explain the next steps, goals

Practical exercise: Write an executive summary for your business. You can use one of the templates from here: [20 Executive Summary Examples and Templates \(Word | PDF\)](#)

### Business description (products and services)





This section describes the products and services in detail, their benefits, and even their pricing. It can also include the manufacturing process, major milestones, your story, and the objectives. Your clearly defined goals should be SMART:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**ime-bound

**Practical exercise:** Describe goals for your business and explain how they fulfill the SMART criteria. Check here: [How to write SMART goals \(with examples\)](#)

The business description should always include the basic information about your business, i.e. the business's name and location, what you are doing, what value you are offering, and what sets your business apart from your competitors.

### **Market analysis**

This section contains the results of your target market's analysis, both on the demand (customers) and the supply (competitors) side. There are several options for data collection: you can do research on your competitors on the internet, and in print media, personally collect the data by mapping the physical market, or use the available statistics. Your analysis should be based on your target group. The results will allow you to identify opportunities and risks in your market.

Read more about market analysis: [What is market analysis? Definition and examples - IONOS](#)

### **Marketing strategy**

This part describes the strategy of how the business aims to reach out to potential consumers and how to turn them into customers for its products/services and keep them. The marketing strategy contains the business's value proposition and the brand message, that your products, your verbal and non-verbal communication convey to the target audience to express what you do and how your business differs from others. It also includes information on the customer target group, the competition, the current marketing positioning, and the key performance indicators.

What are the key performance indicators (KPI)?

Key performance indicators (KPI) are defined as concrete parameters for measuring the business's performance, in accordance with the business goals. It is very important to create good KPIs for your business because they are capable of providing objective evidence of whether your activities are de facto leading towards the objectives that you have set for your business. Good KPIs are always as specific as possible. E.g. reaching 1000 new customers within 3 months. KPIs must be clearly measurable and time-

bound, e.g. in percentage, numbers, or in money within a certain period of time. Also, they must be realistically achievable, evaluated regularly, and adjusted, if needed.

Read more about KPIs: [Key Performance Indicators \(KPIs\) Definition](#)

Watch a video about how to create good KPIs: [How to Develop Key Performance Indicators](#)

The marketing strategy will also cover the 4Ps of the marketing mix, which are the key factors in marketing a product or a service.

- *Product* (the product or service itself)
- *Price* (what the customer pays for the product/service)
- *Placement* (where the product/service should be sold, how it should be delivered)
- *Promotion* (advertising, public relations, and promotional strategy)

There are additional elements that can be added to the marketing mix:

- *People* (the people who work for your business)
- *Processes* (the delivery of your service)
- *Packaging* (It is an important marketing asset, it has a great influence on brand image, and can be a source of information)
- *Physical evidence* (almost all services include also physical elements, i.e. confirmation emails, business cards, etc.)

Read more about the marketing mix strategy: [Marketing Mix Strategy - A Complete Guide with 5 Simple Steps](#)

How to write a strategic marketing plan: [How to Write a Marketing Plan \(with Sample Templates\)](#)

## Marketing Plan

In small businesses, the marketing strategic plan and the marketing plan can be merged into one document. However, the latter is more of an operational document, which details the outreach and PR campaigns over a period (usually 1 year) in accordance with the marketing strategy. The marketing plan should, in addition to the marketing objectives (here again, use SMART goals), include:

- A list of all marketing actions scheduled for the period.
- A timeline for the marketing activities
- The assignment of tasks and responsibilities of the different marketing activities
- A detailed budget of the funds and resources required to carry out the marketing activities identified in the marketing plan
- Monitoring and performance evaluation metrics and tools

The marketing plan should be reviewed periodically and adapted if needed.

Practical exercise: Create a **marketing calendar** for your business. Use the template in the  **toolkit** and amend it according to your business’s profile and goals:

1. Determine how long you will plan it for (1 month, 1 year)
2. Which channels do you want to include?
3. What kind of campaigns do you want to run?
4. Identify key milestones (e.g. new product launch) and select some holidays/occasions that you want to build a campaign around

Remember, that things don’t always go as planned. Allow your marketing calendar some flexibility and room for adjustment.

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
<b>Web Assets</b>												
<b>Online Advertising (PPC)</b>												
Review & revise PPC campaigns; landing page strategy & development; test, measure & revise												
<b>Technical Issues</b>												
Run, review technical architecture report to access and correct website penalties												
<b>Analytics</b>												
SEF checklist details in place; GA & HubSpot tracking across website and PPC; assess other measurement tools												
<b>Measurement</b>												
Monthly analysis, review and recommendations based on monthly stats												
<b>Content</b>												
<b>Optimization</b>												
Optimize available static page website content as needed												
Additional static content written and optimize as needed (TBD)												
Review blog strategy; revise as needed with editorial content calendar												
Develop CTA strategy for lead generation through HubSpot												
Consider other content marketing strategies: e-books, videos, mobile app, etc.												
Provide guidance in organic email marketing strategy												
<b>Social Media</b>												
<b>Social Marketing</b>												
LinkedIn company page best practice guidance												
Twitter best practices guidance												
Social media training for key staff (as needed)												
Expand social media engagement among staff and available resources												
Integration of Pilgrim’s other marketing initiatives into social media strategies												
<b>Tools/Technology</b>												
Email Service Provider selection												
Advanced Analytics												
Marketing Automation												
Social Media Management												

<https://ganttschema.com/management/marketing-plan-template>

You can use different types of calendars for your business. Some examples are: [Google Sheets: Online Spreadsheet Editor](#), [Google Calendar](#), [What is Trello: Learn Features, Uses & More](#), etc.

### Financial planning and budget

This part of the business plan includes all the financial information and future projections of your business. For startups, it should contain targets for the first year, for already operating businesses' financial statements and balance sheets. The budget section should include all costs and expenses related to the business (manufacturing, marketing, staff, etc.) When setting up your financial plan, especially in the case of a start-



up business, it is useful to create an excel sheet with all your expected costs and revenues. Your financial plan should run for at least 3 years (but not longer than 5 years), it is useful to even divide the first year into months.



The financial plan should include:

- **Revenues:** You can calculate your estimated sales revenue by analysing who your customers are, how big your customer base is, how you can reach them, how much of your product/service they will buy, and how your competitors perform.
- **Expenditures** are divided into subtypes:
  - **Material costs:** these can vary depending on the activities of your business, but typically rents, transport costs, raw materials, travel costs, and energy costs are included here
  - **Wage-costs:** wages and salaries, fees and commissions to all those who contribute to the operation of the company
  - **Other, permanent expenditures:** e.g. bank charges, insurance, legal fees, local taxes
- **Fixed assets:** investments, renovation, development, and depreciation belong to this section. Depreciation can be important if you have a high-value investment (e.g. machines for production) It can be deducted from your taxes and represents a cash outflow because it recognizes impairment of the asset. This is especially important when planning your cash flow. You have to divide your expenditures into fixed costs (which you have to pay in all cases, even if there is no revenue) and variable costs (which depend on the business's expansion). It is necessary to calculate here the minimum level of sales necessary for your business to become profitable.
- **Investments:** high-value investments must be planned in accordance with the launch and the growth of the business.
- **Financing:** own resources, external financing (e.g. credits), and the expenditures are planned in this section
- **Cash-Flow:** here all expenditures (cash outflow) and their financing (cash inflow) is tracked. It is recommended to also create a monthly cash-flow forecast and while also tracking the actual monthly cash-flow.<sup>5</sup>

<sup>5</sup> 16. Startup Guide, press online, 2021, page 20-22

- **Balance Sheet:** This document shows what the company owes and owns at a certain point in time. It is a financial statement showing the assets, liabilities, and equity of a business, which equals its net worth. The balance sheet is usually prepared at the close of an accounting period, such as month-end, quarter-end, or year-end, and should always balance, i.e. **Assets=Liabilities+ Equity**.
  - **Assets:** current assets (like cash, securities, and accounts receivable), property and equipment (longer term assets), investments, and intangible assets
  - **Liabilities:** Current (debts due within 12 months) and longterm liabilities (e.g. loans for buildings)
  - **Equity:** this is the difference between your assets and liabilities, this is the owners (and shareholders’) investment and retained earnings

**Watch video:** [Balance Sheet Definition: Formula & Examples](#)

**Exercise:** Download the cash-flow template from the [Toolkit](#). Create a fictitious cash flow of your business for one month including all types of monthly expenditures and the cash inflow.

**Read more** about the business plan: [7 Business Plan Examples to Help Write Your Own](#)

Examples for Business Plans: [500+ free business plan examples to help write your plan](#)

### 1.3. Business Operations

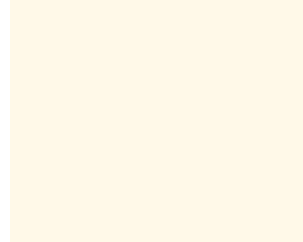
When you run a small business, you have to have an overview of how your strategies and plans will be implemented into the daily tasks. Operations is the management of all internal systems, processes and ways of working of a business in order to make it operate as efficiently as possible. It is recommendable to supplement your strategic business plan with an operations plan containing the specific steps needed to achieve your objectives.

The **business operations plan** is about how your business works, including manufacturing and the organisation itself, so you review and plan all the resources in your business. You need to describe the physical location and the equipment, how you want to produce your product or provide your service, who you will rely on (e.g. suppliers), and what procedures/processes you use or want to apply. It is important to list your available resources and the ones you will need, and assign costs to them.

The operation plan should answer the following questions:

- What are the operational objectives?
- What are the tasks that need to be accomplished in order to reach the objectives?
- Who is responsible for these activities?
- What is the timeline?
- How will the activities be monitored and evaluated?
- What is the budget for the activities?

Your operation plan must contain a step-by-step description of your design and production process, including who your suppliers are, their prices and conditions, as well as quality standards and control measures and how they will be applied. In addition to production, marketing, sales, logistics, and possibly human resources activities, all day-to-day tasks should be described, as well as the time of operation (and business hours/opening hours) and the location where the business operates. It is advisable to include an implementation timetable (with clear deadlines) to your operation plan and how the tasks and responsibilities will be shared among the people involved in the business’s activities. For measuring the effectiveness of your operations you have to define your key performance indicators (KPIs), eg. revenue growth or customer satisfaction.



Tips for managing a small business's operations:

- Define clear and SMART objectives
- Have clear processes and responsibilities
- Know your processes
- Document your processes
- Keep everything transparent
- Choose the right people to work with
- Prioritise and delegate tasks
- Communicate well, give and ask for feedback
- Provide good customer service
- Meet the deadlines
- Evaluate outcomes
- Be flexible, adapt if needed

Watch the video: [Operational Planning - how and why we do it](#)

Read more about the business plan: [How to write a business plan in 10 steps + free template - Article](#)



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# Unit 2 - Management of intellectual property

In the cultural and creative market, your creativity and your ideas will most likely be one of your most valuable capital, the starting point for your business. Your intellectual capital must become a form of property that can be protected and also traded.



## 2.1 What is intellectual property?

Intellectual property is a category of property that includes intangible creations of the human intellect. There are many types of intellectual property, and some countries recognize more than others.<sup>6</sup> An intangible asset is a non-physical asset owned and legally protected by a company or a person. The different types of intellectual property are: patents, trademarks, copyrights, design rights, franchises, and trade secrets.

A **patent** is an exclusive right granted for an invention in the EU usually for 20 years. An invention is a solution to a specific technological problem, which may be a product or a process and generally has to fulfill three main requirements: it has to be new, not obvious and there needs to be an industrial applicability<sup>7</sup>. In order to obtain a patent, the technical information about the invention must be disclosed in the patent

<sup>6</sup> [https://en.wikipedia.org/wiki/Intellectual\\_property](https://en.wikipedia.org/wiki/Intellectual_property)

<sup>7</sup> [https://en.wikipedia.org/wiki/Intellectual\\_property#Patents](https://en.wikipedia.org/wiki/Intellectual_property#Patents)

application to the national patent office (if the patent is only requested for one country) or the European Patent Office (EPO) for Euroe-wide patent requests. If you need an international patent, you have to register at the World Intellectual Property Organisation (WIPO) The owner of the patent may grant permission or license to other parties to use the invention under mutually agreed conditions. The owner may also sell the right to the invention to another person, who will henceforth become the new owner of the patent. When a patent expires, protection expires and the invention becomes public domain and therefore anyone can exploit the invention for commercial purposes without infringing the patent.<sup>8</sup>

**A trademark** is a recognisable sign, design or expression which distinguishes products or services of a particular trader from similar products or services of other traders. A trademark is exclusively assigned to a company, meaning the company owns the trademark so that no others may use or copy it. A trademark is often associated with a company's brand, like a phrase, a symbol, a logo, a color, or specific patterns. The duration for trademark protection is 10 years in most European countries, with the possibility of renewal. If you need your trademark registered in only one country, you have to apply at the national agency. If you need protection in all European countries, you need to register at the European Union Intellectual Property Office (EUIPO. For international protection you can register at the World Intellectual Property Organisation (WIPO)).<sup>9</sup>

**Copyright** is a type of intellectual property (original literary, scientific and artistic work, such as poems, articles, films, songs or sculptures, etc.) that gives its owner the exclusive right to copy, publish or reproduce a creative work, usually for a limited time. In the 28 EU member states, copyright protects your intellectual property until 70 years after your death or 70 years after the death of the last surviving author in the case of a work of joint authorship.<sup>10</sup> Outside of the EU the protection of copyright might vary. When you create an original work, you automatically have copyright protection, there is no formal application process. It is recommended to attach a copyright notice to your work, like “all rights reserved” or the © symbol.

Read for more information:

European Intellectual Property Office: [EUIPO - Home](#)

The European Commission monitors patent rules across the EU: [Patent protection in the EU](#)

Visit: [European Patent Office](#)

Patent Offices of EU member states: [EPO - Patent offices of member states](#)

International Patent: World Intellectual Property Organisation: [WIPO](#)

National trademark registration: [European Union Intellectual Property Network](#)

EU copyright legislation: [The EU copyright legislation | Shaping Europe's digital future](#)

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<sup>8</sup> [https://www.wipo.int/patents/en/faq\\_patents.html](https://www.wipo.int/patents/en/faq_patents.html)

<sup>9</sup> [https://europa.eu/youreurope/business/running-business/intellectual-property/trade-marks/index\\_en.htm](https://europa.eu/youreurope/business/running-business/intellectual-property/trade-marks/index_en.htm)

<sup>10</sup> [https://europa.eu/youreurope/business/running-business/intellectual-property/copyright/index\\_en.htm](https://europa.eu/youreurope/business/running-business/intellectual-property/copyright/index_en.htm)



## Infringement of intellectual property rights

A patent infringement is when a legally protected patent is used by another person or company without permission. After the expiration date of the patent, the details of the patent will be made public. Trademark violation occurs when an unauthorized party uses a registered trademark or a trademark very similar to it. Copyright infringement occurs when an unauthorized person reproduces all, or parts of original work, such as a piece of art, music, or text. This is also illegal when the copy is not exactly identical to the original.

Read more: [Infringement of intellectual property rights](#)

### 2.2 How to protect your intellectual property

Define exactly what you want to protect and why. Identify your business' intellectual property and categorize them according to their vulnerability. If necessary, not everyone needs to have access to all protected information within the business. It is important that you know and sees who has access to confidential information. In addition, security systems must be put in place to alert you to suspicious or unauthorized activity. Develop effective measures to avoid threats outside and inside IT networks. Most often, cyber-attacks and hacking are the cause of the loss of confidential information. Confidential information stored on computer systems can be protected by storage on servers without an external Internet connection

Be careful what and how much information you give out to your partners, even contract manufacturers. Competitors may dismantle or alter an object or idea to reproduce it. Certain, often small, changes to the original concept may lead to a new product or idea that can now be patented by competing companies as their own.

#### Tips to protect your intellectual property

- Register trademarks, patents, brand names, product, and domain names
- Implement non-disclosure agreements with employees, if needed
- Make sure everyone working in your business is aware of the potential for inadvertent disclosures (private emails, SMS, etc).
- Constantly remind employees how, why, and why information needs to be protected
- Implement security measures
- Watermark your images
- If you notice that someone is using your intellectual property, inform them about it and ask to terminate this activity. (Most often the infringement is unintentional and not malicious (e.g. repost of photos, etc.)

**Practical exercise:** You are a regular exhibitor at a craft fair with your self-designed and handmade products. On one occasion, you notice that a product very similar in material and form to one of your successful products appeared at another exhibitor's booth. What do you do? Discuss in the group.

# Unit 3 - The product

We cannot talk about the management of a business without dealing with the product itself, as this is what the business is based on.

A product is a set of attributes (features, characteristics, benefits, and uses) that a person receives during an exchange, so the term product refers to everything a company offers to ensure customer satisfaction. A product may be an idea (e.g. color consulting), a physical good (e.g. a ceramic pot), a service (e.g. haircut), or a combination of the three.<sup>11</sup> A product can be classified as tangible or intangible. A tangible product is an actual physical object that is touchable such as a building, vehicle,

gadget, or clothing. An intangible product is a product that can only be perceived indirectly such as an insurance policy. Services can be broadly classified under intangible products, which can be durable or nondurable.<sup>12</sup>

A product is not only a tangible thing that you buy. It is also something that meets the customers needs and - this applies especially in the creative and artistic field - it will also have an abstract value, i.e. it is not only the actual physical object that you produced, but it also includes your customers' expectations and perceptions and your ideas and creativity. Even if there will be an object with very similar appearance or physical attributes on the market, it will in reality be a different product from yours with different pricing, positioning, etc. Anything can be a product, that you offer for sale, but you have to figure out carefully the parameters (its attributes) by which you will define it. All products have predefined parameters (quantity, material, classification, etc.) according to which they are accounted for.

Philip Kotler described 5 product levels in his book Marketing Management<sup>13</sup>:

1. **Core product** - This is the core benefit of the product, the most basic need that the customer satisfy when they buy the product. A key element is the uniqueness of the product. (E.g. you are hungry and have little time)
2. **Generic Product** - This is the most basic version of the product, containing only the attributes which are absolutely necessary for the product to function. (E.g. fast food hamburgers, french fries, street food like a slice of pizza. etc)
3. **Expected Product** - These are all the features the customers expect to get when they buy the product (e.g. at your favourite fast food restaurant you expect your hamburger to taste good, and that you will get it fast)
4. **Augmented Product**- These are all the factors, especially brand image, that differentiate the product from the competition (e.g. at your favourite fast food restaurant you can get french fries and a drink in a combo menu with the hamburger, the restaurant is air conditioned, you have a big selection of different hamburgers)

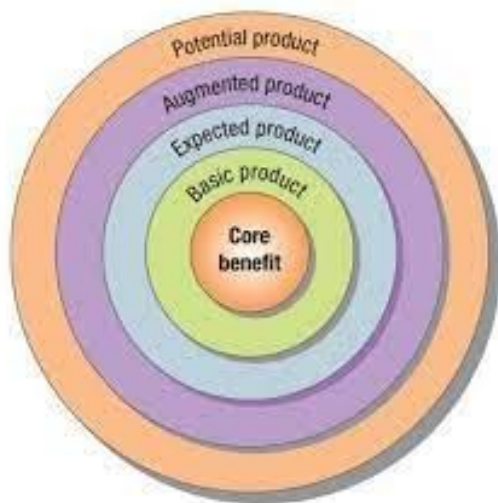
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<sup>11</sup> <https://courses.lumenlearning.com/marketing-spring2016/chapter/reading-defining-product/#footnote-4287-1>

<sup>12</sup> [https://en.wikipedia.org/wiki/Product\\_\(business\)](https://en.wikipedia.org/wiki/Product_(business))

<sup>13</sup> Philip Kotler: Marketing Management, 1967

5. **Potential Product-** These are the changes and improvements that the product will go through in the future (e.g. loyalty card, special offers for regular customers, meat free hamburger)



<https://theintactone.com/2018/02/19/m-u2-topic-3-product-levels/>

### 3.1. Defining the product

The following questions will help you define your product:

- What is the purpose of your product? - What is the problem that your product offers a solution for?
- Who are the users of your product? - Who are the primary customers that will buy the product?
- What do the users of your product want?- What are the customer needs? What are the problems that need to be solved?
- What are the functions of your product?- What is it that the product does, and what is the core benefit for the customer?
- What are the product features? - What is unique about the product?
- What are the criteria for your product's success?- What are the indicators for the product's success and how can you measure them?
- What are the basic requirements - What are the design- (finishing, shape, size, etc.), functional-, compliance- (safety, regulations, etc.), performance- (accuracy, timing, etc.), etc. requirements for your product?

Exercise: Think about your product and answer the questions above.

### 3.2. How to assess the cost of your product

Product cost assessment is a very important area for any business. You have to be able to estimate, evaluate and plan the internal cost of your product in order to be successful and make a profit. The product cost means all the costs that are incurred when creating the product and it is made up of several components:

- parts and material costs (all the parts and raw material which was bought for creating the product or the production)
- packaging costs (packaging material, and factors affecting packaging costs, like graphics, etc.)
- shipping costs (cost of transport for production)
- labour costs (the labour of all workers who are engaged in the production process)
- direct expenses (any other direct expenditure, e.g. hiring of machines, cost of special designs, cost of patents, license fees, etc.)
- overhead costs (these are indirect costs, like heating, light maintenance, etc. that arise for the benefit of more than one product or activity and must be apportioned among the various functions on an appropriate basis)
- selling, distributing, and administrative costs: (costs that occur after the production, e.g. making sales, delivery, advertising, commissions, etc.)

### 3.3. Price determination

The price of your product will be determined by two factors: the product costs and the reasonable profit. Customers are willing to pay a certain price for your product depending on their income level and the level of their desire for the product. By calculating the product costs, you already know what the minimum price is in order to make a profit. The question is how to reach the highest possible price that the customers are willing to pay.

There are different pricing models that you can use when determining the price for your products:

- **Cost-plus pricing** is a simple and fast method, where calculating the total cost of making the product and adding a percentage surcharge will determine the final price.
- **Market-oriented pricing** is comparing the prices of similar products (competition) on the market and set the price either above the market (consciously positioning it as a higher quality product), below the market (to entice customers) or by copying the market (selling at the same price as the competitors, maximising profit and staying competitive)
- **Dynamic pricing** is a flexible, time-based or customer demand based pricing method, where the business applies several prices based on some key factors.<sup>14</sup> (E.g. amazon, uber)

What are the factors that can influence your product pricing:

- Product cost (see above)
- Demand (consumer preferences, income of consumers, price of substitute products, expectations about the future)
- The competition (the more competition, the more substitutes, the more the prices are pushed down)
- Legal regulations (where the state regulates the prices, e.g. in case of some vital medications)
- Your pricing objectives (whether your goal is profit maximisation, or market share leadership, etc.)
- Marketing methods (high marketing costs must be reflected in the product price)<sup>15</sup>

<sup>14</sup> <https://sumo.com/stories/how-to-price-a-product>

<sup>15</sup> <https://www.toppr.com/guides/business-economics/determination-of-prices/intro-to-determination-of-prices/>

Watch videos for pricing tips for handmade products:

[How To Price Your Products: Handmade Business Pricing Formula That Works](#)

[Handmade Product Pricing Facts You're Not Considering](#)  [That's Costing You Sales](#)

[Handmade Product Pricing Mistakes](#)

Brands and artists who offer handmade products often underprice their work rather than overpricing it. There may be several reasons for this. Many do not dare to charge a high price for their handmade product, as they do not value their own work enough. Others fear that high prices will frighten customers and thus they would completely lose their revenue. In fact, the exact opposite is true. Too low prices can give the impression to customers that the product is not of good enough quality, the business is not professional and unreliable. Therefore, it is important to choose a relatively objective pricing strategy for yourself and not only listen to your feelings on this key issue that has such an impact on the survival of your business. It is important to start pricing at the same time as product development. Basically, the market will decide what price you can set for your product. It is, therefore, necessary to know the price range of similar products available on the market. Then you can start developing a product that will be competitive. To do this, take into account the costs associated with the product and the time (your time) spent on it. With a good pricing formula, you will be able to price the product with confidence. It is important that your formula allows for some vagueness because only after the product is produced will it turn out to be viable in the market.

Artists who create unique products may follow different guidelines because judging their products can be very subjective. Psychological reasons greatly influence the perception of a product and a brand. For a well-positioned product, buyers are willing to pay more than what could be determined by a standard formula (although you can use it as a waypoint). Therefore it is particularly important to have a unified and appealing brand identity, visual appearance, good marketing strategy, and appropriately chosen channels for reaching the well defined target group.

Check this handmade product pricing calculator: [Handmade Product Pricing Calculator \(lite\\*\)](#) | [A Handcrafted Business with Nicola Smith](#) | [Online Small Business Advisor and Mentor For Crafters, Makers, Artists, Designers and Photographers](#)



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## Evaluation questionnaire

### Choose the correct answer for each question

1. Business management is
  - a. developing the business's strategy as well as planning and coordinating its operation
  - b. the development of strategic planning of the business
  - c. the coordination of all phases of a business's operations
  
2. What are the characteristics of the bottom-up management approach
  - a. a hierarchical structure, clear responsibilities and tasks
  - b. an interoperable organisational structure, employees contribute with ideas on different levels
  - c. the leadership sets the goals, no room for feedback
  
3. What is not part of the business plan
  - a. executive summary
  - b. day-to-day tasks
  - c. budget
  
4. What are SMART objectives
  - a. Soft, Maintainable, Accessible, Returnable, Tangible
  - b. Sustainable, Multidivisional, Automated, Relative, Tactical,
  - c. Specific, Measurable, Achievable, Realistic, Time-bound
  
5. The balance sheet shows
  - a.  $\text{Assets} = \text{Liabilities} + \text{Equity}$
  - b.  $\text{Assets} = \text{Liabilities} - \text{Equity}$
  - c.  $\text{Equity} = \text{Liability} + \text{Assets}$

6. A patent is

- a. a recognisable sign, design, or expression which distinguishes products or services of a particular trader from similar products or services of other traders.
- b. is an exclusive right granted for an invention
- c. the right that gives its owner the exclusive right to copy, publish or reproduce a creative work

7. Product pricing should not be influenced by

- a. the market demand
- b. product costs
- c. the business owner's self-esteem



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# **Module 8 - Communication in the Cultural and Creative Field**



# Unit 1 - What is effective business communication?

In order to communicate in an effective way when doing business, it is inevitable to understand the process of communication through a basic insight into the theory and models of communication.

## 1.1. What is communication?

Communication means the process of transferring, receiving, and sharing information from one person, place, or group to another. Simply said it is talking, writing, listening or reading, and sharing/receiving visual content.

All communication involves at least a sender, a message, and a recipient. However, there are some other important components that can not be missing during the process of communication:

**1. Sender** – The sender imagines and encodes the message and conveys the information through a channel to the receiver(s). It is important for the sender to identify the receiver, and the context, choose the appropriate channel and seek feedback in order to ensure successful communication.

**2. Message** – “The message is the stimulus or meaning produced by the source for the receiver or audience.” (McLean 2005)<sup>16</sup> Basically, it is all the information the sender delivers to the receiver. It also contains the grammatical rules through which the sentences are organised, the choice of the wording, the tone of voice and facial expressions, etc.

**3. Channel** - “The channel is the way in which a message or messages travel between source and receiver.” (McLean, 2005) Spoken channels are face-to-face conversations, telephone conversations, voicemail messages, speeches, etc. Written channels are letters, emails, text messages, purchase orders, social media posts, tweets, etc.

**4. Receiver** – “The receiver receives the message from the source, analyzing and interpreting the message in ways both intended and unintended by the source.” (McLean, 2005) The receiver listens, reads, but might also touch, smell, taste the information. The receiver decodes the message and delivers feedback to the sender in order to indicate the effect of the message e.g. to confirm that message was received or to signalise if further clarification is required, etc.

**5. Feedback** – The feedback is composed of messages the receiver sends back to the sender. These verbal or nonverbal signals show the sender whether and how accurately the message was received. Feedback is an essential part of communication, therefore the sender should always request clear feedback, when possible. (For example by simply asking: „Are there any questions?)

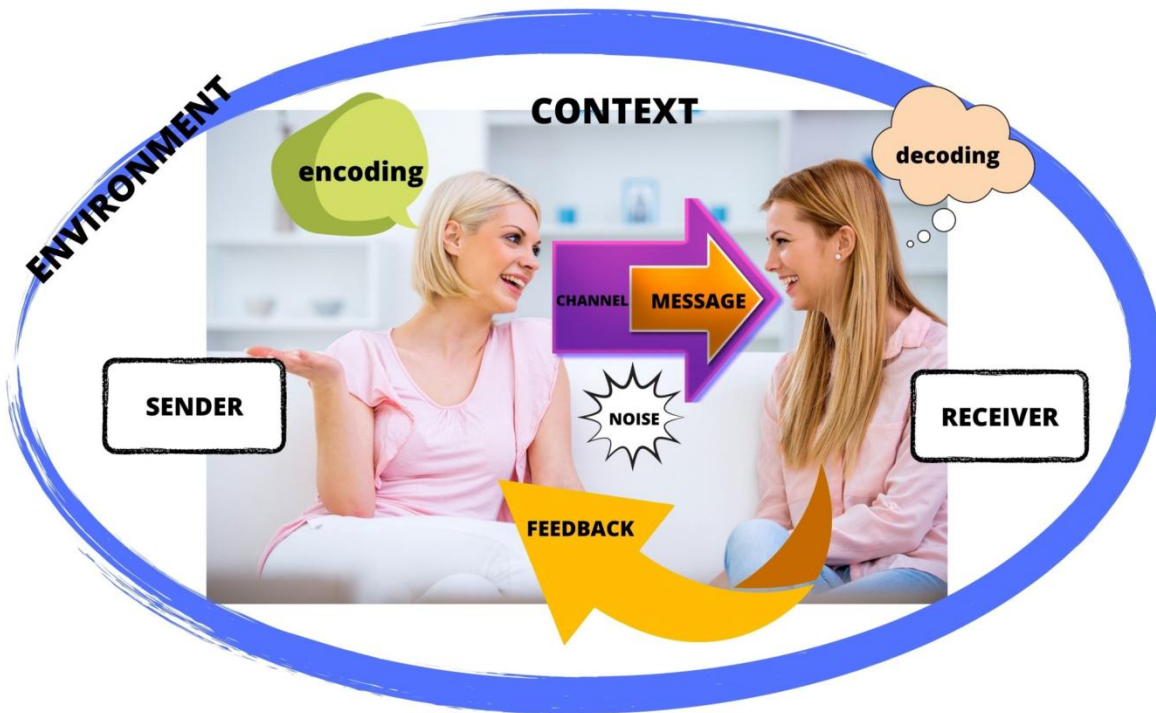
**6. Environment** – “The environment is the atmosphere, physical and psychological, where you send and receive messages.” (McLean, 2005) The environment can mean the furniture, the dress code, the decoration, the music, the atmosphere, all of which influence how the sender will deliver the message. Eg. different wording is used in a formal environment standing in front of a seated audience than in a casual situation sitting close to one another.

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<sup>16</sup> McLean, S. (2005). *The basics of interpersonal communication* (p. 10). Boston, MA: Allyn & Bacon

**7. Context** -“The context of the communication interaction involves the setting, scene, and expectations of the individuals involved.” (McLean, 2005) Communication does not take place in a vacuum, the sender, and receiver might have had shared experiences from previous communication situations and have certain expectations on similar situations/ each other, or, they simply create expectations from the environmental cues. These expectations are the context of the communication.

**8. Noise** – “Noise is anything that blocks or changes the source’s intended meaning of the message.”(McLean, 2005) Noise is anything that interferes with communication, it can be actual noise, distracting thoughts, hunger, a stuttering telephone connection, etc.<sup>17</sup>



**Practical exercise:** Perform in pairs a typical situation of communication when doing business and let the group identify the components of communication. What was the message? What communication channels did you use? How did you receive feedback?

In order to communicate successfully, the sender needs to identify and analyse clearly all components of the communication process. The message has to be determined precisely, the possible channels chosen carefully, according to the receiver(s) state, knowledge and characteristics, the perceived and real context, and the environment. And last, but not least the importance of feedback must not be forgotten.

<sup>17</sup> <https://open.lib.umn.edu/businesscommunication/chapter/1-2-what-is-communication/>

## 1.2. Some obstacles in business communication and how to overcome them

In all communication situations, obstacles might occur during the process, such as **physical barriers** (e.g. a closed door) or **psychological barriers** (e.g. low self-esteem), **language barriers** and **cultural differences**. Being aware of the possible obstacles during the communication process makes it easier to overcome them.

**Watch video:** [Communication Barriers](#)

**Practical exercise:** Discuss in the group what you find is the most challenging barrier when communicating within your field. How do you overcome those barriers? Have you developed any special tricks or methods?

### a. Language barriers

Language is the basis of communication, therefore language barriers might be a great challenge in business communication, especially when you are not doing business in your native language. However, language barriers also affect native speakers.

The different types of language barriers can be:

- Foreign language
- Dialects - (regional differences of the same language) In some countries, such as German-speaking areas, the dialects can be very different from each other.
- Accents - The mother tongue of the speaker will influence how they pronounce words in a foreign language, which can lead to difficulties in communication
- Jargon and slang - Using words and phrases that are used in certain professions (e.g. legal terms or technical terms) or the informal language of small groups, can make it difficult for the receiver to understand the message
- Word choice - e.g. Idioms, such as it's raining cats and dogs in English (which doesn't mean that pets are falling from the sky, but that it's raining heavily)
- Vocabulary - unknown words and expressions
- Grammar and spelling
- Confusion in the pronunciation

Tips to overcome language barriers when starting a business in a new country.

- Learn the language of the country you are doing business in
- Speak slowly and clearly
- Constantly try to improve your language skills, be patient
- Ask for clarification
- Frequently ask for feedback - check for understanding
- Let all your written communication be proofread
- Be prepared for typical business communication situations
- Choose your communication channels carefully
- Use visual methods of communication (photos, diagrams, etc)
- Do not use abbreviations, technical words, slang
- Use an interpreter if needed

**Practical exercise:** Create your own “vocabulary”. Imagine some typical situations when doing business. Collect helpful phrases, expressions, keywords, and sentences that questions customers/partners had, that you found difficult to answer, in order to prepare yourself for possible future communication situations. You can extend your “vocabulary” gradually.

### b. Cultural differences



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Using a different language is not the only barrier to communication between cultures. In some cultures, there are different rules of courtesy, and people address each other differently. The same gesture or body language might have a different content for different cultures. It is therefore essential to get to know the culture you want to do business with.

**Practical exercise:** Collect gestures or customs that are typical for your country and are not understood or even perceived as strange in the country where you live. What customs or gestures were hard for you to understand when you arrived? Why? Discuss in the group.

### **What is culture?**

Culture is an umbrella term that encompasses the social behavior, institutions, and norms found in human societies, as well as the knowledge, beliefs, arts, laws, customs, capabilities, and habits of the individuals in these groups. Culture is often originated from or attributed to a specific region or location.<sup>18</sup>

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<sup>18</sup> <https://en.wikipedia.org/wiki/Culture>

# The Cultural Iceberg

## easy to see

10% external (surface)

- explicitly learend
- conscious
- easy to change
- objective knowledge

behaviour

beliefs

values

tought patterns

- implicitly learend
- unconscious
- difficult to change
- subjective knowledge

## not easy to see

90% internal (deep)

Edward T. Hall (1976) Cultural Iceberg Model

In 1976 Edward T. Hall implemented the iceberg analogy of culture, according to which it is only a small percentage of the culture that is easy to see. Behaviours, traditions and customs can be observed by seeing,



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touching, smelling. The language, food, holidays and festival are good examples. The deeper layers of a culture are more difficult to observe. Attitudes, core values, beliefs, assumptions, priorities and perceptions belong here. Examples are: work ethic, humour, gender and family roles aesthetics, etc. When you enter a new culture, you usually only see the top of the iceberg. You have to actively participate in a culture in order to understand and learn about the deeper layers.

### Understanding cultural differences

Every culture is very complex and it dangerous to fall into the trap of generalisation, when analysing them, as they are always made up of single individuals, with individual characteristics. However, there are many models in order to understand cultural differences. Hofstede's cultural value dimensions can provide some point of reference when learning about the culture you are operating in<sup>19</sup>.

- **Power distance index:** How is power distributed? Do people accept the authority or do they challenge it? Is power distributed equally? (Typically Latin-American countries have a higher power distance index, while Germanic countries have a lower one)

- **Individualism vs. collectivism:** Do the members of the society have a strong „we“ feeling, or do they have rather loose ties and rather emphasise the „I“. (Example: Typically America, Australia are very individualistic and Malaysia, Serbia and Portugal is considered being collectivists)

- **Uncertainty avoidance:** This index shows how a society reacts to something unexpected, unknown. Society with a high degree have strict rules for behaviour, guidelines. A society with a lower degree is open for different thoughts, have less regulations.

- **Masculinity vs. Femininity:** In masculine cultures, the values of the society are achievement, heroism, material reward and assertiveness, more feminine cultures the preference is modesty, cooperation, caring for the week and quality of life. In masculine cultures there is still a gap between male and female values. (Example for masculine culture: Japan, Hungary while the Nordic countries masculinity is extremely low)

- **Long-term orientation vs. short-term orientation:** This index indicates the connection of the past with the current and future actions/challenges. A lower degree indicates that traditions are honored and kept, a higher degree means that adaptation and problem-solving is valued more.

- **Indulgence vs. restraint:** This dimension refers to the degree of freedom that societal norms give to citizens in fulfilling their human desires, it basically indicates freedom vs.control.<sup>20</sup>

Richard Lewis developed a model in the 1990s that is based on people's behavior. According to his concept humans can be divided into 3 categories: "linear-active", "multi-active" and "reactive".

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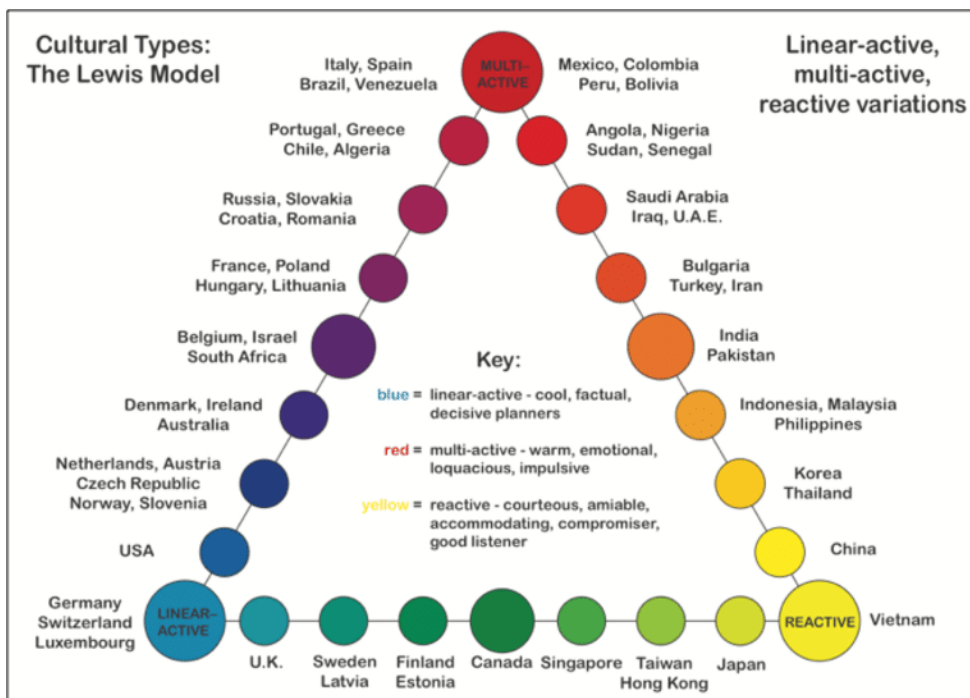
<sup>19</sup> Hofstede, G. (2001). Culture's consequences: Comparing values, behaviors, institutions and organizations across nations. Beverly Hills, CA: Sage

<sup>20</sup> [https://en.wikipedia.org/wiki/Hofstede%27s\\_cultural\\_dimensions\\_theory](https://en.wikipedia.org/wiki/Hofstede%27s_cultural_dimensions_theory)

LINEAR-ACTIVE	MULTI-ACTIVE	REACTIVE
Talks half the time	Talks most of the time	Listens most of the time
Does one thing at a time	Does several things at once	Reacts to partner's action
Plans ahead step by step	Plans grand outline only	Looks at general principles
Polite but direct	Emotional	Polite, indirect
Partly conceals feelings	Displays feelings	Conceals feelings
Confronts with logic	Confronts emotionally	Never confronts
Dislikes losing face	Has good excuses	Must not lose face
Rarely interrupts	Often interrupts	Doesn't interrupt
Job-oriented	People-oriented	Very people-oriented
Sticks to facts	Feelings before facts	Statements are promises
Truth before diplomacy	Flexible truth	Diplomacy over truth
Sometimes impatient	Impatient	Patient
Limited body language	Unlimited body language	Subtle body language
Respects officialdom	Seeks out key person	Uses connections
Separates the social and professional	Mixes the social and professional	Connects the social and professional

<https://www.crossculture.com/the-lewis-model-dimensions-of-behaviour/>

The linear-active behavior is mainly typical in English-speaking countries, Scandinavia, and German-speaking countries. Asia is considered reactive and the southern part of Europe, most Slavic countries, South America, Arab countries, the Middle East, sub-Saharan Africa, India, and Pakistan as multi-active.



[https://www.researchgate.net/figure/The-Lewis-Model-of-Culture\\_fig2\\_26812334](https://www.researchgate.net/figure/The-Lewis-Model-of-Culture_fig2_26812334)

The above aspects help to navigate within intercultural communication, however, it is important not to stereotype. Individual members of a group might be different and might have their own thoughts, behaviors,

and beliefs. The most important will be to learn about the culture, observe without judgment, and to interact as much as possible.

**Practical exercise:** Try to define the culture of the country you live in alongside the Hofstede values. What are the similarities/major differences to your culture of origin?

**Fun** intercultural communication quiz: [Free Intercultural Communication Quiz Activity & Ice Breaker for Trainers](#)

**Some more training material on intercultural communication:** [Intercultural Training Exercise Pack](#)

Besides the awareness of the communication process and its components, the first step in overcoming all barriers to communication is to identify them. Learning as much about the culture as possible, personalising messages, gathering feedback, and persistence will improve the communication process.

Also, don't forget, that cultural differences can be an asset to you too, when doing business in a new country. Your cultural characteristics can be of great added value and make you stand out from your competition. The goal is not that everyone becomes the same but to be open and get to know each other. Be authentic, include your culture consciously in your story if you choose to do so.



# Unit 2 - Communication with stakeholders

When getting involved in business communication you have to identify all parties you want to communicate with. Therefore, as a first step you will need to know who your stakeholders are.

## 2.1. Who are your stakeholders?

A stakeholder is a party that has an interest in a business and can either affect or be affected by it. The stakeholders in a typical corporation are its investors, employees, customers, and suppliers, as well as communities, governments, and trade associations.

**Internal stakeholders** are people whose interest in a company comes through a direct relationship, such as employment, ownership, or investment.

**External stakeholders** are those who do not directly work with a company but are affected somehow by the actions and outcomes of the business. Suppliers, creditors, and public groups are all considered external stakeholders.<sup>21</sup>



**Key stakeholders**, such as customers or managers are typical key stakeholders, who are most interested in the business because they are directly affected.

**Secondary stakeholders** help to run the business, but in a more general sense. E.g. the accountant.

**Direct stakeholders**, such as employees, are involved with the everyday activities of the business.

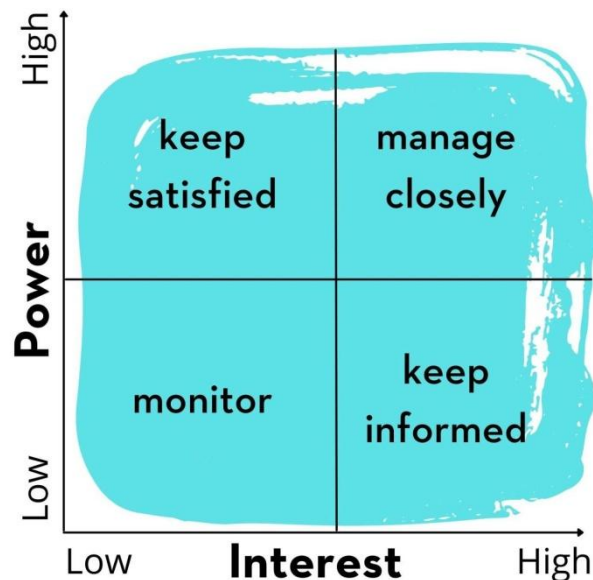
**Indirect stakeholders** rather care for the outcome, than the process of operation. E.g. customers

<sup>21</sup> <https://www.investopedia.com/terms/s/stakeholder.asp>

### 2.1.1. How to identify your key stakeholders?

First, all possible stakeholders to your business must be collected:

- Make a list of all potential stakeholders, both internal and external.
- Create a stakeholder register.
- Understand your stakeholders interests and problems.
  - What financial or emotional interest do they have in your activity? Is it positive or negative?
  - What information do they need from you and what is the best way to communicate with them?
  - Who influences their opinion?
  - If they aren't positive, will you manage to change their opinion?
  - Who is influenced by their opinion?<sup>22</sup>
- Analyse your stakeholders by using the Power-Interest Matrix
- Create a stakeholder communication plan relevant to your own business



Power-Interest Matrix<sup>23</sup>

**Practical exercise:** Create a power-interest matrix of your stakeholders. Who are your most important stakeholders?

Stakeholders with high power who are highly interested need to be in focus of your attention and you must make the greatest effort to satisfy them. Typically your customers will fall into this category. Stakeholders with high power but low interest have to be provided with enough information to be kept satisfied, but it is important not to overload them with information. Highly interested stakeholders with low power should be

<sup>22</sup> [https://www.mindtools.com/pages/article/newPPM\\_07.htm#Interactive](https://www.mindtools.com/pages/article/newPPM_07.htm#Interactive)

<sup>23</sup> Adapted from Mendelow, A.L. (1981). 'Environmental Scanning - The Impact of the Stakeholder Concept,' ICIS 1981 Proceedings, 20.

kept informed, but it is important not to use too many resources on engaging with them. Family and friends typically fall into this category. Stakeholders with low interest and low power do not need additional attention, it is sufficient to monitor them regularly.

When the stakeholder groups have been identified and their interests and power analysed, you will see exactly which group you will have to engage with and to what extent in order to keep them satisfied. You have to plan your communication according to their needs and the desired effect on your business in order to get your message through. The communication with each group will have its own characteristics, specifically tailored messages, and preferred channels. It must not be forgotten, that in some cases your stakeholders might have opposite interests, therefore at times, it will be juggling with words. However, especially in the cultural and creative field, it is important to be consistent, reliable, and authentic in your communication. How is that possible?

## 2.2. Interfacing with your customers

The major part of your communication will target the most important key stakeholder group: your customers. Customers are core to any business, as they are the people who will buy its products/services. Customers expect businesses to provide efficient and high-quality products and services that satisfy their needs, therefore it is necessary to identify them and analyse their needs. Besides that, it is very important to take into consideration a relatively great proportion of psychological aspects affecting the customers' needs in the cultural and creative market.

### 2.2.1. Customer analysis

When doing customer analysis for an already operating business, the best way is to start with an existing customer database. In the case of a new business, you need to analyse the market you are aiming to enter, map your competitors, and discover the needs of their customers. The aim of customer analysis is to create a profile of your ideal customers, who you will be the main target also to your communication.

You can group customers by segmenting them according to the following categories:

- geographic (countries, cities, urban or rural)
- demographic (age gender, education, etc.)
- behavior (habits, frequent actions)
- media (where and which media they use)
- psychographic (values, beliefs, political views, opinions, interests, personalities)
- benefit (what they value about a product or a brand)
- needs (what are their specific needs for a product)
- buying decision (how they make buying decisions)

After segmenting them into groups you need to choose which group is the most valuable for you. It can be important to assess for example which will be the most loyal, returning customers, that you can expect to benefit the most from over a longer period, or the ones that can influence other customers for your business' benefit.

[Watch video: What are Customer Personas? How To Create Customer Personas For You Brand](#)

**Practical exercise:** Create 3 different Customer Personas for your business. Is there anything new you found out about your customers during creating the personas?

### 2.2.2. Interfacing customers

When interfacing with customers you will have to be aware of the skills you need during the communication process. The right communication style also determines the success of the communication.

There are five major communication skills that have to be focused on and developed:

- **written communication** -The skill of formulating, expressing, and conveying the message in writing.
- **oral communication** – The skill of formulating, expressing, and conveying the message in spoken language.
- **non-verbal or visual communication** – The skill of expressing and conveying the message through images or wordless signs. In the cultural and creative field, it is particularly worth building on this skill.
- **active listening** - The skill of listening without presumptions, the open intention to understand what the other person is trying to communicate, and give feedback.
- **contextual communication** – The skill of communicating differently in different contexts, i.e. situations, people you are addressing, etc.

**Watch video:** [How To Improve Communication Skills? 12 Effective Tips To Improve Communication Skills](#)

**Watch video** on written communication: [The Secret to Business Writing: Crash Course Business - Soft Skills #3](#)

We can distinguish four communication styles:

- **Aggressive:** prioritizes own needs and opinions, inappropriately honest, direct, controlling, dominant, criticizes others, low frustration tolerance, wants to win at any expense
- **Passive:** prioritizes the needs and opinions of others, denies own personal needs and opinions, emotionally dishonest, apologetic, self-denying, wants to avoid conflicts
- **Passive-aggressive:** appears passive, indirectly expresses anger, is emotionally dishonest, denies problems and difficult emotions, wants to win without taking responsibility
- **Assertive:** standing up to own needs and opinions but also listening to others, honest, self-confident, expressive and empathic, listens and doesn't interrupt, uses „I“ statements



Read more about assertive communication: [10 Best Assertive Communication Worksheets and Techniques](#)

## How to communicate with your customers

- Get to know your customers: observe and analyze them with the available tools (conversations, surveys, online analytical tools), ask open-ended questions (questions that can not be answered with yes or no), and listen.
- Be empathetic: recognise the other person's emotions and understand how they are feeling.
- Be assertive, when needed: learn to say no and express your needs confidently and calmly.
- Provide good customer service: develop standards and communicate with your customers in a consistent way.
- Handle customers' complaints professionally and quickly (develop and communicate your standards).
- Do not try to sell anything, rather build a relationship.
- Be honest.
- Be prepared.
- Be patient.
- Choose the right channels of communication:

**a.) Face-to-face communication** - in your shop, at an art market, etc. It is important when building a good customer relationship to have personal contact with them, therefore you have to look for opportunities to meet your customers regularly in person. Through face-to-face communication, you can often convey your message more effectively than through other communication channels. You can make a stronger connection, as body language, gestures, and facial expressions are involved, and you can react immediately to each other, ask for and receive feedback and clarify misunderstandings. The disadvantage of face-to-face communication is that you can only get your message to fewer people at a time.

Tips for effective face-to-face communication with customers

- always greet your customers and ask how you can help
- take initiative to communicate, and be proactive but do not be too pushy
- be honest and authentic (stick to your story)
- be prepared, know your product/service thoroughly, you might get tricky questions that you have to answer quickly
- rephrase what your customer says and repeat it to clarify
- ask for feedback: „So, you are saying...?“
- pay attention to non-verbal cues
- Pay attention to your own body language:
  - keep eye contact
  - upright posture
  - relaxed facial expression, smile
  - no folded arms

**Situational exercise:** At the art market - create a fictional short scene in pairs. Present your dialogues to the group, while the audience observes how the communication process. How did it work? Was it a successful communication? What was the communication style of each partner? How was the choice of words, nonverbal communication, and body language? Analyse the situation together.

**b.) Phone** -There will be situations where you will talk to your customer on the phone. Phone calls have some of the advantages of face-to-face communication (immediate opportunity for feedback



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and clarification, building personal relationships, etc.) but there are also typical obstacles. Due to the lack of visuality, non-verbal factors cannot be interpreted, some things may be more difficult to explain. Especially, in a language other than your native language, it can sometimes be difficult to make yourself understood and understand correctly what the other is saying. However, phone calls can be a quick and effective channel of communication, if you follow certain guidelines. You might receive unexpected inquiries or want to call a customer for an appointment, etc.

#### Tips for effective communication on the phone

- greeting: say hello and always say your name
- listen to your customer's name. if you didn't understand it, ask them to repeat or spell their name, and use it during the conversation when addressing them
- use a calm and positive tone (smiling helps)
- don't talk too fast
- make sure you express yourself clearly, use rather simple sentences
- make sure you understand what the other is saying, ask for clarification
- ask for feedback to make sure the other understands what you are saying
- take notes and keep a log of your phone calls
- before ending the conversation make sure that it is clear if the issue has been resolved or if there will be a follow-up and when in order to manage expectations
- always be prepared - in the beginning it might even help to have a small memo note (and a pen) at hand /by your phone, with all the important things to keep in mind

**c.) Writing (offline)** - In the creative/cultural field customers sometimes still prefer to receive information via traditional mail. A printed invitation to an exhibition or an art fair may have a particularly valuable effect, that can make key customers feel even more important. However, this is an expensive, time-consuming, and unsustainable solution, and therefore it is important to consider whether it is worth the effort or if it is possible to replace it electronically. Another example of offline written communication occurs at the delivery of your product. The written invoice, your business card, and possibly a friendly message sent with the product all carry a message. Make sure that the overall effect is consistent, tasteful, and as personal as possible.

#### **d.) Online communication**

- website (essential, primary communication channel)
- email (best way to communicate with your customers: cheap, convenient, and quick)
- social media (you can promote your brand but also build one-on-one relationships with customers)
- text messages
- newsletters

#### Tips for online communication

- In the creative and cultural market, the customers will want to know about the artist as a person. Be honest and personal.
- Publish important information about your business, your mission statement, your biography, and your story on your website. This information helps your customers understand you and your values
- Ask for feedback e.g. by adding a feedback form to your website.
- Add contact details to your website.



- Respond to emails, and requests within 24 hours. (If this is not possible, you can install an automated response to manage customers' expectations.)
- Use social media to build connections and engage customers, not to sell your product.
- Always react to both positive and negative comments on social media and your website (handle negative comments professionally and politely).
- Use good quality visual contents on social media and website.
- Be present, post frequently but not too much (2-3 posts/stories per week in the beginning).
- Use relevant hashtags (check your competitors' social media profiles and your customers' preferences).
- In newsletters, you can inform your customers about new projects, success stories, and upcoming events. Make sure you have your customers' permission to send them your newsletter.

**Practical exercise:** Make a list of 10 hashtags that you could think of for your brand. Then do research on the Instagram pages of your competitors and collect the 10 most popular hashtags. (You can check the number of posts by clicking on them.) What are your experiences? Is there a discrepancy?

**Read more** about the importance of hashtags: [The Best Hashtags To Use In 2021](#)

### 2.3. Communication with the media

In order to build customer confidence, it is important to get positive media coverage. For a new business, it is challenging to find suitable media and a way to engage with them.

First, some research needs to be done to map the media landscape: print media, TV, radio, and online. The second step is to filter those that cover topics where you and your business could fit in. List the titles of those and find the actual names of the people in charge. Create a spreadsheet where you can track all your contacts and media communication.

It is useful to build relationships with the representatives of the media. Usually, you will communicate via email, however, it is advisable to first contact them by phone. This way you can address the recipients by their names. You will then email the press release, which must be concise (max. 2500 characters) and well written. A catchy title should refer to the content and good, print quality (300dpi) photos have to be attached or sent via a file transfer (e.g. wetransfer.com) The text lead should contain the answers to the following key questions: Who? What? How? Where? When? If you send the same email to more than one recipient, make sure that the other recipients' email addresses remain hidden (bcc). 2-3 days after your email you will have to call again to see if they have received your email or need more information. The best time to call an editorial office is in the late morning or early afternoon.

You will have to plan your communication with the media well if you want your story to be covered. Monthly media have at least 6 weeks lead time (that means they won't cover any stories coming in later than 6 weeks before the release date). Weekly media have 3-4 weeks lead time and daily media has up to 2 weeks.

In case you are introducing a new product, opening a new shop or having a new exhibition opening, etc. it can also be a good idea to organise a press conference or media event and invite key media contacts. This event creates a chance for more personal interaction and helps build the relationship.

Presswork means a lot of work and can be very frustrating at some times. Most often it is not possible to get media appearance for free. You usually have to pay a lot for articles (advertisements) However, it is very



important not to give up, be creative and try again. Only continuous and regular press work will lead to success.

**Exercise:** Make a list of 3-5 local print media that you would like to build a relationship with in order to get coverage. Find out the names of the editor-in-chief and the column leader. What are their profiles, how often are they released and what are the permanent columns?

Also keep in mind that nowadays establishing good relationships with relevant influencers on youtube, Instagram, tik tok, etc. can almost be even more important than press relations, as certain target groups are particularly well reached by them. Here, too, the cooperations are usually not for free, but there are several possibilities for more individual constructions to be negotiated. (E.g. appearance in exchange for products or services, etc.)

**Read more about influencers:** [How to find key influencers to promote your brand.](#)

## 2.4. Communication with art/cultural organisations and communities

When entering a competitive market you will always have to get to know your competitors. After analysing them, you might find that you have the same customers, use similar communication tools, marketing methods, and resources, and operate in a similar way. Also, you are likely to face similar challenges and obstacles.

Especially as an actor in the cultural and creative field, consisting of small businesses and sole entrepreneurs, it is appropriate treating your competitors as allies. Join existing communities and proactively initiate networks of art workers and creative/cultural businesses that can share best practices, act jointly, cooperate and help each other on the way to mutual success.

In most countries, you will find professional organisations in the cultural and creative field that represent the interests of their members. These organizations often also have a community-building function. By joining them, you become part of a professional community, build relationships, get access to group exhibition opportunities, appearances at fairs, information on scholarships, and open calls easier than individually. In some cases, being a member of a particular organisation may even be a condition for professional acceptance - also by customers- as a sort of guarantee that your work will be of good quality.

Be proactive, make your research and join the formal and informal communities of the field you are operating in. Be an active part of your community, react to calls, share your own experiences, and ask for advice. Take part in collaborations, joint events, and promotions, this way you can build relationships, multiply the target audience, and share resources. It is also important to build mutually referral relationships (recommend your competitors' products/services).

**Exercise:** Look for formal organisations in your country in the cultural/creative sector and find out what are the conditions to join.



# Unit 3 - Storytelling

## 3.1. What is storytelling

Storytelling is one of the oldest universal art forms, that everyone understands. Stories stimulate the imagination, evoke emotions and build a connection between the listener and the narrator.

Storytelling in marketing means that you are using a narrative to convey your brand message. With this communication tool, you can share your values and personality, build and strengthen relationships with customers. Storytelling can help people connect, and understand who you are and what your business stands for.

Storytelling is not advertisement with the direct intention of selling a product/service, but it will affect how others see you and your business. Your story will shape perceptions and attitudes towards you/your business and influence purchase intentions and brand loyalty. A captivating and unique story will stand out more than a simple advertisement and result in more attention, a deeper and more complex understanding, and will be remembered better.

## 3.2. How to create a good story?

Stories inspire and motivate action, they are capable of simplifying complex messages and bringing people together.

A good story will be:

- Entertaining the audience and maintaining their interest
- Arousing curiosity and providing information
- Relatable to the audience, based on shared experiences or emotions
- Well structured
- Memorable

In order to create a good and captivating story, you will have to define your core values first. What is it that you/your business stands for? What are the core beliefs of your business that your identity is based on? Create a short and concise statement, which will serve as a guideline throughout all your activities as a business.

**Practical exercise:** Create a short statement for your business.

## 3.3. The storytelling process

- Define your audience.
- Decide what kind of story you are telling.
  - A story that encourages action describes how a successful action has been completed in the past and explain how the audience can get there too
  - A story about yourself is authentic and personal about struggles, fails, and wins, very appreciated by customers, especially in the cultural and creative market.
  - A story that conveys values is relatable to the audience who will understand how it applies to their own life.
  - A story that promotes community or collaboration motivates the audience to discuss and share it with others.



- A story that educates is informative. The audience can learn about a problem and how it was resolved.
- Define your core message. What is the information you would like to convey? Try to summarise your story in a few words. Define your call-to-action. What is the goal, the objective of the story? What do you want your readers/audience to do after reading/listening to your story? (E.g. subscribe to your newsletter, participate in a survey, etc.)
- Choose your medium. (written, spoken, video, audio, or visual)
- Write your story.
- Share and promote your story.<sup>24</sup>

### 3.4. Storytelling techniques

All stories are based on 4 pillars: People, Places, Plot, Purpose. People are the characters in the story, that interact with the environment. They are the most important components of the story and must be well presented because the audience will relate to and connect with strong characters. The audience will judge the story's authenticity by the description of the Place. By describing the location and time (together place) of the story adequately the audience can picture the situation, which will make the story real for them. The purpose of the story is basically the information that is intended to be conveyed. The purpose should always be well defined, clear and easy to understand. The plot of the story must be well structured, they should build on a beginning (a hook), a middle (dramatic evolution, climax), and an ending.



#### 3.4.1 Storytelling formulas

There are several storytelling formulas, that can be used in different situations of communication, many of which can be effectively implemented when operating on the creative and cultural market.

**Monomyth storytelling** is also called the „hero's journey“. In the starting point, the hero moves from a known place to the unknown, encounters challenges, and returns with newly acquired knowledge and experience that will benefit the community. This type of storytelling can be used very effectively also in the cultural and creative field.<sup>25</sup>

Stages of the hero's journey storytelling:

1. The conventional market

<sup>24</sup> <https://blog.hubspot.com/marketing/storytelling>

<sup>25</sup> [https://en.wikipedia.org/wiki/Hero%27s\\_journey](https://en.wikipedia.org/wiki/Hero%27s_journey)

2. Facing a challenge
3. Rejecting the challenge
4. Appointing the sage
5. Crossing into the unfamiliar
6. Mapping the road of challenges
7. Facing the final challenge
8. Looking back at the changes you've undergone
9. Looking forward to new challenges through a changed outlook
10. Celebrating your victory<sup>26</sup>

Watch the videos for some good storytelling examples:

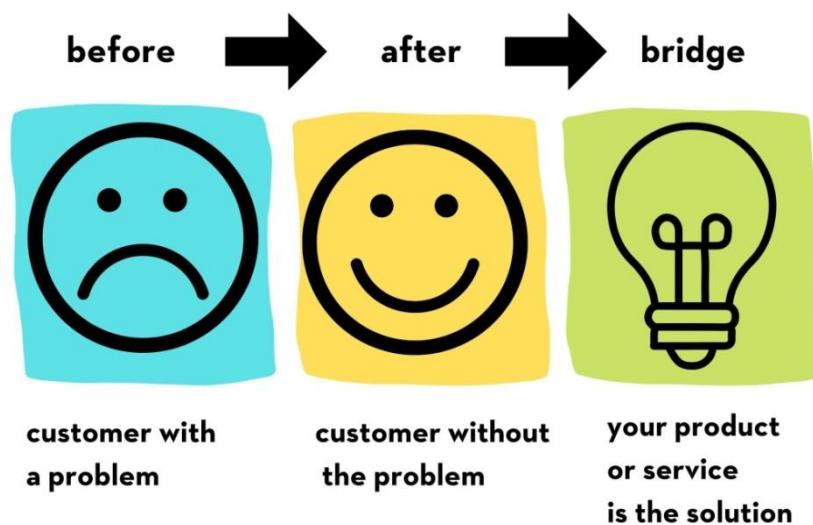
[Coca-Cola Sunset](#)

[How Airbnb Hosts Help People Belong Anywhere | Airbnb](#)

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**The Before-After-Bridge Formula** is one of the most popular and simple storytelling techniques. The story starts with describing a problem (before), the second part describes the world without the problem (after), and the third part the solution how to get there (bridge).



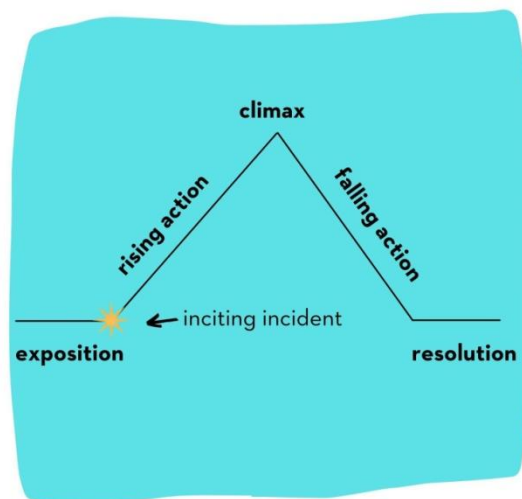
A good example for the Before-After-Bridge Formula:

<https://www.facebook.com/Keloptic/photos/a.413769818654017/1814124341951884/?type=3>

<sup>26</sup> <https://contentmarketinginstitute.com/2013/03/brand-storytelling-content-marketing-heros-journey/>

**Freytag's Pyramid**<sup>27</sup> is a dramatic structure for storytelling, which is widely used. It contains 5 stages:

- **Exposition:** introduction of the background information (who? where? what? why?) The exposition ends with an **inciting incident**, which is the event that triggers the story.
- **Rising action:** explores the situation and increase tension that was caused by the inciting incident (catalyst event), until the climax
- **Climax:** the peak of the story, where the previous parts lead to, often a confrontation or a moment of truth
- **Falling action:** the initial conflict is solved
- **Resolution:** ending the story by tying up loose ends (denouement) and approaching conclusions



Regardless of the formula, you will implement when creating your story, always be honest and authentic, and believe your story yourself. Collect and analyse the stories of others, but be creative and invent your own. Always state the reason why you are telling your story, make your message clear. Test your story before launching it and ask for feedback. Practice and constantly try to improve your storytelling skills.

### Read more about storytelling:

[Storytelling Formulas Doubling Word-Of-Mouth For Your Brand](#)

[8 classic storytelling techniques | Story-Down Walls](#)

[The Psychology of Stories: The Storytelling Formula Our Brains Crave](#)

**Exercise:** Write your story. Chose a storytelling formula that suits you. Keep in mind the 4 Ps and your statement that should serve as a guideline.

<sup>27</sup> [https://en.wikipedia.org/wiki/Dramatic\\_structure#Freytag's\\_pyramid](https://en.wikipedia.org/wiki/Dramatic_structure#Freytag's_pyramid)

### 3.5. Visual storytelling: corporate image

Corporate image is how your business presents itself to the world visually. In addition to the product/service itself, the clear and comprehensible values, the authentic and consistent communication, the good story, the visual appearance will define the image of the business.

The corporate image is a complex system of features that are used to identify a business in line with its products/services and verbal communication. These features can be shapes, colors, images, fonts, etc which have to be unique, professionally designed and executed, unified, and easily recognisable.

It is desirable that the visual element are designed and carried out professionally by a graphic designer, however there are also many tools available that can help to create them cost-effectively in good quality yourself.

#### 3.5.1. Logo

A logo is a graphic mark, emblem, or symbol used to aid and promote public identification and recognition. It may be of an abstract or figurative design or include the text of the name it represents as in a wordmark.<sup>28</sup> It is of great importance for any brand to have a well-designed and executed logo.



A good logo should be:

- simple - clear messages, minimalistic design should help understanding it in an instant
- relevant - the logo should connect with your audience, your product/service and your values
- distinct and memorable - use design elements that do not necessarily match the current trends
- timeless - logos can be updated, but constant changes might confuse the customers

<sup>28</sup> <https://en.wikipedia.org/wiki/Logo>

- versatile and adaptable - the logo should work in different color schemes, on different media, both digital and print

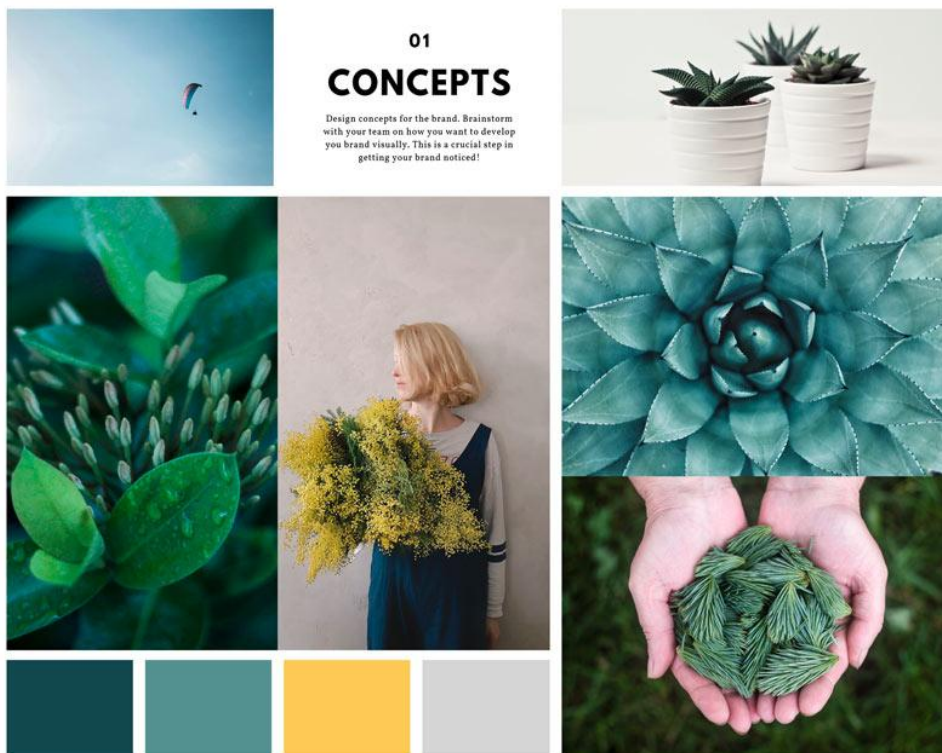
It is advisable to invest in a good and unique logo and entrust it to a professional graphic designer, as it should be the essence of your brand that you will use for a longer period. However, it is also possible to create a logo yourself with a logo generator, e.g. in canva ([www.canva.com](http://www.canva.com)) or [Looka](#)

Look at some award-winning logos: [99 Creative Logo Designs for Inspiration](#)

Practical exercise: Create a logo in one of the logo generators

### 3.5.2. Color palettes

A color palette is the full range of colors that define a brand’s identity. When choosing the color palette you need to understand what colors mean, what they are associated with and what emotions they usually evoke in customers. You will also have to look at your competitors’ color palettes, as you will want to stand out and not be confused with them. It is worth creating a mood board - a visual tool that represents your ideas and concepts through collages, colors, textures, etc - with your ideas and also with your competitors' color palettes to compare how yours fit in.



Moodboard: <https://www.aufwaerts-design.de/warum-brauche-ich-ein-moodboard/> Credit:cgermer



When creating your color palette, i.e. choosing the exact colors you will consistently use in your logo, on your website, business cards, and other printed material - consider the different uses of the color palette and that your colors are in harmony with each other. A good tool for selecting the right colors is Canva's color palette generator (<https://www.canva.com/colors/color-palette-generator/>) among others. Once you have chosen your color palette, you should stick to it.<sup>29</sup>

Read more about the importance of selecting the right colors for you brand: [How to choose the right colors for your brand](#)

Examples for color palettes: [Color Palettes of the Fortune 500](#)

Practical exercise: Try to create color palettes for your business. Explain your choice of colors. What is it that you want to express with them, what is the mood, the story that the color selection conveys?

There are many color palette generators online, but you can create color palettes here: [Coolors](#), [Color palette generator](#),

### 3.5.3. Fonts

Choosing or creating the perfect font for your business is also an important part of your brand image. Here again, you need to take into consideration the target audience's characteristics, expectations, and perception of your brand image. Also, it is important that you chose a unified and adaptable font that can be used on your website, as well as on your printed materials. The less ornate, simple fonts are considered more modern and clean, however, the most important aspect when choosing the right font is readability. When you found the fonts you like, be consistent, use the same set of fonts in all written communication.

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<sup>29</sup> <https://www.canva.com/learn/choose-right-colors-brand/>



Fonts:[littlenookstudio.com](http://littlenookstudio.com)

Read more about the importance of the choice of your fonts: [Build your brand: How to choose the right fonts](#)

### 3.5.4. Photos

As a brand, you will communicate to a great extent through photos with your customers. Your visual communication must go hand in hand with your brand identity, values and story. In all communication (website, social media, printed materials, etc.) a business should use professional, good-quality photos of clean origin. It pays to have photos taken by a professional photographer from time to time, e.g. for the presentation of a new collection, marketing campaigns, or for strengthening the overall brand image. However, there are several photo editing apps (e.g. canva, pixlr, adobe express, etc.) that you can work with when using self-taken photos. It is important that your photos also show a unified picture and follow similar guidelines.

Always consider the following aspects:

- What is the exact content in the photos? Are you showing your product or conveying a lifestyle? Or is the focus on the customer relations or the process?
- What is your story how does the photo fit into your story? What story does the photo tell?
- What is your intention, how should the customers feel when they look at the photo? What is the mood of the photo?
- Where do you want to use the photo? Website, social media, print media, etc?
- Are there any fixed elements of your brand identity that should be included? (photo, slogan, etc.)<sup>30</sup>

<sup>30</sup> <https://industrialmarketer.com/good-marketing-photos-important/>



Some tips for good photos:

Tips for good photo content:

- Always use good quality photos
- Display your products like they are used in real life
- Use props that amplify the effect
- Be personal , show the people behind your brand
- Show photos of your business's background history, location, customers
- Be prepared for photoshootings, have a clear vision of what you want to see
- Create an inspiration board by collecting photos (pinterest, magazines, google, competitors' photos, etc.)
- Carefully pick details like theme, location, background, wardrobe, mood -while keeping in mind the brand image, color palette, logo, etc.
- Create a detailed shot list

Good examples for brand image /visual identity: [15 Examples of Brands With a Bold and Beautiful Visual Identity](#)



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## Evaluation questionnaire

Chose the correct answer for each question.

1. Communication is

- a. a linear process
- b. is a complex, interactive, and mostly cyclic process
- c. a process that has only three components: the sender, the message, and the receiver

2. Communication barriers

- a. only occur when people from different countries interact
- b. can occur in any communication process, due to physical, psychological, cultural factors and language
- c. can not occur in written communication

3. Customers are stakeholders with

- a. high interest in your business but low power
- b. low power and high interest in your business
- c. high power and high interest in your business

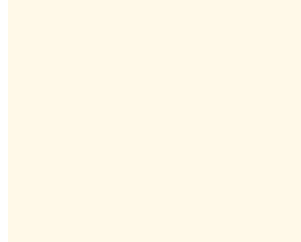
4. What describes assertive communication best

- a. prioritizes own needs and opinions, direct, controlling
- b. standing up to own needs and opinions, honest, self-confident, listens, and doesn't interrupt
- c. prioritizes the needs of others, is emotionally dishonest, apologetic, wants to avoid conflicts

5. Storytelling is important because

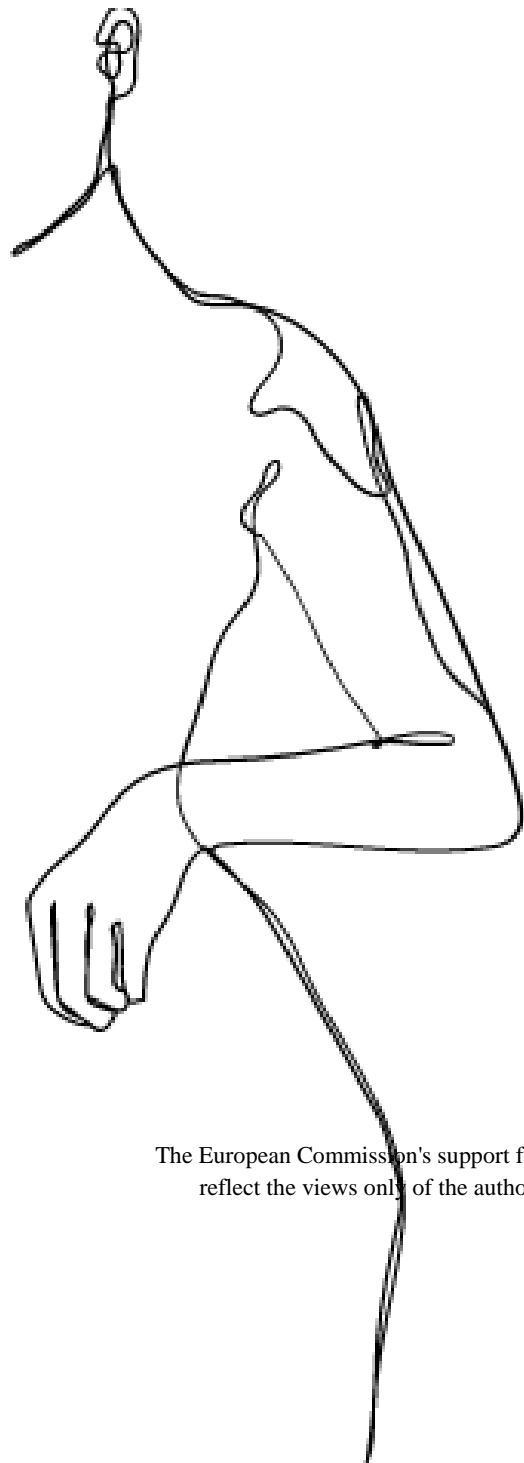
- a. you can persuade your customers to buy your product
- b. your story will shape perceptions and attitudes towards you/your business and influence purchase intentions and brand loyalty
- c. a good story can replace advertisement





6. A logo is

- a. is a graphic mark, emblem, or symbol and never includes any text
- b. is a graphic mark, emblem, or symbol that can be abstract or figurative and can include text or the name of the brand
- c. is a graphic mark, emblem, or symbol that always includes the brand name/slogan



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# **Module 9 - The Rules of the Game**

## **INTRODUCTION**

Understanding the “rules of the game” can make the difference from the very first moment in the launch of a new project. This module is structured around three fundamental pillars.

Firstly, the legal aspects are discussed. It presents the main guidelines on start-ups in the European Union, It explains the characteristics of the self-employed and social economy enterprises, and It analyses the forms of protection of innovation and creativity.

Secondly, it deals with the personal aspect and those elements specific to creative enterprises.

Finally, the market, that is the procedure for the development of ideas. The Lean Startup methodology is discussed in depth.

### **Unit 1 – Legal Rules and Policies**

Cultural and creative industries (CCIs) operate in a complex business environment, where they are defined by the standard regulations concerning businesses as well as intellectual property rights, taxation and many other issues.

#### **1.1.- EU regulation for start-ups**

#### **1.2.- Innovation and Creativity protection regulation.**

#### **1.3.- Profit-based or Non-profit Enterprises**

#### **1.4.- The Self-Employed/individual or Incorporated Enterprise: the Freelance**

#### **1.5.- The Social Economy Organisations: Cooperatives.**

### **Unit 2 – Personal Rules**

Establishing your identity, character, attitude, temperament, values and beliefs that define you is fundamental to the success of your project.

#### **2.1.- Main rules of the Market**

#### **2.2.- Elements Specific to Creative Enterprises**

#### **2.3.- The need of managerial work**

#### **2.4.- Personal Brand**

### **Unit 3 – Success in Arts Field**

#### **3.1.- Lean Start-Up in Arts**

#### **3.2.- Local Business Cases**



# Unit 1 – Legal Rules and Policies

Cultural and creative industries (CCIs) operate in a complex business environment, where they are defined by the standard regulations concerning businesses as well as intellectual property rights, taxation and many other issues.

## 1.1.- EU regulation for start-ups

To start a new company or expand a business in another EU country you need, first, to know about the **rules** that apply in your country to set up a company. To do so, you can use the link [national contact point](#)

Furthermore, as an EU citizen you are entitled to:

- set up your own business (even as a sole trader) in any EU country, Iceland, Norway, or Liechtenstein
- set up a subsidiary branch of an existing EU-based business that is already registered in one EU country

The **requirements** vary depending on the country. However, the EU encourages all countries to meet certain targets for helping to set up new companies, including:

- setting up in no more than 3 working days
- costing less than EUR 100
- completing all procedures through a single administrative body
- completing all registration formalities online
- registering a company in another EU country online (through the [national contact points](#))

National websites where you can find information about how to start up a company: *see Toolkit*.

To look for **EU funds** available for startup businesses and decide which ones can meet your needs it is recommendable to visit [Startup Europe Club](#). To expand and develop your business you can use the [Startup Europe Partnership](#). To increase the visibility of your business project, you can register your project on the [European Investment Project Portal](#). The portal also enables you to get in contact with potential international investors.

In particular for the cultural and creative industries (CCI's) **the Creative Europe programme**<sup>31</sup> 2021-2027 has a budget of € 2.44 billion, compared to €1.47 billion of the previous programme (2014-2020). Creative Europe invests in actions that reinforce cultural diversity and respond to the needs and challenges of the cultural and creative sectors.

The main objectives of the programme are to:

- safeguard, develop and promote European cultural and linguistic diversity and heritage
- increase the competitiveness and economic potential of the cultural and creative sectors, in particular the audiovisual sector

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<sup>31</sup> <https://culture.ec.europa.eu/creative-europe/about-the-creative-europe-programme>

The novelties of the programme will contribute to the recovery of these sectors, reinforcing their efforts to become more inclusive, more digital and environmentally more sustainable.

The Creative Europe programme is divided in 3 strands: Culture, Media and Cross-sectoral strands.

## 1.2.- Innovation and Creativity protection regulation.

The protection, the intellectual property defines and protects human innovations and creations. The Cultural and Creative Industries mainly focus on: Trademarks, Designs, Patents, Copyrights and Confidentiality Contracts. (For deeper information, see **Module 7**). In this section we just provide a few tips from the legal point of view when protecting creativity and innovation.

### Trademarks

A trade mark creates an identity that your customers can recognise, and it can play a key role in building your brand. With adequate protection it may become your most valuable asset.

The registration of a trademark grants the company the exclusive right to prevent third parties from marketing identical or similar products under the same trademark or using a trademark that may be confused or associated with it.

An EU trade mark can consist of any signs, in particular words (including personal names), or designs, letters, numerals, colours, the shape of goods, or of the packaging of goods or sounds.

On 1 October 2017, as a result of the *Amending Regulation (EU) 2015/2424*<sup>32</sup>, what was termed the “graphical representation requirement” was removed.

In practice, this means that as long as your trademark falls into one of the categories of trademarks accepted by the Office (EUIPO), and can be represented by the accepted formats, you can submit it as an application without having to represent it graphically.

The strategy you adopt for your trade mark will be unique to you. It will reflect your company's wider interests and its intellectual property portfolio. In pursuing these interests, you should consider how to use, defend and develop your trademark.

### Designs

A design<sup>33</sup> is the appearance of a product: *'The appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation'*. A registered Community design is valid in all countries of the European Union.

In order to benefit from such protection, the design must be novel and produce a different overall impression from what has been previously disclosed.

In the case of Industrial Design, it grants an exclusive right over the appearance of all or part of a product. Thus, you can prevent third parties, without your consent, from manufacturing, selling or importing articles incorporating your design.

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<sup>32</sup> New EU trade mark regulation: <https://euipo.europa.eu/ohimportal/en/eu-trade-mark-regulation>

<sup>33</sup> <https://youtu.be/FABrOqigqIM>

## Patent

A Patent is a legal title that gives inventors the right, for a limited period (usually 20 years), to prevent others from making, using or selling their invention without their permission in the countries for which the patent has been granted.

For more information: <https://www.epo.org/>

## Copyright

Authors' rights, also known as copyright<sup>34</sup>, come into existence with the creation of the work (e.g. when you write a text, develop a source code or take a photograph). Therefore, it is not necessary to register them in order for them to exist and be an asset in themselves.

However, even if it is not necessary, registration is very useful to prove that you are the creator of that work and/or its owner, and since when. Registration will be of great help for the exploitation of the work in the market and the resolution of conflicts with third parties.

Many of the works or creative works of entrepreneurs, artists and creators can find copyright protection. Even software itself (code for computer programmes or apps) is protected by copyright.

## Confidentiality Contract

Sometimes the best way to protect innovation is to keep it secret. Secret information, as long as it represents a competitive advantage and measures have been taken to keep it confidential, can be considered a trade secret.

The main advantage of trade secret protection is that the information is not shared and therefore the competitive advantage it confers can be maintained over time without limit, as long as confidentiality is maintained. This is why it is important to develop protocols and contracts aimed at keeping the information to be protected secret.

### 1.3.- Profit-based or Non-profit Enterprises

A non-profit enterprise (organization or institution) is a legal entity organized and managed for a collective, public, or social benefit. It is the opposite to a profit-based one which operates as a business aiming to generate a profit for its owners.

In a non-profit enterprise, when revenues exceed expenses, they are used for the organization's mission, not taken by private parties. Non-profit organizations appear for instance in politics, education, business world, religious movements, entertainment, and consumer cooperatives. Non-profit enterprises are many times tax-exempt and/or receive tax-deductible contributions.

Non-profit organisations are not driven by generating profit, but they must bring in enough income to pursue their social goals. The main operational difference from profit-based institutions is that non-profit ones can raise money in different ways. They can get income through donations from individuals, companies or even some other non-profit institutions, from governments or investors, etc.

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<sup>34</sup> <https://euipo.europa.eu/ohimportal/en/web/observatory/faqs-on-copyright>



Most non-profit institutions have staff that work for them, possibly using volunteers to offer their services under the direction of the paid staff. To balance the labour cost and the capacity to offer a social service within a social price is one of the main challenges in the management of a non-profit institution.

Non-profit institutions don't aim specifically to maximize profits, but they must operate as a fiscally responsible and viable business. They must manage their income (whatever they are) and expenses professionally, with responsibility, and replacing self-interest with some social interest.

#### **1.4.- The Self-Employed/individual or Incorporated Enterprise: the Freelance**

Freelance is a person who is self-employed and not necessarily committed to a particular employer long-term. The term "freelancing" is very common in culture and creative industries, and many times the use of this term may indicate that the professional activity is the one of an artist, a graphic designer, etc.

Freelance workers are sometimes represented by an incorporated company (a corporation) that resells freelance labour to clients; others work independently and are much more involved in the management of their activity and professional offer (dealing with customers, launching a personal brand, developing market strategies, etc.)

When working for a corporation, most of the time, the freelancer earns money on a per-job or per-task basis, in a short-term work relationship. A freelancer is not an employee of a firm and may be free to complete different jobs for different individuals or firms unless exclusivity is contractually committed.

Consequently, there are some common points for every freelance as they are:

- independence in the long term
- work developed per-task or per-job basis

But the profile of the freelance must be completed with one of the following options:

- personal brand or corporation brand: depending on whether the market sees that the job is done by the freelance or by a company
- managerial tasks or just technical ones: showing this whether the freelancer does the marketing, the networking, etc or only the technical aspects that a company (which makes all of this) requires.
- Freedom or exclusivity: meaning this whether the freelancer is going to work for only one company or for different ones at the same time.

There can be, also, associations, non-profit institutions which help freelancers to develop their work. In this case, the brand that appears in the market is the one of the artist and the artist is free to work for some other institutions or people.

	Self-employed	"Organisation"
<b>Responsibility</b>	Unlimited liability (with all her assets)	Limited to contribution
<b>Minimum capital</b>	None	Minimum capital requirement according to type of legal form
<b>Taxes</b>	Personal Income Tax	Corporate Income Tax
<b>Initial set-up costs</b>	None Licenses	According to type of organization: Nomination expenses Deed of incorporation Company registration
<b>Advantages</b>	Lower processing costs Higher flexibility Agile	
<b>Disadvantages</b>	Raising finance	

### 1.5.- The Social Economy Organisations: Cooperatives.

Cooperatives or cooperative societies are legally defined as societies formed by persons who associate, on a free membership and voluntary deregistration basis, for the purpose of carrying out entrepreneurial activities, aimed at meeting their economic and social needs and aspirations, with a democratic structure and functioning, in accordance with the principles formulated by the international co-operative alliance. A cooperative is an autonomous association of people who have come together to address their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. The diversity of needs and aspirations (work, consumption, credit, etc.) of the members, which make up the social object or co-operativised activity of these enterprises, defines a very varied typology of co-operatives. The principles that inspire cooperative societies are those of solidarity, democracy, equality and social vocation.

Cooperatives have several defining characteristics:

- an open and voluntary association
- a democratic structure with each member having one vote
- an equitable and fair distribution of economic results according to the volume of operations made through the cooperative

Cooperatives are enterprises that serve the needs of their members who contribute to their capital.

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32003L0072>

[https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu/cooperatives\\_en](https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu/cooperatives_en)

**Table 1: Cooperatives vs Capital Companies**

	<b>CAPITAL COMPANIES</b>	<b>SOCIAL WORKER COOPERATIVES</b>
<b>SHAREHOLDING POWER</b>	Depending on the amount of capital invested	One person, one vote
<b>DISTRIBUTION OF RESULTS</b>	According to the capital invested	According to the work performed
<b>PURPOSE OF THE BUSINESS ACTIVITY</b>	Maximum profit or profitability	The result subordinated to social welfare

Information at regional level

Valencia Region (Spain): <https://emprender.fevecta.coop/> (available in English)

# Unit 2 – Personal Rules

Establishing your identity, character, attitude, temperament, values and beliefs that define you is fundamental to the success of your project.

## 2.1.- Main rules of the Market

The internal market of the European Union (EU) is a single market with free movement of goods, services, capital, and persons, and in which citizens are free to live, work, study and do business. This freedom is the main characteristic of the EU market.

The result of this is that, since its creation in 1993 the single market has become competitive, productive, and unlimited. The aim of this has always been to boost employment and confidence in European businesses. The EU market is demanding because this freedom has developed much more competitive businesses but also a wealthier Economy and Society.

To work on the market, there is a well-known science called Marketing. Probably, the concept Marketing-mix is still useful and the best way to know about the 4 main elements of Marketing (all of them beginning with “p”): product, place, promotion, and price. These 4 words point to the main variables companies have traditionally worked on to increase sales or profits.

As a summary, we could say that:

- **Product** is an item or service designed to satisfy customer needs and wants. To effectively market a product or service, it's important to identify what differentiates it from competing products or services. It's also important to determine if other products or services can be marketed in conjunction with it.
- **Price** is what reflects what consumers are willing to pay for it. Marketing professionals need to consider costs related to research and development, manufacturing, marketing, and distribution—otherwise known as cost-based pricing. Pricing based primarily on consumers' perceived quality or value is known as value-based pricing.
- **Placement** means the areas of distribution and in this it is important to know the type of product or service to be sold. Basic consumer products, such as paper goods, often are readily available in many stores. Premium consumer products, however, typically are available only in select stores. Another consideration is whether to place a product in a physical store, online, or both.
- **Promotion** refers to a set of coordinated activities like advertising, sales promotion, personal selling, and public relations. A key consideration should be for the budget assigned to the marketing mix. Marketing professionals carefully construct a message that often incorporates details from the other three Ps when trying to reach their target audience. Determination of the best mediums to communicate the message and decisions about the frequency of the communication also are important.

To get a deeper knowledge about how to behave on the Market, there are many websites specifically for artists, as they are:

- [Marketing for Artists – How to Effectively Market Your Work - Artful Efforts](#)
- [Art Marketing 101: How to Promote Your Art \(format.com\)](#)
- [Marketing for artists - Art Business Info. for Artists](#)



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- [How to Market Yourself as an Artist - Artsy](#)

As it is clearly shown in these referred websites, something very important to succeed in the market is to pay attention to what the artists like, because this will communicate enthusiasm. However, empathy with the Market and being able to know what the Market likes is also very important for a freelance artist as it has proved many times in the fashion industry.



## INDUSTRY ANALYSIS

TOOL: **INDUSTRY ANALYSIS**<sup>35</sup>.

This tool is very useful for determining the profitability of a specific sector, because it provides us with a framework for strategic reflection, with the aim of assessing the value and future projection of companies in a sector. It will help us to identify the "players" in the market.

LINK TO DOWNLOADABLE TEMPLATE:

<https://expertprogrammanagement.com/wp-content/uploads/templates/PortersFiveForcesTemplate.pdf>



VIDEO: Industry Analysis [The Five Forces Analysis explained](#)

<sup>35</sup> <https://dothinklab.com/conoce/herramientas/crear/diagnostico-de-industria/>

Link for deeper information: [https://www.mindtools.com/pages/article/newTMC\\_08.htm](https://www.mindtools.com/pages/article/newTMC_08.htm)

This mind map can also help you to structure the information when analysing your business industry:

<https://creately.com/diagram/example/jgewg9le1/competitor-and-market-analysis-mind-map>

#### BUYER POWER: CLIENTS

- Who are our customers and what is their capacity or buying power?

#### SUPPLIER POWER: SUPPLIERS

- What are the main suppliers in the value chain?
- To what extent are we dependent on them?
- Are new suppliers emerging?
- Which are the most profitable?

#### EXISTING RIVALRY: COMPETITORS

- Who are our competitors?
- What are their competitive advantages and disadvantages?
- What is their main value proposition?
- How do they position themselves?

#### THREAT OF NEW ENTRANTS: NEW POTENTIAL COMPETITORS

- Who are the new entrants?
- How are they different?
- What are their value propositions?
- What market segments do they focus on?
- Is there any type of barrier to enter in the industry?

#### THREAT OF SUBSTITUTION: OTHER PRODUCTS/SERVICES THAT FULFIL SAME NEED.

- What products or services can replace ours?
- How much do they cost compared to ours?
- What value proposition do they offer?



## COMPETITOR ANALYSIS

TOOL: BENCHMARKING

This is a comparative analysis of your competitors through parameters of their business, such as sales channels, services performed and provided, experience of your business, customer experience, communication channels, etc. It serves to carry out an evaluation of good practices, where you can understand what they do well or better than you. In addition, compare yourself with their ways of doing things and compare them with each other.

Use the following format as an example. Adapt the information included to your project.

WHY CONDUCT THIS ANALYSIS?		Write down the question you are trying to answer or the goal of this analysis.			
		YOUR COMPANY	COMPETITOR 1	COMPETITOR 2	COMPETITOR 3
PROFILE	OVERVIEW				
	COMPETITIVE ADVANTAGE What value do you offer customers?				
MARKETING PROFILE	TARGET MARKET				
	MARKETING STRATEGIES				
PRODUCT PROFILE	PRODUCTS & SERVICES				
	PRICING & COSTS				
	DISTRIBUTION CHANNELS				
SWOT ANALYSIS	Do this for your company and for your competitors. Your strengths should support your opportunities and contribute to what you define as your competitive advantage.				
	STRENGTHS				
	WEAKNESSES				
	OPPORTUNITIES				
	THREATS				

Source: <https://www.smartsheet.com/free-competitor-analysis-template>

LINK TO DOWNLOADABLE TEMPLATE: <https://www.smartsheet.com/free-competitor-analysis-template>

To carry out the exercise successfully, you should consider the following:

- Define objectives: Determine what you want to assess and compare to obtain specific information about your target group.
- Identify competitors: Focus on 2-4 competitors.
- Define criteria: establish value scales or a concrete evaluation model to guide you in your study and benchmarking.
- Competitor analysis/self-analysis: produce a report describing your qualitative data and conclusions found.

- Reach conclusions.

## 2.2.- Elements Specific to Creative Enterprises

The most specific element of a creative product in terms of Marketing is its intangibility that means that the intellectual capital is their primary production input (Throsby, 2001, DCMS, 1998). It is impossible to measure the beauty of an artistic work the same way we measure the space of a house, the speed of a car or the resistance of some materials. However, we cannot say that all artists are the same good because there are obviously some artists with a clear impact on people and society. And there are also some artists whose value is recognized time later. We could try to say that an artist appreciated by many more people is a better artist, but this appreciation changes a lot depending on the culture.

As a very good example of the influence of many other factors on the quality of an art work we can use the following story (from [Did Violinist Joshua Bell Play Incognito in a Subway? | Snopes.com](http://Snopes.com)):

*“A Most Interesting Story*

*A man sat at a metro station in Washington DC and started to play the violin; it was a cold January morning. He played six Bach pieces for about 45 minutes. During that time, since it was rush hour, it was calculated that thousands of people went through the station, most of them on their way to work.*

*Three minutes went by and a middle aged man noticed there was a musician playing. He slowed his pace and stopped for a few seconds and then hurried up to meet his schedule. A minute later, the violinist received his first dollar tip: a woman threw the money in the till and without stopping continued to walk. A few minutes later, someone leaned against the wall to listen to him, but the man looked at his watch and started to walk again. Clearly he was late for work.*

*The one who paid the most attention was a 3 year old boy. His mother tagged him along, hurried but the kid stopped to look at the violinist. Finally the mother pushed hard and the child continued to walk, turning his head all the time. This action was repeated by several other children. All the parents, without exception, forced them to move on.*

*In the 45 minutes the musician played, only 6 people stopped and stayed for a while. About 20 gave him money but continued to walk their normal pace. He collected \$32. When he finished playing and silence took over, no one noticed it. No one applauded, nor was there any recognition.*

*No one knew this but the violinist was Joshua Bell, one of the best musicians in the world. He played one of the most intricate pieces ever written with a violin worth 3.5 million dollars.*

*Two days before his playing in the subway, Joshua Bell sold out at a theatre in Boston and the seats average \$100.*

*This is a real story. Joshua Bell playing incognito in the metro station was organised by the Washington Post as part of an social experiment about perception, taste and priorities of people. The outlines were: in a commonplace environment at an inappropriate hour: Do we perceive beauty? Do we stop to appreciate it?*

*Do we recognize talent in an unexpected context?*

*One of the possible conclusions from this experience could be: If we do not have a moment to stop and listen to one of the best musicians in the world playing the best music ever written, how many other things are we missing?”*





There is another relevant question to add in terms of Marketing. Could everyone attending the concert and paying the \$100 price distinguish the quality of the violinist from another not so good violinist? Experience in Marketing says that most of the attendees couldn't do it. What is commonly accepted as good is very important in the market. In every industry there are people whose opinion is highly appreciated by the rest of the customers. And the presentation is also many times more important than the product itself.

To sum up, according to Rozentale & Mariangela (2014) the **specific elements** that define the cultural and creative industries (CCIs):

- The CCIs are all seen as producers and carriers of **symbolic content and meaning** (Scott, 2000; Throsby, 2001);
- The creative industries use human creativity, skill and talent and therefore have **intellectual capital** as their primary production input (DCMS, 1998; Throsby, 2001);
- Their output is thereby perceived as **highly differentiated** and can be characterised as artistic, cultural or creative;
- The **non-monetary values** attached to the symbolic content are highly regarded by consumers, which make the creative industries high-value-added sectors.
- Creative industries face higher demand **uncertainty**, strong **volatility** in tastes and therefore higher **risks**.
- Creative firms have to constantly produce **high levels of novelty** (Cooke & Lazzarotti, 2008), which in turn have the potential to result in innovation (Scott, 2010).
- Some studies have even proved creative industries to be more innovative than other manufacturing or service sectors (Chapain, Cooke, De Propriis, MacNeill, & Mateos-Garcia, 2010).
- The durability of creative firms' output and the novelty generation imply that creative industries create or exploit intellectual property (Throsby, 2001; UNCTAD, 2008).
- creative industries impact on the rest of the economy on one side by producing and selling innovative goods and services for the final consumer, on the other by providing goods and services as intermediary **inputs to other sectors** (Chapain et al., 2010; Scott, 2008).

In the end, what must be considered is that Art produces feelings and many of those feelings are not produced by the artist work itself but by some other conditions interesting to analyse and manage.

### 2.3.- The need of managerial work

Managerial work in the Arts Industry includes running the daily business operations of art institutions or professionals either private or public. It is an attempt to reconcile both disciplines as they potentially have opposing objectives. Managerial activity refers to the practical aspects of running a business: rational management of resources, keeping expenditure within a budget, pursuing efficiency. Art Industry is a mean of expression, it carries the author's vision and emotions and is not concerned with profit.

It is important to separate time and rooms for both. In the Art Industry, management must respect arts by not stifling the artist's creativity and their freedom to express themselves. Art should always have the freedom and the space to create and perform its role towards society: inspire ideas, educate, embody the current issues, and struggles of a society, shape nations and peoples' identities, create cultural legacies that are passed onto the next generation.

But every kind of arts organization is a legal organization which must meet legal, economic, and organizational requirements to exist and survive by performing its role in the society. Furthermore, some called Arts develop a lot of activity within the entertainment industry. Many films, songs, theatre plays are not created to last forever but for the public to have a good time. The same thing happens with some pictures

which are very useful to decorate but not necessarily to be placed on the wall of a museum. Together with the Arts, it exists some activity which can finance the time needed to make Art.

As Woody Allen said:” If show business wasn’t a business, it would be called a show”. Any art institution has to be economically viable, manage staff, find funding etc. Hence the need for management.

Examples of managerial work on Arts are the management of events, the hiring of all the staff (also artistic), the financing, the accounting (of events and of the company), the promotion and a lot of activities that being well developed, allow the artistic company to exist and keep offering its art to the society.

## 2.4.- Personal Brand

Building your personal brand is very important. We must be aware that, today, everyone has a brand. Therefore, having a well-defined personal brand travelling all over the world is crucial.

To create our personal brand, to show the artist behind the work, we will, first, analyse ourselves. We will answer questions like how we are, how others see us, what we transmit, what we want to do with our career, etc. Many times, the answer to these questions is not so easy. Let’s look for tools to help us.

The most important thing is to discover what your strengths and weaknesses are today. This way, you can take more advantage of strengths and reduce the limitation of your weaknesses. All of this, obviously linked to how we want to be seen in the market, being this linked also to how we want the market to see us together with our work. For instance, if I want to buy something ethnic, it will be interesting for me to know how the artist was in touch with that ethnic group. The concept of authenticity in Arts is very important, the way it is the concept of fusion.

It is also important to create an environment of confidence and honesty with ourselves and with others. This way we can get relevant information. Otherwise, we will create a bias in the knowledge of how people see us that it will not be for good.

Main steps to create a successful Personal Brand:

### 1. Define yourself

Creating your personal brand requires you to stop for a moment and exercise knowing yourself. Ask yourself questions and define a path. If you're not prepared to do so, better to delay your brand creation. Wait for the right time when you feel you must do it.

Never be in a hurry to create your personal brand. To align it with you and your values you must start slowly. It will take time at the beginning, but it will mean less work in the medium and long term. You will also avoid many misunderstandings and spend time and money on its management.

### 2. Be honest

Beginning with yourself. There is no option regarding this. The truth is sooner or later recognized and very appreciated. It will maintain the trust of your followers. This has nothing to do with you telling personal things or such data. Even more, this will keep your intimacy private.

### 3. Make the digital environment work for you and not against you.



Stay faithful with your brand image. Make coherent the connection between what you intend and what you show. Take care of the images you put, even consider the colors you use for backgrounds, etc. You are talking about yourself.

4. Always keep your references up to date.

If you think your presentation is a list of jobs, dates, and characters, you're wrong. Your professional history speaks of you clearer and stronger than what you believe. Be careful with it, keep it up to date, with good writing and link your work with as many references as you can.

5. Create a personal website.

If you can afford it, great, but if you can't, don't leave it for later, you have a lot of platforms where you can build your website for free and with good quality.

6. Social media is charged by the devil.

Consider the difference between a personal and a professional profile, adapt each one, a profile is not good for everything.

7. Expand your network of contacts.

Communicate what you do and search for contacts and followers. Use professional networks in addition to the usual social networks. If you understand the importance of relationships in the analog world, you will understand that relationships in the digital world are also important. Take advantage of the facilities that the Internet offers to you.

8. Talk to them

If you have fans, followers, etc. talk to them, send them an email, update a post on the networks where they move, ... At least, once a week or with the periodicity you decide, so they know you are there and what you are working on. Try to get a community of followers that follow your work and are also there when you're not working.

9. Free does not mean poor.

A poor or mediocre personal brand on the Internet can really hurt you, especially when the market is full of competitors and the demand is low. Poor, in this case, means non-well- defined and illogical. It has nothing to do with money, although hard work and time will be required.

An interesting tool to analyse and develop your personal brand is the “Business Model You”.



TOOL: **Business Model You**








VIDEO: [How to Diagram your Personal Business Model the Quick Way](#)

LINK TO A DOWNLOADABLE TEMPLATE:

[https://www.stattys.com/pub/media/catalog/product/cache/2836cfa97ed9167584be0f1d6dec58/3/8/381-bmy208-personal\\_business\\_model\\_canvas\\_a0-1024jpg\\_1.jpg](https://www.stattys.com/pub/media/catalog/product/cache/2836cfa97ed9167584be0f1d6dec58/3/8/381-bmy208-personal_business_model_canvas_a0-1024jpg_1.jpg)

# PERSONAL BUSINESS MODEL

NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

<p><b>KEY PARTNERS:</b></p> <p><i>WHO IS HELPING YOU?</i></p> 	<p><b>KEY ACTIVITIES:</b></p> <p><i>WHAT ARE YOU DOING?</i></p> 	<p><b>VALUE PROPOSITION:</b></p> <p><i>HOW CAN YOU HELP?</i></p> 	<p><b>CUSTOMER RELATIONSHIP:</b></p> <p><i>HOW DO YOU INTERACT?</i></p> 	<p><b>CUSTOMER SEGMENTS:</b></p> <p><i>WHO ARE YOU HELPING?</i></p> 
<p><b>COST STRUCTURE:</b></p> <p><i>WHAT ARE YOU INVESTING?</i></p> 	<p><b>REVENUE STREAMS:</b></p> <p><i>WHAT DO YOU GET?</i></p> 			

SOURCE: BUSINESS MODEL YOU, TIM CLARK, 2012

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Source: <https://bernardzitzer.com/product/personal-business-model/>



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# Unit 3 – Success in Arts Field

## 3.1.- Lean Start-Up in Arts

**Lean startup** is a methodology for developing products that aims to rapidly discover if a proposed product is viable; this is achieved by following product-hypothesis-driven experiment, methodology to validate the learning and release a product. Lean startup focuses on customers' feedback instead of intuition and manages with flexibility and adaptability instead of planning. Lean start-up uses a slogan "fail fast, fail cheap". To do so, it is important to meet the needs of early customers. This will save time and money. It is important to think at every time what is the best direction for the business to be developed.



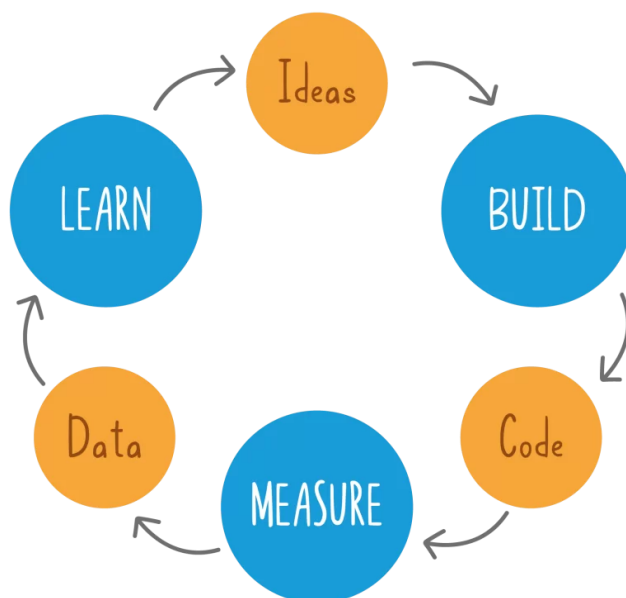
### VIDEO: THE LEAN STARTUP

LINK: <https://www.youtube.com/watch?v=rjXxdvDdJ0Q> (Available with subtitles in different languages).

The main components of the Lean start-up methodology applicable for the Art Industry are:

#### Minimum viable product

A minimum viable product (MVP) is the "version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort". It is developed to test fundamental business hypotheses (or leap-of-faith assumptions) and to help entrepreneurs begin the learning process as quickly as possible.



The main components of the Lean start-up methodology applicable for the Art Industry are:

Zappos is a good example of this good practice. Its founder, Nick Swinmurn, had thought of starting-up an online shop of shoes. He began taking pictures of shoes from a local shoe store and uploading them to a web that he had created to sell them. When he had sold a pair of shoes, he bought them in the local store and sent them to the online customer. This cheap way he was able to check that there was potential demand for an online shop of shoes. Zappo began from that and became a billion-dollar business.

#### Split testing

A split testing is an experiment which consists of offering different versions (A/B) of a product to customers at the same time and to observe the market behaviour in a measurable way. It is important to check that the comparison is neutral, and no other variables have influence on the experiment.

For instance, if an artist needs to know what wedding rings consumers would prefer, could make a small sample of the different options, and see their reaction before investing money and time to be in series production.

### Actionable metrics

Actionable metrics are the metrics that reflect accurately the key drivers of a product. They are the opposite of vanity metrics, which are not realistic. It has happened in the digital world that some ideas, for instance, have a lot of followers on social media. Sometimes the promoters of that idea launch some products for all the followers (t-shirts, keyrings, etc.) and don't even sell them.

This happens because becoming a follower is mostly for free and to have to pay for something is a barrier that most people prefer not to cross. When doing this kind of thing we should look for other kind of metrics before launching any product.

### Pivot

Pivot consists of correcting the work dynamics to test a new relevant hypothesis about the product, strategy, and development.

Groupon is a good example. It began as an online activism platform with no much success. The founders decided then to launch a promotional coupon with discount for a pizzeria located in their building lobby. They only received 20 redemptions, but saw that their idea was significant, and had brought some interesting activity. Three years later, Groupon became a billion-dollar business.

### Build-Measure-Learn

It is a loop that considers speed as a critical ingredient to customer development. It aims to build a minimum viable product as quickly as possible, measure its impact, and learn from that experiment. It creates a cycle of learning activity, and it can bring real advantage to the company able to develop it. The phases of the loop are: Ideas → **Build** → Product → **Measure** → Data → **Learn**.



VIDEO: [THE LEAN STARTUP SUMMARY \(BY ERIC RIES\)](#)

The Build-Measure-Learn loop.

### TOOL: PRODUCT/SERVICE HYPOTHESIS CANVAS

When you are designing a product/service or defining a value proposition you will often be confronted with the question of which issues are more relevant to customers or which features they value more. Generating facts on your customers' preferences and priorities is a much better approach to design than prioritising solely based on your assumptions.

LINK TO TEMPLATE: [How to Articulate a Hypothesis for Your Product | by AGIMA](#)

**Product Hypothesis Canvas** Design for \_\_\_\_\_ Date \_\_\_\_\_

<p>1 We believe that ... describe what we plan</p>	<p>2 For (whom)... target audience</p>	<p>3 To achieve... what kind of result we are expecting</p> <p>short / long term goal</p>
<p>4 How do we measure this? metric and method for verification</p> <p>attendance / engagement / conversion / loyalty / money / A/B / interview / form / analytics / focus group</p>		
<p>5 Positive   IMPACT   Negative</p> <p>6</p> <p>Impact / related items / effects</p>		

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It is time to obtain information about the product/service you are designing. With all the knowledge generated and worked on in detail, you should be able to go for a strategy that you must now land and materialise in an experiment or test with the market.

**Consider:** How critical the hypothesis is, how much money you will spend in the experiment and how much time it will take.

- TOOL: Test Card. Source: <https://platform.strategyzer.com/resources> (Link to download the Template Login required)

**Test Card** Strategyzer

Test Name	Deadline
Assigned to	Duration

STEP 1: HYPOTHESIS  
We believe that \_\_\_\_\_  
Critical: ▲ ▲ ▲

STEP 2: TEST  
To verify that, we will \_\_\_\_\_  
Test Cost: [ ] [ ] [ ] Data Reliability: [ ] [ ] [ ]

STEP 3: METRIC  
And measure \_\_\_\_\_  
Time Required: [ ] [ ] [ ]

STEP 4: CRITERIA  
We are right if \_\_\_\_\_

Copyright Business Model Foundry AG The makers of Business Model Generation and Strategyzer

VIDEO: [Validate Your Ideas with the Test Card](https://platform.strategyzer.com/resources)



The Test Card is a practical (lean startup) tool created by Strategyzer that helps you validate your business ideas and design experiments.

- TOOL: Learning Card. Source: <https://platform.strategyzer.com/resources> (Link to download the Template. Login required)



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VIDEO: [Capture \(Customer\) Insights and Actions with the Learning Card](#)



The Learning Card systematically captures your learnings and makes the resulting decisions and actions explicit.

### 3.2.- Local Business Cases

By way of example, local cases are presented under different legal forms. These are cases of creative enterprises set up by women or with significant female involvement.

#### SPAIN

##### COOPERATIVES

**Makinacción Coop.** <https://makinaccion.com/somos/> women's cooperative in the cultural and creative industries sector. MakinAcción is an emotional and transmedia communication cooperative that provides consultancy services, production of actions and/or events, training and innovation dynamics, with a tailor-made approach focused on participation, conversation and play with audiences.

Transmedia communication strategies

Consultancy, assessment and data analysis

Research and studies

Internal communication and brand ambassadors

Media planning

SELF-EMPLOYED/FREELANCE - Circular Economy Business Model



## **Lucirmas - Lucia Bruni**

<https://lucirmas.com/en/>

Lucirmás was founded in 2006 in Barcelona by the Italian designer Lucia Bruni. Lucia has created the Lucirmás atelier, to bring excellence to sustainable glass design. The results are elegant, useful and sustainable products, designed to live a long life and fit easily in multiple spaces.

Lucia Bruni supports craftsmanship techniques and she designs, manufactures and sells her own collections through her website and also in different stores in all Europe.

Throughout the whole 2016 Lucia Bruni has collaborated with the Celler restaurant in Can Roca for the creation of “RocaRecicla” sustainable project, focusing on the implementation of the project and on the definition of the design line.

## **La Leyenda de Oxfordshire - Esther Jimenez Soriano**

<https://alicantepiazza.es/esther-jimenez-de-la-farmacia-a-emprendedora-literaria-y-de-educacion-emocional>

Esther's project focuses on emotional intelligence during different stages, using theatre and culture as a pathway. It is divided into several branches: Re-know - focused on the recognition of emotions. I feel - focused on giving tools for managing emotions. Act - working on bullying. Equality - aimed at people with disabilities. All of this is reflected in a final dramatised project which encompasses the whole, reflecting the book "The Legend of Oxfordshire".

OTHER LEGAL FORMS (CAPITAL ENTREPRISES with social perspective)

## **Timpers Brand, SL**

<https://www.timpersbrand.com/>

<https://lanzadera.es/proyecto/timpers/>

<https://web.ua.es/en/actualidad-universitaria/2021/julio2021/12-18/timpers-a-shoe-company-created-by-ua-students-will-supply-footwear-for-the-spanish-paralympic-team-in-tokyo-2020.html>

Timpers is a company funded by students from the University of Alicante that is dedicated to the design and commercialisation of slippers with the particularity that they are designed by blind people, through touch and for everyone. At Timpers, 100% of the staff has some kind of disability.



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Sources of information:

[Starting a business in the EU: Registration & support - Your Europe \(europa.eu\)](#)

[Marketing Mix Definition \(investopedia.com\)](#)

[www.wikipedia.org](http://www.wikipedia.org)

[EUIPO - Home](#)

[Council Regulation \(EC\) No 6/2002](#)

<https://www.epo.org/>

[https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu/cooperatives\\_en](https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu/cooperatives_en)

[Scaling Lean](#)

[Strategyzer Resources](#) (Requires Log in - It is a free account)

Culture and Creativity in Europe:

<https://culture.ec.europa.eu/creative-europe/cross-sectoral-strand>

<https://culture.ec.europa.eu/creative-europe/about-the-creative-europe-programme>



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## QUIZ

1.- Which of the following statements is not linked with Trademarks:

- a) It creates an identity that your customers can recognise.
- b) It grants the company the exclusive right to prevent third parties from marketing identical or similar products.
- c) It is the appearance of a product.**

2.- A patent:

- a) consist of any signs, in particular words (including personal names), or designs, letters, numerals, colours, the shape of goods, or of the packaging of goods or sounds.
- b) is a legal title that gives inventors the right.**
- c) can be considered a trade secret.

3.- Select the wrong answer: A non-profit Enterprise...

- a) is a legal entity organised and managed for a collective, public, or social benefit.
- b) does not need to operate as a fiscally responsible and viable business.**
- c) can raise money in different ways.

4.- Select the wrong answer: A cooperative ...

- a) is an open and voluntary association.
- b) is a democratic structure with each member having one vote.
- c) Profits are distributed according to the amount of capital contributed.**

5.- The most specific element of a creative product in terms of Marketing is:

- a) Intangibility**
- b) measurable
- c) objectivity

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# **Module 10 - Business Modelling and Business Plan Manual**

# Introduction

Innovation and entrepreneurship, represented and brought into the market through start-ups, are important factors to contribute to economic growth. In many cases, start-ups bring added value to markets with new products or services. By studying this module, you will learn the underlying principles of starting a business, avoid common pitfalls, pitch ideas more effectively, develop a solid business plan, and set yourself up for success. You will also be introduced into different business models.

Module 10 will offer you the basic knowledge and skills required in setting up a business and will develop a set of organization and entrepreneurial skills. The module includes a theoretical and a practical introduction to the process of developing a business idea and will provide you with the tools and encouragement needed to start your own entrepreneurship journey. This module is comprised by 3 learning units in total:

## Unit 1 – What is a business model?

The learners will get an understanding of what a business model is., that is a plan for the successful operation of a business, identifying sources of revenue, the intended customer base, products, and details of financing. Learners will get introduced with simple examples in different kinds of business models (e.g., bait and hook model, app store model, freemium model).

*Key concepts: business model, types of business models*

## Unit 2 – The value proposition

The learners will get an understanding of the value proposition concept and value proposition canvas. By the end of this unit, the learners will be able to use the Value Proposition Canvas (VPC) to position their products and services around what their customers truly value or need.

*Key concepts: Value Proposition Canvas, clients' needs, customer profile, gain creators, pain relievers, product, and services.*

## Unit 3 – Business Model Canvas

The learners will get an understanding of Business Model Canvas (BMC) and they will be asked through practical exercises to create their own BMC. A connection between value proposition canvas and BMC will be presented.

*Key concepts: customer segment, channels, customer relationships, revenue streams, business key activities, key resources, key partners, costs' structure.*

## Learning objectives

After studying this module, you will be able to achieve the following learning outcomes:

### **Knowledge:**

After the successful completion of this unit learners will:

- Be able to define what a business model is
- Be able to provide examples of different business models
- Be familiar with the term value proposition
- Be familiar the value proposition canvas and business model canvas

### **Skills:**

After the successful completion of this unit learners will be able to:



- Explain value proposition
- Explain business model canvas
- Create a business model canvas for their own business idea
- Design and follow the process for starting a new business

***Abilities:***

After the successful completion of this unit learners will be able to:

- Create and assess a business idea, criticizing and question its strength
- Create a value proposition canvas for their own business idea
- Designing a new enterprise and starting up a new business
- Demonstrate the ability to think critically about the entrepreneurial process
- Demonstrate problem-solving skills required in starting up new businesses



# Unit 1 – What is a business model?

## *Introduction*

The topic of business models has become important in today's competitive landscape. The capacity to manage continuous change and constantly adapt to rapidly changing business environments by introducing new business ideas and concepts is nowadays indispensable for companies to thrive and survive. The business model concept is a particularly helpful unit of strategic analysis tailored to today's business environment. There is a bunch of diverse qualitative and quantitative problem-solving methods and tools to consider when designing or updating your own business model. But let us take a step back and really ask ourselves what we mean when we talk about business models.

## **Practical activity – reflective exercise and discussion**

Respond to the question: *But what is a business model? Share your thoughts and ideas* with your group mates.

## **Content (continuation)**

How do we define what a business model actually is and how could we describe the business model of our own company?

## *Theoretical background*

A business model describes how an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts. The process of business model construction and modification forms a part of business strategy.

In theory and practice, the term business model is used for a broad range of informal and formal descriptions to represent core aspects of an organization or business, including purpose, business process, target customers, offerings, strategies, infrastructure, organizational structures, sourcing, trading practices, and operational processes and policies including culture.

*Thus, a business model is an outline of how a company plans to make money with its product(s) and is customer base in a specific market.*

At its core, a business model explains four things:

- What product or service a company will offer to the market?
- How it intends to market that product or service.
- The kind of expenses that are foreseen for the company/ business to operate.
- How the business expects to turn a profit.

Business models are constantly changing, adapting to the development of businesses, the market, but also technological advancements. There is no one-size-fits-all model that can be applied to every business.

## *Essential components of a business model*

Business models can vary in form and function; however, they all consist of the same basic components. Essential elements of a business model include a unique *value proposition*, a viable *target market* and a *competitive advantage*. Without those elements, you will not have a way of generating revenue. When

choosing the appropriate business model for your own business, you should not just consider about how to generate income; you also need to consider production costs and other factors in order to see the full picture.

Here are the core components you need to consider:

- Value proposition: is a promise of value, that makes your product attractive to customers.
- Target market: A specific group of consumers who would be interested in your product(s) and/or service(s).
- Competitive advantage: A unique feature of your product(s) and/or service(s) that distinguish your business from other competitors.
- Cost structure: A list of the fixed and variable expenses your business requires to function, and how these affect pricing.
- Key metrics: The ways your company measures success.
- Resources: The physical, financial, and intellectual assets of your company.
- Problem and solution: Your target customers' pain points, and how your company intends to address them.
- Revenue model: A framework that identifies viable income sources to pursue.
- Revenue streams: The multiple ways your company can generate income.
- Profit margin: The amount your revenue exceeds business costs.



### Watch a video

To help you resume what a business model is useful for, and which are the basic elements that a complete business model should incorporate, you can watch the video at the following link: [https://www.youtube.com/watch?v=Z\\_zthXw0Wb4](https://www.youtube.com/watch?v=Z_zthXw0Wb4)



And if at this point you are still wondering whether you actually need a business model, the answer is definitely yes. And here is another interesting short video to facilitate you realize why: <https://www.youtube.com/watch?v=wwShFsSFb-Y>

### ***Business model vs. business plan***

Business models and business plans are both important tools that can help you create and refine your business strategy. As both can be pursued when undertaking a new business initiative, they each serve a different purpose. You can learn more about business plans by studying Module 7 'Management of cultural and creative enterprises'.

### ***Most common types of business models***

Of course, you do not need to invent an entirely new business model to start or grow your business. In fact, most businesses use existing business models and refine them to find a competitive edge. Then, this is what you need to accomplish. Follow the guidelines provided to design, manage, and transform business models and patterns already proposed, in order to address the challenges of arts, culture and creative industries.

In this unit you will be introduced into different types of business models. Business models can be customized or changed based on the specific needs of your own business.

#### 1. Subscription model

A subscription business model can be applied to both traditional brick-and-mortar businesses and online businesses alike. In this model, the customer pays a recurring payment monthly (or another





specified timeframe) for access to a service or product. A company may directly ship its product in the mail, or you may pay a fee to use an app.

Example: Netflix.

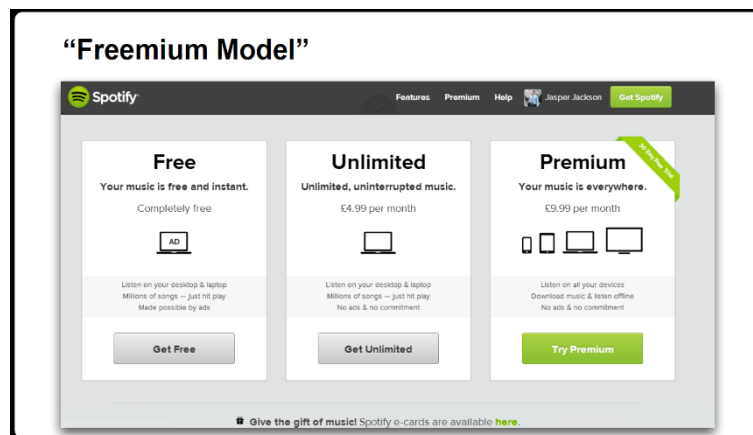
## 2. Bundling model

Exactly like it sounds, the bundling business model involves companies selling two or more products together as a single unit, often for a lower price than they would charge selling the products separately. This type of business model allows companies to generate a greater volume of sales and perhaps market products or services that are more difficult to sell. However, profit margins often shrink since businesses sell the products for less.

Examples: Adobe Creative Suite and fast-food companies that offer value meals or deals.

## 3. Freemium model

The freemium business model has gained popularity with the prevalence of online businesses. Usually, software companies host and provide a proprietary tool for their users to freely access, such as an app or tool suite. However, the company withholds or limits the use of certain key features that, over time, their users will likely want to use more regularly. To gain access to those key features, users must pay for a subscription. Thus, the customers pay nothing to download an app and are offered optional in-app purchases for premium features, additional content, subscriptions, or digital goods. Freemium apps are accessible to all users, regardless of whether they choose to spend, and offer the option to pay to enhance or customize the experience. You earn revenue from the sales of in-app purchases within your app. Successful freemium apps operate as services that are continually updated to attract and retain users. You can offer multiple types of in-app purchases, including subscriptions.



Examples: Spotify, LinkedIn, Skype, Dropbox, Google Drive.

## **“Bait & Hook Model”**



## 4. Razor blades model (also called Bait & Hook Model)

The razor blade model, also called Bait & Hook Model, works in the way that the basic product is sold at a very cheap price in order to make profit by selling complementary products and refills for a high price or simply increase sales of the profitable complementary product. Thus, the basic product (hook) is offered cheaply or free; the complementary product or refill (bait) is sold expensively. The basic product cannot be

used without the complementary product. Although the pattern is often credited to Gillette – the inventor of disposable razors – the bait and hook idea was introduced by its competitors. Adopting this business model might make it easy to attract customers with the “bait” product because it seems to them like they are getting

a bargain. However, if the basic product is very cheap, or even free, the customer might be more likely to try something new because the changing costs are low (e.g., razor).

Examples of the Bait and Hook Model include:

- P&G – Gillette: razor and blade
- Inkjet Printer: printer – inkjet cartridges
- Nestlé – Nespresso: coffee machine – capsules
- Cell phones: phone – airtime

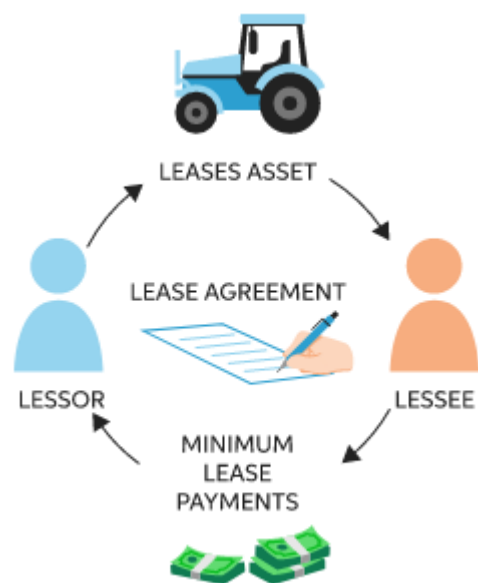
Success factors for the Bait and Hook Model:

- Suitability: It is crucial to lock the “blade” to the “razor” and make it attractive for the customer to buy the razor item or service for a period.
- Loyalty: The company either needs to create loyalty for their brand or prevent other firms from entering the market.

### 6. Leasing model

Under a leasing business model, a company buys a product from a seller. That company then allows another company to use the product they purchased for a periodic fee. Leasing arrangements occur most frequently in transactions involving the exchange of costly physical goods. For instance, leasing arrangements for cars are common.

Examples: Hertz Lease.



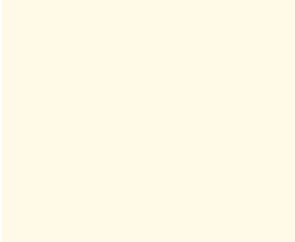
### 7. Franchise model

Of all the different types of business models, the franchise model is perhaps the one that people are most familiar with. We each see and likely visit franchise businesses often in our daily lives.

A franchise is an established business blueprint that is simply purchased and reproduced by the buyer, the franchisee. The franchiser, or original owner, works with the franchisee to help them with financing, marketing, and other business operations to ensure the business functions as it should. In return, the franchisee pays the franchiser a percentage of the profits.



Examples: Starbucks, McDonald's, Costa coffee.



### Practical activity - discussion

Think about *the type of the business model that you believe is the most appropriate for your own business idea*. What is the target market? What is your competitive advantage? Discuss with your peers.

### Content (continuation)

#### Tips

Your business model should be able to be articulated in one page, and its substance focusses on:

- how you do business,
- how your business generates revenue,
- what value your business offers to whom,
- who the customers are,
- and why your customers would keep coming back to you.

All the above points can help you understand how and why your business works, whilst it can help you to design and innovate your business, and then iterate how it works overtime (Burkett, 2013, p.5).



#### Further reading:

Visit the following link to explore an easy-to-read book by Osterwalder and Pigneur (2009), who are experts on the field of the business model creation and whose definition about business models is considered to be one of the most articulate in the pertinent literature. The book contains some useful guidelines and tips for successful business model generation: <https://www.speedytemplate.com/forms/business-model-template-3.pdf>



See also here, some useful websites for artists, with various tools and tips about your business and career, along with information that will help to enrich your knowledge about business management:

<https://www.artsyshark.com/#>

ARTSY SHARK - This website contains hundreds of articles on the business of art. You can find here marketing and sales tips, inspiration, out-of-the-box ideas and opportunities to grow as a creative entrepreneur.



<a href="https://www.artworkarchive.com/">https://www.artworkarchive.com/</a>	ARTWORK ARCHIVE - There you can find an art-blog, filled with tips on growing your art career, and free calls-for-entry page featuring opportunities worldwide.
<a href="https://www.creativefounders.com/art-websites-aspiring-artist/">https://www.creativefounders.com/art-websites-aspiring-artist/</a>	ARTMAZE MAG - Art Maze Magazine is an independent artist-run and ad-free international print and online publication dedicated to showcasing and promoting experimental and progressive contemporary art, which reflects modern society and its environment, provokes conversation and action. There you can also find different useful interviews.
<a href="https://www.creativefounders.com/">https://www.creativefounders.com/</a>	CREATIVE FOUNDERS - There you can find a lot of tips on how to develop your art business online, art marketing guides and more.
<a href="https://www.creativeboom.com/">https://www.creativeboom.com/</a>	CREATIVE BOOM - With a focus on art, advertising, film, graphic design, illustration, and photography this website shares resources such as the latest tools and books. Also, there you can find interviews with the brightest and best creatives and invaluable tips and insight to help you at every stage of your creative career.
<a href="https://createmagazine.com/">https://createmagazine.com/</a>	CREATE! MAGAZINE - It is a publication for artists, makers, and creative entrepreneurs. Its mission is to promote fresh, unique work of creatives from around the world. Each issue is filled with vibrant contemporary art, craft, design, and inspiring stories of the makers behind it.

To further explore the various types of business models applied in the arts, culture, and creative industry, visit the following link:

[Creative Business Model Toolkit](#)

Browse throughout the respective content to find useful examples that will help you apply business model patterns effectively. You can move directly to:

- **page 42** : to reach an example of a goods-based generic business model for a **“Craft and Design Company”**.
- **page 44** : to reach an example of a digital content-based generic business model for a **“Games Publisher and Developer”**.
- **page 46** : to reach an example of arts generic business model for an **“Independent Theatre Production”**.



Also, visit below another link to explore an easy-to-read book by Osterwalder and Pigneur (2009), who are experts on the field of the business model creation and whose definition about business models is considered to be one of the most articulate in the pertinent literature. The book contains some useful guidelines and tips for successful business model generation:

### [Business Model Generation](#)

At the following link, you may find three more interesting and useful examples to further enrich your knowledge in the field and learn more about the new business models applied in the arts, culture and creative industry:

### [An introduction to business models \(innovation\) for arts and cultural organisations](#)

Specifically, you can move directly to:

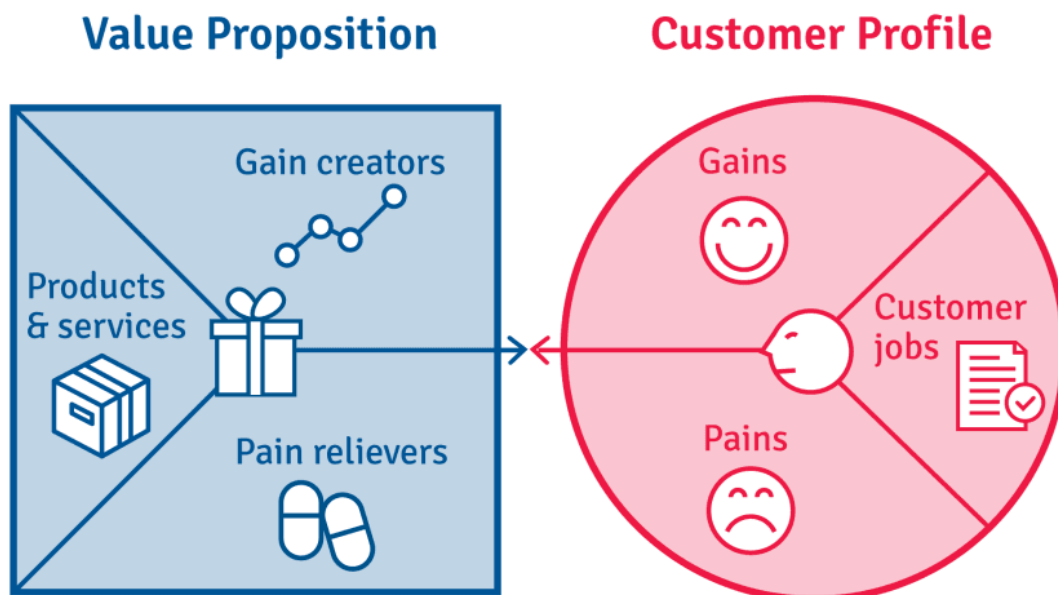
- **page 37** : The case study of **PromoCultura**, an Italian cooperative company providing high-quality cultural services, such as the management of libraries, and the promotion and enhancement of cultural and artistic heritage.
- **page 39** : The case study of **Associazione Culturale Khorakhanè**, a cultural association also in Italy that promotes culture in several forms, such as music, design, theatre, respect for the environment, youth employability.
- **page 40** : The case study of **Transit**, an art incubator in Sweden, supporting and working with professional artists in film, music, contemporary theater and dance, design and visual arts. It acts as the incubator for freelance ACCPs, who are offered office space, events such as workshops/seminars and coaching. Transit has developed a business growing method called Organic Process Method, which focuses on the economically sustainable artistic management.
- **page 41** : The case study of **Het**, a theater company in Belgium. Subsidies from the government were minimal and not sufficient to cover its basic costs, so the company started to engage more people from its community (e.g., politicians, academics and students, business leaders, etc.) to gain more financial “power”.
- **page 42** : The case study of **ShareMusic & Performing Arts**, an international arts organization in Sweden, working with artist development and pioneering the performing arts. Its work is rights-based and follows the UN Convention on the Rights of Persons with Disabilities, while it is also clearly tied to the global agenda 2030 as regards inclusion, participation, and sustainable development.

## Unit 2 – The value proposition



A *value proposition* is a *promise of value*. That value is supposed to be delivered and acknowledged. A value proposition refers to the value a company promises to deliver to customers should they choose to buy their product. It requires a belief from the customer. The customer must expect the value proposition will be delivered/experienced. A value proposition is part of a company's overall marketing strategy. The value proposition

provides a declaration of intent or a statement that introduces a company's brand to consumers by telling them what the company stands for, how it operates, and why it deserves their business. It can be presented as a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service. This statement, if worded compellingly, convinces a potential consumer that the product(s) or service(s) the company offers will add more value or better solve a problem for them than other similar offerings will.



*Fig. 1. Value proposition.* Source: [What is the Value Proposition Canvas? - B2B International](#)

Overall, value proposition declares what differentiates your business from other competitors, how you satisfy what your customers want, fear, need, desire.

In order to think about the value proposition, you must first consider the following aspects:

- Identify all the benefits your product/services offer.
- Describe what makes these benefits valuable.
- Identify your customer's main problems and needs.
- Connect this value to your buyer's problems and needs.
- Differentiate yourself as the preferred provider of this value.

### ***The role of value proposition***

Having an easily communicated and recognisable value proposition is increasingly important in today's world where people are bombarded with an overload of information from a variety of media sources and where there are numerous competitors for a company's business. Successful firms craft their unique value proposition prior to entering the marketplace and they design their business operations in accordance with their value proposition.

Key elements of value proposition include:

- Newness
- Performance
- Customization
- Design
- Brand/ Status
- Price
- Cost Reduction
- Risk Reduction
- Accessibility
- Convenience/ Usability

### ***Benefits of value proposition***

By offering a good value proposition, companies can:

- Provide their customers with something unique, therefore creating differentiation and increasing competitive advantage.
- Increase the quality of their products or services.
- Gain market share.
- Improve operational efficiency.

### ***Value proposition canvas***

The value proposition should take into consideration the following aspects related to:

- the product (benefits, experiences, features)
- the customer (wants, needs, fears)

To propose value proposition of high quality, it is necessary to respond to the following questions:

- What costumers? What end-users? What channels?
- Which needs? Which products? Which features? Which services?
- *What relative price?*

Finding a unique proposition usually involves a new way of segmenting the market. A novel value proposition often expands the market itself!



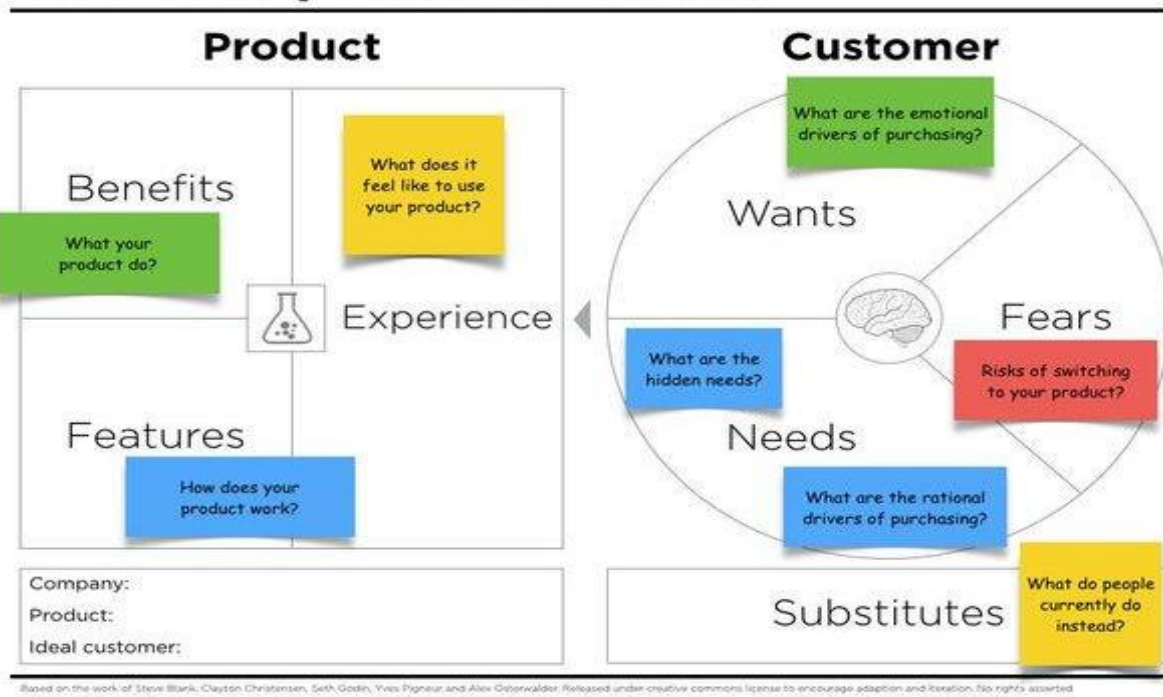


Fig. 2. Value proposition canvas.



**NETFLIX**

**Example**

Below you can see the value proposition canvas of a company offering a mobile app.



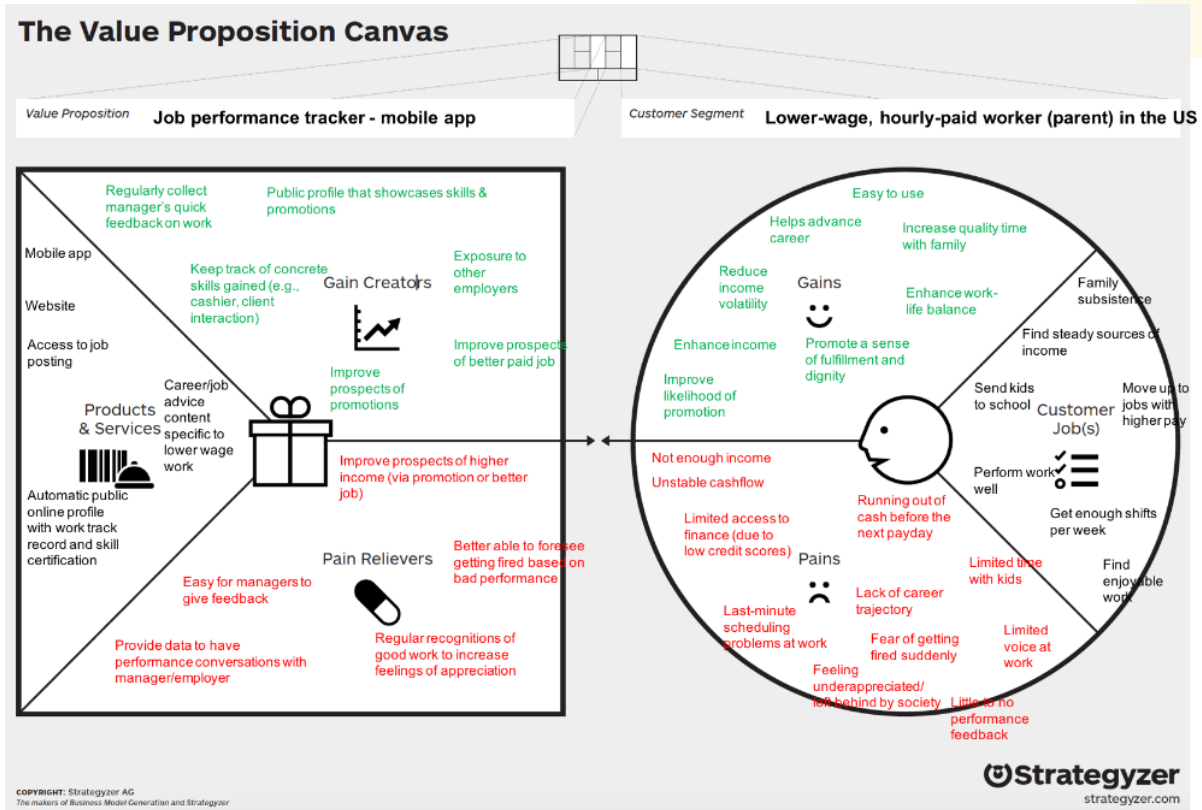
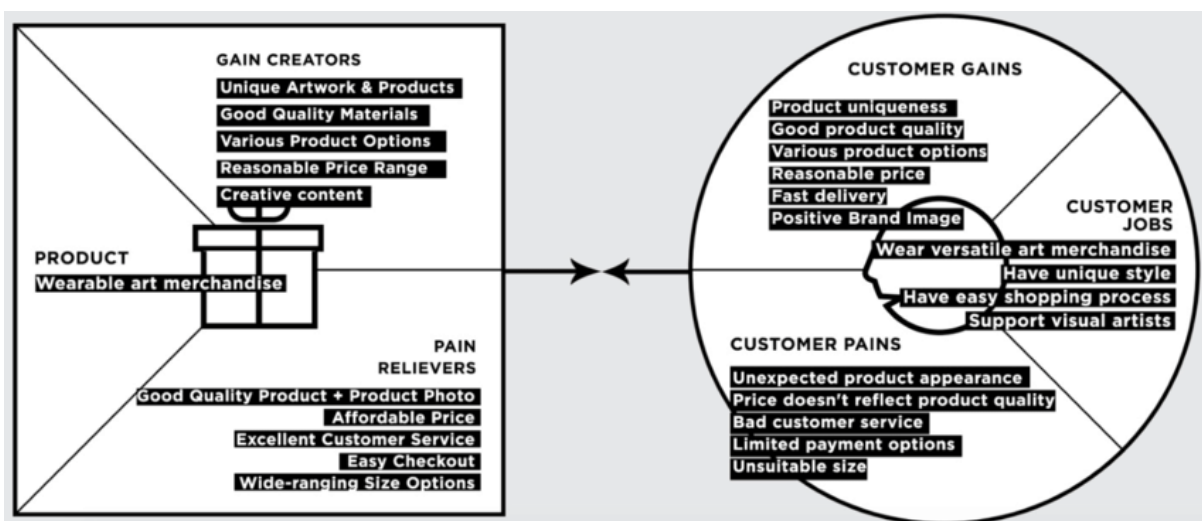


Fig.

3. Value proposition canvas, an example. Source:

### Example

Below you can see the value proposition canvas example from the arts and cultural sector, wearable art clothing. This example from the fashion industry is also linked to *circular economy*. A *circular fashion industry* is defined as ‘a regenerative system in which garments are circulated for as long as their maximum value is retained, and then returned safely to the biosphere when they are no longer of use. In a circular model, products are designed and developed with the next use in mind.’ (source: <https://motif.org/news/circular-fashion-economy/>)



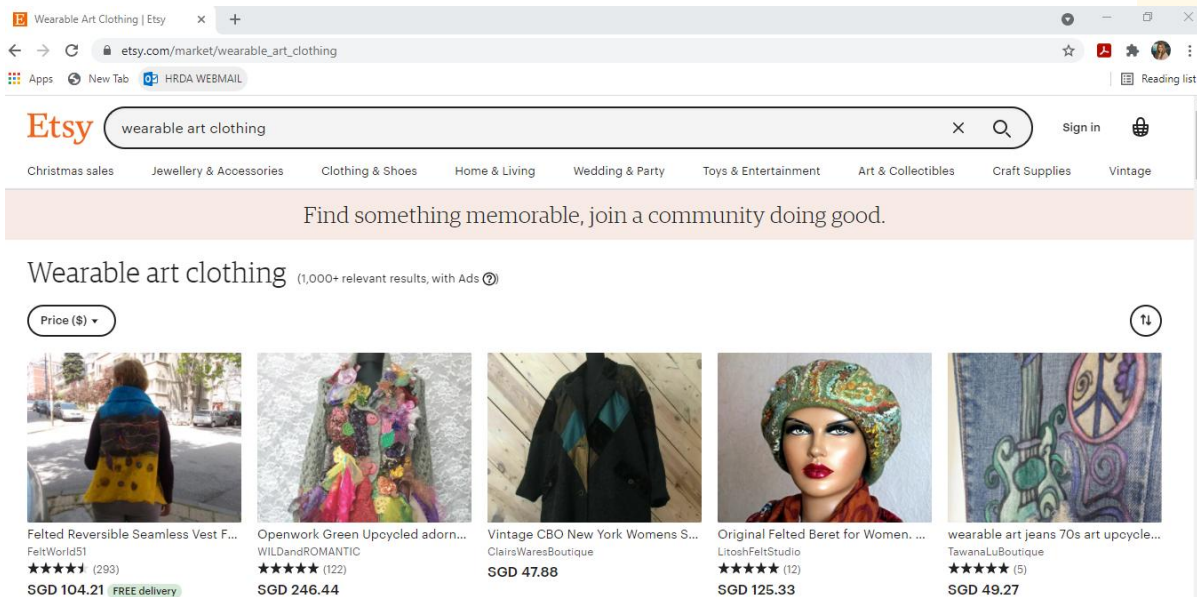


Fig.

#### 4. Value proposition canvas of a wearable art clothing company

### Practical activity – create your value proposition canvas

- Download the template for value proposition canvas from one of the following sites:  
[DesignABetterBusiness.tools | Value Proposition Canvas](https://www.designabetterbusiness.com/value-proposition-canvas/)  
[Value Proposition Canvas Template - Peter J Thomson](https://www.strategyzer.com/templates-and-tools/value-proposition-canvas/)

[Value Proposition Canvas – Download the Official Template \(strategyzer.com\)](https://www.strategyzer.com/templates-and-tools/value-proposition-canvas/)

- While doing this exercise, you must answer at least these four questions:
  - o Who is your customer?
  - o What problem are you solving for the customer?
  - o What is your solution?
  - o How is your solution different from the existing ones?
  - o What is your value proposition?



Watch a video

Value proposition canvas explained:

<https://www.youtube.com/watch?v=ReM1uqmVfP0&t=24s>



**Further reading:**

Read more about how to write your own value proposition: [How to Write a Value Proposition \(+ 6 Modern Examples\) \(helpscout.com\)](https://www.helpscout.com/blog/how-to-write-a-value-proposition/)

# Unit 3 – Business Model Canvas

The Business Model Canvas (BMC) is a strategic management template used for developing new business models and documenting existing ones (Barquet, et al., 2011; De Reuver, et al., 2013).

BMC offers a visual chart with elements describing a company’s or product's value proposition, infrastructure, customers, and finances, assisting businesses to align their activities by illustrating potential trade-offs (check figures 5 and 6 below).

The nine “building blocks” of the business model design template that came to be called the Business Model Canvas were initially proposed in 2005 by Alexander Osterwalder, based on his earlier work on business model ontology. It was created in its final form by Alexander Osterwalder and Yves Pigneur. Since the release of Osterwalder's work around 2008 new canvases for specific niches have appeared.

In the sections that follow, brief descriptions for each one of the nine boxes of BMS are provided, largely based on the 2010 book Business Model Generation (Osterwalder & Pigneur, 2010, p. 10-24).

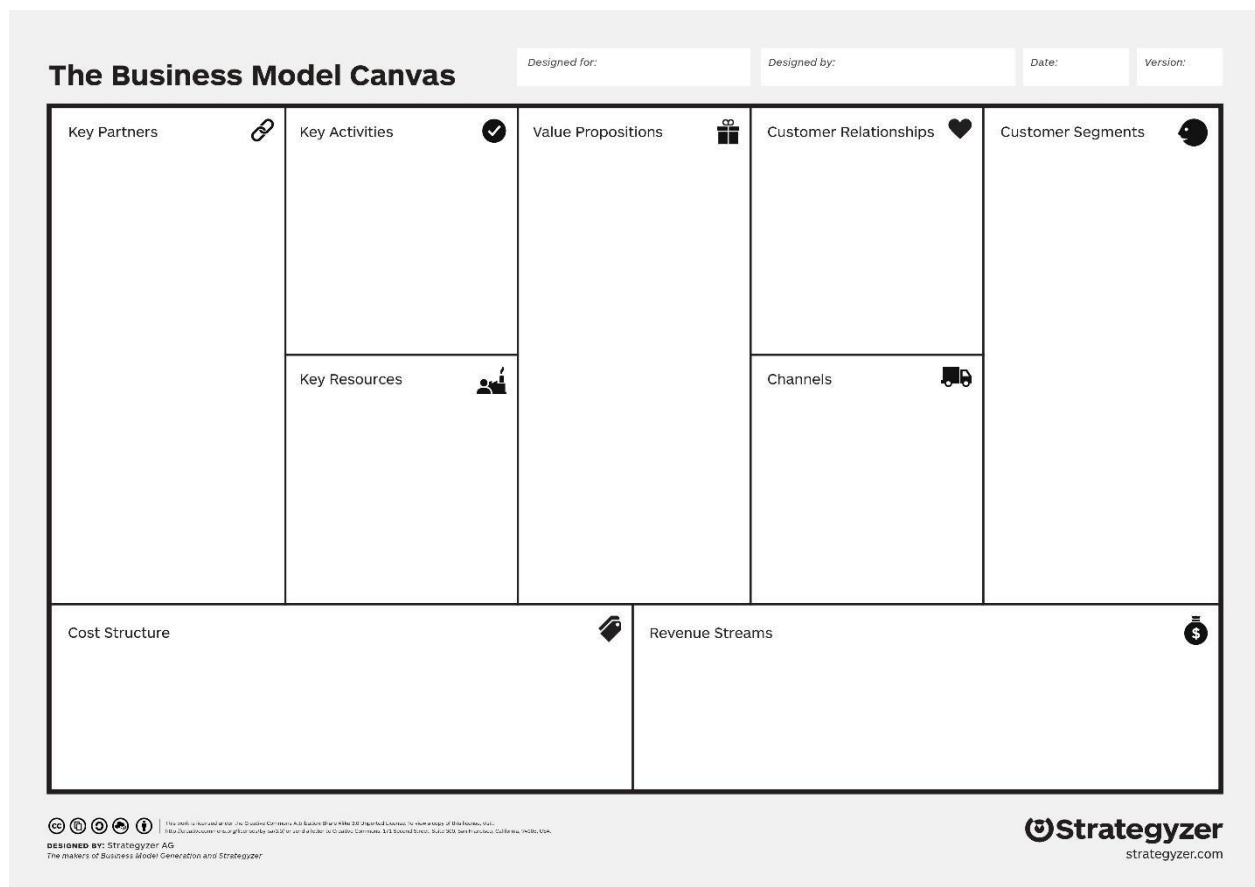
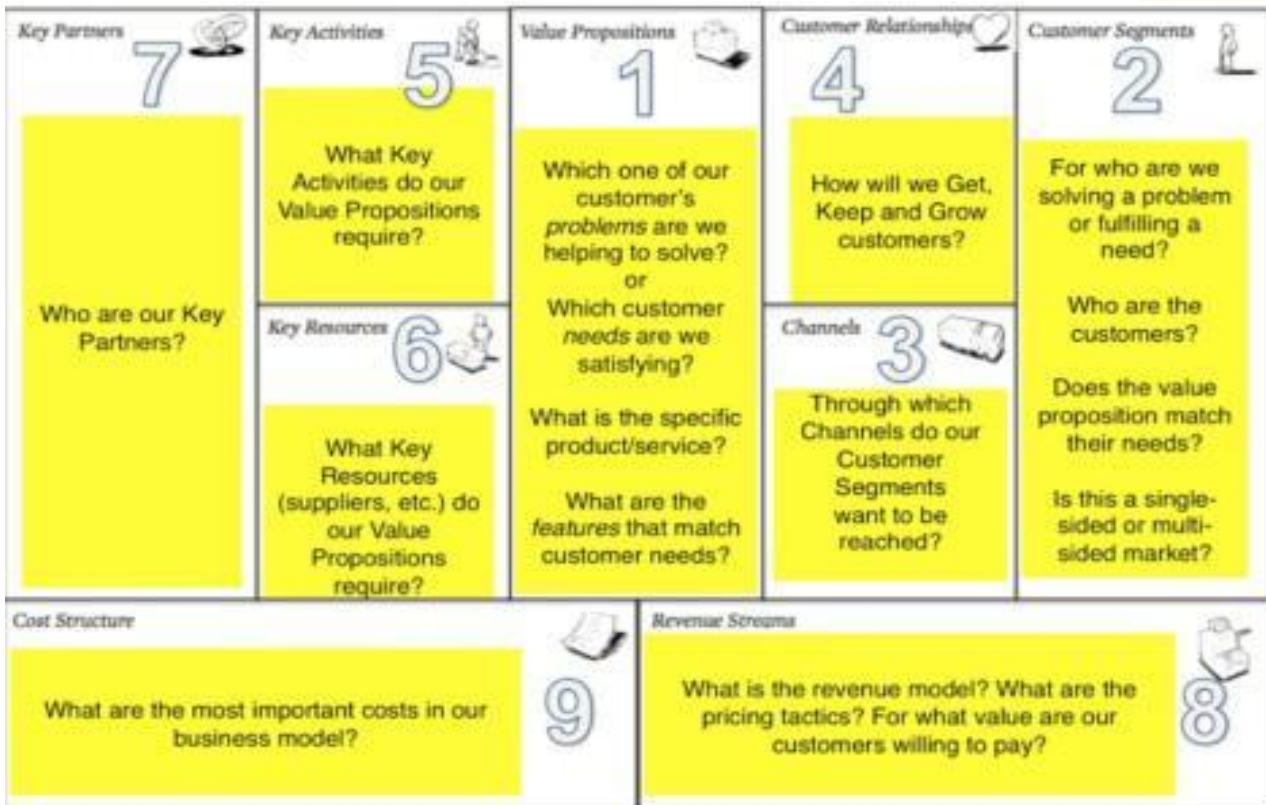


Fig. 5. The Business Model Canvas (BMC).



**Fig. 6.** The BMC components explained

**Value proposition**

The value proposition (see also learning unit 2) is located in the centre of the business model canvas. Check figure 7 to see how the BMC is related to the value proposition canvas.

# Business model & value proposition

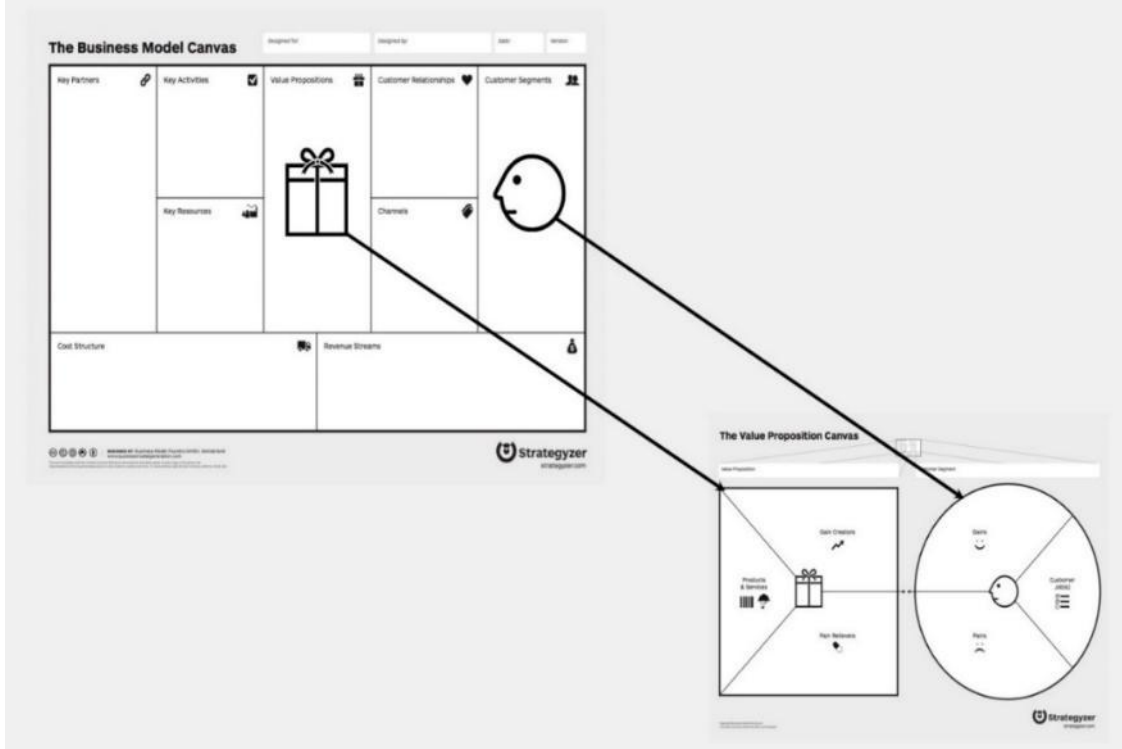


Fig. 7. How value proposition canvas connects to Business Model Canvas

## Customer segments

Customer segments are located on the top right-hand side of the business model canvas. Customers are an essential part of any business, as without them there is no way that a business can survive for long. Businesses aim to thrive and to survive. Either way, it is crucial to understand how your organization can serve and satisfy its clients.

Any organization/company serves at least one type of Client or Customer Segment. To best respond to customers' needs, it is fundamental to identify them:

- For whom are the products or services that your own business provides?
- Whose problem is your company aiming to solve?
- Are there any "most important" clients?
- Who are they?

Only following a correct identification of the Customer Segment can a business respond to the question:

***To WHO are you going to present and serve your value proposition?***

A correct customer segmentation is important, because if a mistake is made, and you wrongly identify your business clients or potential clients, you may be gathering information from the wrong source, leading to erroneous conclusions. After you identify the WHO, you can ask HOW your product is going to provide gain for the client, or how will it reduce their 'pain' (inconvenience). You can also ask WHEN and WHERE, to obtain more insight on how to increase and deliver your value proposition.

## Channels

The information related to Channels fits into the right-hand side of the Business Model Canvas under Customer Relationships. The channels block on the Business Model Canvas defines how an organization communicates with and provides value to each of its customer segments. An organization liaises with its customers through these channels, which play a key role in defining customer experience and which influence post-purchase behaviour. Channels may be categorized as marketing (including promotion), sales, distribution, and customer support. Organizations use a variety of channels and strategies to attract and retain customers. When using the Business Model Canvas, it is advisable to list separate channels related to each customer segment.

Tip: If post-its are used, it may be a good idea to use different coloured post-its for each customer segment.

*What are the key functions of channels?*

- Channels act as a medium to showcase and provide information to customers and potential customers about the products and services which an organization provides (marketing/promotion).
- Enable existing and potential customers to evaluate the organization's value proposition. This allows for the communication of benefits and potential advantages of the products or services on offer (marketing).
- Provide the facility for customers to purchase, rent or subscribe to the products of services (sales).
- Enable effective means of delivering the product or service to the customer (distribution).
- Provide customer support and after sales services

There are five distinct channel phases for communicating with customer segments. A channel may cover more than one of these phases (see figure 8).

### **Fig. 8. Channel phases**

Channels facilitate the retention of customer relationships, through establishing optimal methods of communicating an organization's value proposition to customers. They provide cost-effective solutions that generate revenue and that best meet (and possibly exceed) customer expectations.

Some examples of such channels:

Direct online sale.

- Online retailer (e.g., Amazon, eBay etc.)



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- Traditional retailers (own or external brick-and-mortar stores)
- Social Media Platforms
- TV / Radio / Newspapers
- Phone sales / customer support
- Internet direct
- Catalogue direct
- Sales team
- Value-added reseller
- Consultant
- Retail sales agent
- Manufacturer's representative
- Wholesalers
- Trade Fairs
- Email
- Postal service

### ***Customer relationships***

Customer Relationships may vary significantly, ranging from one-off transactional relationships with customers, to deeper long-term relationships built on trust, customer loyalty and brand value. It is not an obvious choice for an organization to forget to develop customer relationships, however, this strategy (of not considering a customer relationship) may work in a limited set of circumstances. At the other end of the spectrum, many organizations strive to establish long-term relationships with their customers - not only through their products or services, but also by means of an identification with their environmental policies, life philosophies, or social status. Many brands are not only trying to sell products or services, but to instil positive emotions in their customers.

***Thus, it is important to define what kind of relationship an organization would like to establish and maintain with each customer segment.***

These relationships may vary, ranging from automated relationships to personal relationships. Goals such as the ones listed below should be taken into consideration when developing customer relationship strategies:

- Gaining new clients
- Retaining clients
- Increasing the client's purchases / increasing profit.

In addition, in the start-up phase of businesses, it is common for some organizations to focus on an aggressive customer acquisition strategy. This is done with the intention of acquiring increased market share. To acquire customers, organizations may offer discounts, equipment or even their services for free. Once an organization is well-positioned within its respective market, the organization may decide to change its priorities in order to focus on customer retention and profitability.

### **Revenue streams**

The information related to Revenue Streams fits into the bottom right-hand corner of the Business Model Canvas.

***Revenue Streams represent the various sources from which a business earns money through the provision of goods or services.*** The types of revenue that an organization takes into consideration depends on the types of activities conducted. Key elements to take into consideration include:

- The nature of the product or service and the business model (including the value proposition and the cost structure) which influence how the product is priced.

- The pricing strategies which include Economy, Penetration, Skimming and Premium.

A revenue stream generally comprises either recurring revenue, transaction-based revenue, project revenue, or service revenue. In government, the term ‘revenue stream’ often refers to different types of taxes.

### ***Revenue Models, Revenue Streams, and Business Models***

A revenue stream is easily confused with a revenue model which, in turn, is often confused with a business model.

Types of revenue streams: 1. Transaction-based revenues: customers make a one-time payment for a product or service. 2. Recurring revenues: continuous payments for the delivery of products or services (e.g., subscriptions, leases, rentals, etc.).

### ***Key resources***

The information related to Key Resources fits into the left-hand side of the Business Model Canvas.

Types of revenue: 1. Operating revenue: the amount earned from the organization’s core business operations, e.g., sale of goods or services; 2. non-operating revenue: the amount earned from the organization’s other activities, this may include dividend revenue and interest revenue.

Key resources are the main inputs that your company uses to create its value proposition, service its customer segment and deliver the product to the customer. These are the most important things you need to have for your business model to work. These are the main assets that your company requires to create the end product, and these are usually differentiated from the key resources being utilized by your competitors. Key resources deal with the operational end of the business spectrum and define what kind of materials you need, what kind of equipment is required and the types of people you need to employ. This aspect plays a direct role in bringing your value proposition to life for your chosen customer segment and it defines the minimum you need to have to deliver to your customers. In the Business Model Canvas, we only include those resources that make you unique compared to your competitors in the market.

### ***Key activities***

The information related to Key Activities fits into the left-hand side of the Business Model Canvas, above the Key Resources.



In the business model canvas (BMC), the Key Activities a company performs can be expressed in the areas: operations, marketing, production, problem solving, networks, financial (or administration). Those are briefly explained below.

### ***BMC template and key activities description***

- Operations: the internal working process of the company.
- Marketing: promotions, campaigns, advertisements, channels to promote the value proposition.
- Production: linked to the main operations to produce the value proposition, e.g., designing, manufacturing.
- Problem Solving: study metrics, training for improvements.
- Networks: where the company might reinforce a closer contact with customers, e.g., use of ICT and social media.
- Financial: merchant accounts, e-commerce stores

### ***Key activities and subcategories***

These areas are very important as they ensure the growth of the company. It is therefore necessary to make sure they are running and are diffused across the organization. Depending on the activity of a company, certain activities prevail over others, e.g., financial companies will be more involved in problem-solving activities rather than production. Key activities can be therefore divided into 4 subcategories:

- Core activities: Primarily related to the generation of the output.
- Support activities: Are related to the output production (e.g., record-keeping).
- Coordination activities: Ensure the alignment in the degree of integration between core and support activities (e.g., account management).
- Strategic activities: Assess the alignment and need for changes, are related to the outside environment (e.g., distribution channels, customer relationship etc.)

***Fig. 9. Key activities***

***Example – café***



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If your new business will be a cafeteria, you have to make sure you are developing the necessary key activities. These include:

- The creation of the menu
- The promotion of your new cafeteria, the design of your advertisements and promotion products
- Observation of client-satisfaction
- The retention of regular clients, (in the case where you already have trusted customers)
- A measure of user satisfaction.

### ***Key partners***

The information related to Key Partners fits into the left-hand side of the Business Model Canvas.

### ***Building strategic partnerships – the role of communication***

A business partnership entails an alliance stipulated by two parties, generally joined together by means of a contract or an agreement. In some cases, agreements are loose relationships where parties are quite independent of each other, while other agreements are more exclusive, and dictate a set of specific obligations which partners are subject to adhere to. The key factor for choosing the most suitable partner is communication. Partners should coordinate themselves and work in the same way. A partner should complement your skills and be a trustful person, underestimating how you relate to and get along with your partner is a terrible mistake.

### ***Key elements in partnership***

There are some main elements to consider when setting up partnerships:

- Clear Partnership Agreements: It is important to set clear partnership agreements for the parties involved. The activities and roles of partners should be regulated.
- Set Expectations: When defining an agreement, entrepreneurs should make sure to share their own expectations freely and openly, this will help avoid confusion and complaints later on.
- Win-Win situation: Partnerships are healthy and sustainable only if there is visible gain for both parties, therefore, when forming a partnership, you have to make sure that your partner's key resources and activities fill your gaps.
- Selecting Partnerships: Some partnerships may seem lucrative in theory but fail to get off the ground practically. In addition, changes in the business context may also make some business partnerships irrelevant. In such cases, it is important to end these partnerships quickly to avoid further wastage of resources.

### ***Benefits of partnership***

There are many reasons for setting key partnerships. Companies can:

- optimize their own resource utilization,
- fill gaps in their own activities,
- create new products,
- mitigate the degree of risk taken by setting alliances with strong partners before taking the action,
- share the same distribution channels.

It is important to consider that your organization could partner with a set of partners, however, not all partner relationships are pivotal for your activity. Bear in mind that partnerships change across the whole lifecycle of companies. Some types of partnerships may be necessary during the first year of activity of a start-up, but they may change within the first three years.



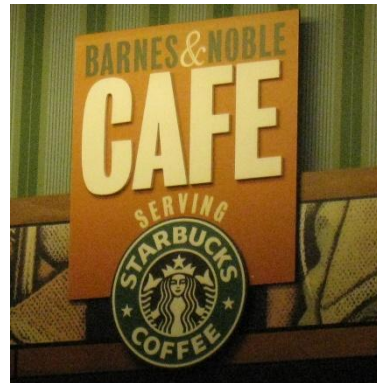
### ***Key questions for an effective partnership***

When setting up / assessing a partnership in a company/ enterprise, the following questions may be helpful:

- What partnerships may be strategic to my business?
- Who are our critical suppliers?
- Which of our suppliers and partners are sourcing our key resources?
- What type of partnerships would best suit our needs?
- What is the best cluster/ supply chain where I should be located?

### ***Examples of Partnerships: Strategic Alliances***

The agreement between Starbucks and Barnes & Noble is one example of a strategic alliance: Starbucks brew the coffee, Barnes Noble supply the books. The two companies share the costs of to the benefit of both of them.



&  
space

### ***Cost structure***

#### ***Categories of cost structure***

There are two main categories of the cost structure:

- *Value-driven cost structures*, which focus on creating more value in the product itself, not necessarily producing it at the lowest possible cost. Examples include luxury fashion brands, jewellery brands or luxury hotels.
- *Cost-based cost structures*, which focus on minimising the cost of a product or service as much as possible. Examples include low-cost airlines or widely available furniture stores that allow you to assemble furniture at home.

Costs in the company – division

# FIXED vs. VARIABLE COSTS

WHAT

TYPES OF EXPENSES BUSINESSES  
PAY TO PRODUCE GOODS AND SERVICES



EXAMPLES

**FIXED**



**VARIABLE**



Napkin Finance

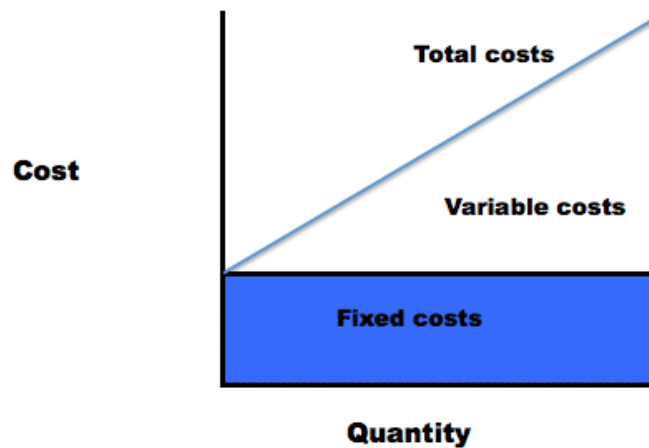
Fig. 10. Fixed Vs Variable costs. Source: [What is Fixed Cost vs. Variable Cost? - Napkin Finance](#)

## Total costs (TC)

In practice, many classifications and cost allocation criteria are used. Due to the manner of reaction of costs to changes in production volume, costs can be divided into:

- Fixed costs (FC)
- Variable costs (VR)

Together, they represent the total costs (TC) incurred by the enterprise/company. Information on variable and fixed costs is used for short-term decision making and variable cost accounting.



**Fig. 11.** Total costs are the result of fixed and variable costs. Source: [How To Calculate Total Cost. \(learntocalculate.com\)](http://learntocalculate.com)

### ***Fixed costs – types***

Fixed costs can be divided into:

- absolute fixed costs - they are not subject to any changes when the production volume changes (e.g., depreciation write-offs when fixed assets are settled using the straight-line method)
- incremental fixed costs - their value does not change only in the size range, after which they increase, and where they stabilize again (e.g., renting a production hall, after exceeding a certain production value it is necessary to rent an additional hall).

The examples of fixed costs can be the following:

- administration remuneration
- rent for renting a building
- media costs

The variable costs include, among others:

- cost of salaries of production workers (man-hours)
- cost of consumption of raw materials and materials
- the cost of electricity consumption, water bills etc.
- storage and transport costs.



Concluding with this learning unit, you can find below a BMC template with guiding questions adapted to artists.

**Artist Business Canvas by ArtSpark (abbreviated outline)**

<p><b>7. Key Partnerships</b></p> <ul style="list-style-type: none"> <li>Key partner relationships and support to make, market and sell creative work</li> <li>VALUE EXCHANGE with partners (goes both ways)?</li> </ul>	<p><b>9. Key Activities</b></p> <ul style="list-style-type: none"> <li>Key Activities that your artistic/creative practice requires?</li> <li>Key activities that all other canvas segments require (map out)</li> </ul>	<p><b>2. Value Propositions</b></p> <ul style="list-style-type: none"> <li>Value that you/your creative work offers</li> <li>Special offerings that you offer customers/buyers/audiences</li> </ul> <p>HOOK: What sets you and your creative/art work apart?</p>	<p><b>4. Customer Relationships</b></p> <ul style="list-style-type: none"> <li>How do you build an nurture relationships with each customer segment?</li> <li>Relationships with customers/audiences who support you with \$resources? Who don't support you with \$resources?</li> </ul>	<p><b>1. Customer Segments</b></p> <ul style="list-style-type: none"> <li>Audiences/customers – WHO ARE THEY?</li> <li>Who pays you?</li> <li>Who do you want to pay you?</li> </ul>
<p><b>8. Key Resources</b></p> <ul style="list-style-type: none"> <li>What Key Resources do you already have to make, market and sell your creative work?</li> <li>Key Resources that all other canvas segments require (map out)</li> </ul>		<p><b>3. Channels</b></p> <ul style="list-style-type: none"> <li>Communication channels for outreach and engagement – what works best?</li> <li>Online, offline, in-person?</li> </ul>		
<p><b>6. Cost Structure</b></p> <ul style="list-style-type: none"> <li>Most important costs inherent in the business model canvas</li> <li>Costs to produce creative/artistic work (time, materials, marketing, shows, etc.).</li> </ul> <p>FIXED AND VARIABLE</p>			<p><b>5. Revenue Streams</b></p> <ul style="list-style-type: none"> <li>What sources of revenue might you're artistic/creative work provide?</li> <li>What Audience/customer segment contribution to overall income?</li> <li>Day job considerations?</li> </ul>	

The "Artist Business Canvas" is directly inspired by Business Model Canvas (<http://www.businessmodelgeneration.com/>) by Alexander Osterwalder and Yves Pigneur (CC BY-SA) Modified by ArtSpark (<http://art-spark.org>) 1/16 version

Fig. 12. Artist Business Canvas

## Practical activities

### Exercise 1

#### Customer segmenting (experiential activity)

Try to detect the specific group of consumers who are interested (or would be if you are now starting business) in your product. Search for their demographic details, expectations, preferences, and any attributes that you consider important. Then group them into distinct sub-segments, constructing multiple tables (a template with examples is given below) based on their common needs, behaviours, and the rest features. Mark specific groups that you consider key customer segments (priority A) for your products. If you think it will help you further, you may keep some brief notes explaining your decisions. Practically, a similar task can be beneficial for your business to manage to reach and serve effectively such audiences according to their specificities. Insert your customer segmenting and any comments you made on the indicated spots at the platform provided.

	Demographic Details	
	Age	Place of Residence

		<35	>=35	Local	International
Arts field of interest	Music	GROUP - priority B			
	Theatre				
	Video Gaming	GROUP - priority C		GROUP - priority B	
	Painting		GROUP - priority A		GROUP - priority A
	Cinema			GROUP - priority C	
Available income to spent on art products	<100		GROUP - priority C	GROUP - priority B	
	100-1000	GROUP - priority A		GROUP - priority A	
	>1000		GROUP - priority B		GROUP - priority C

### Exercise 2

#### *Infrastructure, Network, Channels (experiential activity, information sharing with peers):*

Reflecting on your own experience, try to think and list the resources and processes for the delivery of your product. Think also of the touch points that play an important role in the customer experience and enable you to offer your product to the consumers. Try to comment on the ways that you usually communicate with them and answer how much are you helping customers evaluate your value proposition and what post-purchase customer support are you actually providing. Would you rather amend any of your tactics and why? Write your answers on the indicated spots at the platform provided and share with your peers the benefits and challenges you detected, asking about their own options as well. In the end, try to come up with potential solutions to address identified challenges.

### Exercise 3

#### *Business Model Canvas (experiential activity, information sharing with peers):*

Try to create your own Business Model Canvas based on your situation and experience as an individual interested in the creative sector. You can ask for help of your peers, sharing all necessary information with them, so as they to be able to make appropriate suggestions and cooperate effectively for designing your canvas together. Below is a draft template to use for building the Business Model Canvas. Place your answers on the indicated spots using a BMC template. If you want to try Business Model Canvas and create it for your business online, you may visit the following link to access the “Canvanizer 2.0 Business Model Canvas Demo”: <https://canvanizer.com/new/business-model-canvas#>



Additional links that you can use for building your BMC online

- [Business Canvas - Business Models & Value Propositions \(strategyzer.com\)](https://strategyzer.com/)
- [Business Model Canvas Template | Miro](https://miro.com/templates/business-model-canvas/)

Also, in the following link you can find a descriptive step-by-step guide:

<https://www.businessmodelsinc.com/about-bmi/tools/business-model-canvas/>

### Practical activity – create your own Business Model Canvas

After creating your BMC, you will be asked to make a pitch; present your idea to others.

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> <li>• Who are your most important partners?</li> <li>• Which key resources do you acquire from partners?</li> <li>• Which key activities do your partners perform?</li> </ul>	<ul style="list-style-type: none"> <li>• What are the activities you perform every day to create and deliver your value proposition?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the value you deliver to your customer?</li> <li>• Which of your customer's problems are you helping to solve?</li> <li>• What is the customer need that your value proposition addresses?</li> <li>• What is your promise to your customers?</li> <li>• What are the products and services you create for your customers?</li> </ul>	<ul style="list-style-type: none"> <li>• What relationship does each customer segment expect you to establish and maintain?</li> </ul>	<ul style="list-style-type: none"> <li>• For whom are you creating value? What are the customer segments that either pay, receive or decide on your value proposition?</li> </ul>
	<p style="text-align: center;"><b>Key resources</b></p> <ul style="list-style-type: none"> <li>• What are the resources you need to create and deliver your value proposition?</li> </ul>		<p style="text-align: center;"><b>Channels</b></p> <ul style="list-style-type: none"> <li>• How does your value proposition reach your customer?</li> <li>• Where can your customer buy or use your products or services?</li> </ul>	
<b>Cost structure</b>		<b>Revenue streams</b>		
<ul style="list-style-type: none"> <li>• What are the important costs you make to create and deliver your value proposition?</li> </ul>				



The following guiding questions can be used in the process and for self- and peer-evaluation at the end.

### ***Customer Segments***

- Who is the customer?
- Who is the product intended for?
- Who is the value offered to?
- Who pays?

### ***Value Proposition***

- What values does the company generate for customers?
- What do customers pay for?
- What is crucial for them?
- What customer problems are solved by the company's offer?
- What products are offered?

### ***Channels***

- Where are the company's customers?
- What channels does the company use when establishing contact with the customer?

### ***Customer relationships***

- What kind of relationship do customers expect from the company?
- Do they expect personal support or fast and automated service?
- Is the way of establishing relationships with customers integrated with other areas of the business model?

### ***Revenue streams***

- What are customers willing to pay for?
- How much should they pay and what do they pay for?
- Which parts of the product or service are free, and which must be paid for?
- What number of customers / products/ services sold will be the break-even point for the company?

### ***Key resources***

- What key resources are needed to offer the value proposition?
- What resources do the channels for reaching clients and the relationships with them require?

### ***Key activities***

- What actions must your enterprise take to deliver the value proposition to its customers?
- What actions do the channels of reaching the clients and establishing relationships with them require?

### ***Key partners***

- Who are the key partners?
- What external organizations are necessary for the operations of the enterprise?
- What key resources and activities are implemented by the company's partners?

### ***Cost structure***

- What costs does the business model generate?
- What financial outlays are generated by key resources, activities, partners?



# Conclusions

The main objective of Module 10-Business Modelling and Business Plan was to introduce you to the underlying principles of starting a business, avoid common pitfalls, pitch ideas more effectively, validate your product, develop a solid business plan, and set yourself up for success in a field where failure is common. In learning unit 1 you have been introduced into different business models that you need to consider in order to choose the model that better fits with your needs, business activities, products and services that you wish to offer. While one of the most important aspects to consider when creating your own business is the value proposition, that is a promise of value. A value proposition refers to the value a company promises to deliver to customers should they choose to buy their product. Overall, value proposition declares what differentiates your business from other competitors, how you satisfy what your customers want, fear, need, desire. Learning unit 2 is dedicated to value proposition and value proposition canvas is being introduced. In addition, one of the important steps to follow when starting your own business, is to consider your business design, and tools that can help you to this end. Business Model Canvas (BMC). The BMC is a strategic management template used for developing new business models and documenting existing ones. All nine elements of the BMC (customer segments, channels, value proposition, customer relationships, revenue streams, key resources, key activities, key partners, cost structure), are described in the last learning unit. How value proposition canvas is linked to BMC is also explicated in learning unit 3. The knowledge, skills and competences acquired at the end of this module will help you make your first steps into the entrepreneurial world, support you creating a business model canvas for your own business, and introducing you into key concepts of entrepreneurship that are essential at the beginning of this journey!



## Evaluation quiz

Choose the correct answers for each question. One option is correct in each question. (Correct answers appear in bold).

1. A business model is
  - a) a detailed document describing the everyday operations of an organization
  - b) a tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm**
  - c) a report with the financial operations of the organization
  
2. The following businesses follow the freemium model
  - a) Netflix
  - b) Nestlé – Nespresso
  - c) Google Drive**
  
3. What is a value proposition?
  - a) A business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service.
  - b) The process by which you create a unique image of a product or service in the mind of the consumer.**
  - c) Writing and designing online advertisements for target audiences to make purchases.
  - d) Sending specific emails to a curated customer base in order to achieve brand success.
  
4. Which of these is NOT one of the basics of a value proposition?
  - a) How your product/service improves problems
  - b) Why to buy from you instead of your competitors
  - c) Benefits customers can expect
  - d) Cost of your services**
  
5. What best describes a Business Model Canvas?
  - a) One page plan outlining your new business idea**
  - b) A piece of artwork
  - c) A model of your business office
  
6. What are the "channels" in a business model canvas?
  - a) Who your customers are
  - b) Where you sell your products/services**
  - c) Your goals as a business
  
7. What is another word for costs?
  - a) Revenue
  - b) Expenses**
  - c) Budget
  
8. What does "Unique Value Proposition" mean?
  - a) Describes your product
  - b) What you are proposing to customers
  - c) The benefit or value your product/service provides**

9. Define the word "revenue"
- a) Costs
  - b) Money coming in**
  - c) Profit
10. The money spent on the materials to make your products are known as
- a) Profit
  - b) Expenses**
  - c) Budget
11. The money gained from the sales after expenses are paid is:
- a) Profit**
  - b) Expenses
  - c) Costs
  - d) Revenue
12. The online marketplace website goes in what section of the Business Model Canvas?
- a) Customer Relationships
  - b) Channels**
  - c) Revenue
  - d) Customer Segments
13. This product is compact and an all in one that is easy to use; this is an example of what section of the BMC?
- a) Unique Value Proposition**
  - b) Channels
  - c) Customer Problem
  - d) Customer Segment

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- Read more about the differences between a business model and a business plan: [Business Model vs. Business Plan: What Is the Difference? - Soject](#)
- Read more about the Bait and Hoog business model: [Bait & Hook / Razor & Blade - Business Model Toolbox \(bmtoolbox.net\)](#)
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# **Module 11 - Social Entrepreneurship and Social Business Model Canvas**

## INTRODUCTION

Cultural and creative sectors are not only a significant source of jobs and income, but also generate important spillovers to the wider economy. They are a driver of innovation, a source of creative skills with strong backward and forward linkages in the economy, and act as a magnet that helps drive growth in other sectors such as tourism and education. **Beyond their economic impacts, they also have significant social impacts,** from supporting health and well-being, to promoting social inclusion and local social capital.

# Unit 1 – What is Social Entrepreneurship?

## 1.1.- Introduction to Social Entrepreneurship

Social entrepreneurship is all about recognizing the social problems and achieving a social change by employing entrepreneurial principles, processes, and operations. It consists of analyzing a particular social problem and then developing a social project to solve it or relieve it. In many cases, social entrepreneurship doesn't totally solve the problem but improves the existing circumstances.

While usually business entrepreneurship is about starting-up a business or diversifying the existing one (intrapreneurship), social entrepreneurship aims to improve Society without minding the economic profit or return. Social entrepreneurship is developed mainly through non-profit institutions and professionals. However, it is a mistake to think that social entrepreneurship doesn't need to make a profit. Entrepreneurs need money to finance the activity that they develop to provoke change in society.

Social entrepreneurship is also developed to solve or relieve environmental problems, by working on treating waste products or reaching awareness about climate change. Some others work for collectives on risk of exclusion like people with disabilities. And there are many ways to be a social entrepreneur like for instance raising funds for other people who work on it.

One of the most famous social entrepreneurs from the last decades is Muhammad Yunus, the winner of the Nobel Peace Prize in 2006. He founded and started-up Grameen Bank. He is the kind of social entrepreneur who managed to change the world by inventing and developing microcredit.

In the context of microcredit, there have been many other social entrepreneurs, because the idea of financing with a small quantity of money the poorest people to let them leave poverty needed many hands. One was the inventor and first developer, but many other people brought the idea to other countries. All of them were also social entrepreneurs.

The George Foundation is one more nationally recognized social enterprise. The Women's Empowerment Program creates awareness among women by providing them education, vocational training, cooperative farming, business development and savings planning. By employing the principles of social entrepreneurship, these organizations are addressing the social problems and bringing a positive change in the society.

Even some politicians can be considered social entrepreneurs, like Ghandi or Lula Da Silva because of the way they faced their work in the government or how they mobilized people to improve society.

There are several other organizations that are considered as positive changemakers in society. Fundación ONCE in Spain to help blind people, The Canadian Social Entrepreneurship Foundation, Schwab Foundation for Social Entrepreneurship, and many others-





Social entrepreneurship sector is growing and recruiting many volunteers and it has a presence in many university degrees, because also professionally people can collaborate on it. A better world is something that we all want, and many times can resign to some profit or luxury for it.

### **1.2.- Advantages of Social Enterprises**

Social enterprises aim to create value for the society and, if possible, generate income (if not wealth). They require innovative solutions and cost effectiveness. These, together with sustainability, are their challenges. However, the impact of those which managed to fulfill these challenges was huge. They are the enterprises that are advantageous to society, people, and the environment.

The social class, where social entrepreneurship has an impact, it is usually the lowest one. People with less incomes and resources who are provided a livelihood thanks to social entrepreneurship.

Social enterprises have some advantages compared to other types of enterprises, like:

1. Social entrepreneurs raise capital more easily, because they have help from governments and public institutions and because they are human friendly organizations.
2. Marketing and promotion for them is also very easy. They just show solutions for problems people know about.
3. It is easier to get support from people because of their altruistic spirit. It is also easier to get good staff at lower salaries compared to other industries.
4. Their services are better designed to suit the needs of the individual or the problem and are in harmony with the environment, society, or the people, because there is not a business objective to achieve.
5. Cost effectiveness is another advantage of a social enterprise. The solutions offered by these organizations are more reasonable than the ones from a profit-making institution which considers the market rules to make profit.

Many times, corporations use part of the profit that they get to help society making corporate social responsibility an integral part of their business functioning. However, not many manage to create a difference. It is just a means to achieve more profits; there is an increasing need to watch out for the same and help and advocate those who really aim to add value.

### **1.3.- Principles of Social Business**

Social business is a new kind of business defined by Muhammad Yunus. From his experience in the development of microcredit and Grameen Bank, he thought of this kind of organization with seven principles. They outline the recommended priorities for any social entrepreneurship and how financings must be managed. These are the principles:

1. Business objective for a social business must be to overcome poverty or deal with some problems linked to poverty like education, nutrition, healthcare, environment and enabling technology access for the downtrodden and not just profit or shareholders wealth maximization.
2. Any social business is disallowed to take funds from outside like grants or NGO. Those who run the business are supposed to invest.
3. Investors in a social business are disallowed to take money beyond their investment. No dividend is given on the investment.



4. Amount earned over and above the investment is supposed to be reinvested back in for scaling the business and for improvement. Expansion here is aimed at reaching out to more people or to improve the quality of services.
5. Social businesses are supposed to be responsible for the well-being of the environment. They are to play a major role in betterment of the environment either directly or indirectly. Indirectly means through their operations they will ensure that they do not harm the environment.
6. Those working with the business as its employees will get fair compensation, which is in accordance with the industry benchmark. In addition the workforce will get better working conditions.
7. Only those who have a passion for contributing to the society and the environment will run a social business. This means that business will run in an environment of joy and not stress.

These principles draw a distinction between social business and other businesses carried out in the name of contributing to social welfare. They bring a definition, arising from a successful experience, that enlightens the expected best possible social enterprise to take care of the world.

The seven principles of social business are followed world over by organizations that either promote or run social businesses. Ashoka, the Omidyar network, NIKA water company in U.S, Grameen Bank in Bangladesh are examples of such organizations.



# Unit 2 – Social Innovation

## 2.1.- Concept

Social innovation is the kind of innovation activity (ideas, procedures, strategies, and organizations) that looks for solutions to meet the demands of those who live down at the social pyramid. It can be developed in many different fields like education, healthcare, entertainment, community development, etc.

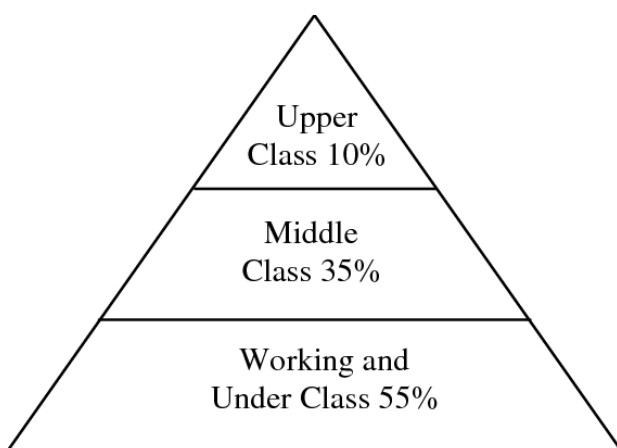
The idea of social innovation is not new at all, although it has become a more recurrent issue during the last decades due to the success of Microcredit and other types of participating funding (i.e. crowdfunding). However, many times in history, societies reacted in an innovative way looking for general solutions when the problems were common to many people. If they were trying to think out of the box, as many times happened, they were doing social innovation.

Leaders must bring some social innovation. Otherwise, they wouldn't be leaders. Politicians, sociologists, philosophers count on many social innovators. Many times, they succeeded longer, other times their innovation was not so lasting, some innovated for good, some others innovated for bad. But they all offered "ideas of justice" and a lot of enthusiasm and work for everyone in their target group, in their pyramid.

For further information: [Creative Industries Social Innovation](#)

## 2.2.- Social Pyramid

The bottom of the pyramid is the biggest part of the pyramid. In social terms it includes more than half the population of Earth, who lives with 2 daily US dollars or less. About 4 billion people. However, 4 billion people with 2 US dollars per day means 8 daily billion dollars.



They are, of course, poor people, in serious need, but if they are well guided, they have, all together, more than enough resources, as Yunus proved with Microcredit. It is not simple at all, but a lot of economic activity, as no one had seen before, sourced from that and changed the world. The concept of Emerging Economy or Country, and BRIC, and the G-20 were consequences of this.

Social innovation faces many difficulties, not only cost, but distribution channels, or training.

**FIGURE 1<sup>36</sup> : Proportions of Social Classes when Forced to a Pyramid Shape (Ozkan, K, 2014)**

<sup>36</sup> Source: [https://www.researchgate.net/figure/Proportions-of-Social-Classes-when-Forced-to-a-Pyramid-Shape-Source-Adapted-from\\_fig4\\_278392750](https://www.researchgate.net/figure/Proportions-of-Social-Classes-when-Forced-to-a-Pyramid-Shape-Source-Adapted-from_fig4_278392750)

Source:[https://www.researchgate.net/figure/Proportions-of-Social-Classes-when-Forced-to-a-Pyramid-Shape-Source-Adapted-from\\_fig4\\_278392750](https://www.researchgate.net/figure/Proportions-of-Social-Classes-when-Forced-to-a-Pyramid-Shape-Source-Adapted-from_fig4_278392750)

Sustainable models are needed for Social Innovation to be taken wherever. The models must be operational and maybe still require experience and failures to be well matured, but no one has doubts about its potential.

### 2.3.- CASES AND EXAMPLES

#### A) Examples of Social Innovation and Business

##### Microcredit

Yunus saw that a small businessperson (a farmer with a marginal landholding, a woman with a home-based business or a group of small businesspeople) in a less developed region and in need of small finance was insignificant for the traditional financial institutions. This person had to borrow from the local moneylender at exorbitant rates of interest and this always brought more damage than solution. Since this person had no properties to guarantee the loan, institutions with resources didn't even pay attention to him/her. This kind of small businessperson (or just self-employed) doesn't exist for credit institutions.

Microfinance and microcredit institutions appeared in this context (with public help many times) to lend the small amounts that such entrepreneurs need. Certainly, these people only needed access to small capital which was never offered to them. When they got it, they started to produce profit, pay the loans with interest, pay for their living, and even save money and reinvest in their activity. These microcredit institutions were the solution for millions of people.

The microcredit revolution has been pioneered by the Nobel Laureate and Bangladeshi entrepreneur, Mohammed Yunus who with his Grameen Bank ensured that those at the "Bottom of the Pyramid" have access to credit in a manner that is easy, without red tape, and on terms that are congenial and favorable to the borrowers.

Microcredit has found a way to finance small entrepreneurs despite the lack of trust that banking system had on them. With microcredit they receive loans wherein each of them stand guarantee for the others. In this way, the microcredit agencies ensure that they are making loans to a pool of borrowers instead of individuals alone. Moreover, microcredit agencies also make it a point to lend for shorter durations as well as encourage repayment by educating and enlightening the borrowers of the advantages of credit repayment and further access to funding.

##### Failures in the Microcredit System

Microcredit can also fail, although it has been a perfect tool for many poor people to leave poverty all around the world. Because of mismanagement, fraud and overstretching of the limits to repay, some microcredit agencies collapsed together with many borrowers in big financial problems. Microcredit agencies must be regulated as well by financial authorities. Moreover, the government must also ensure that microcredit follows strict rules and are not only based on the good will of both sides of the business.

Despite these failures, microcredit has certainly been a revolution to develop a productive life for the poor people within a society. Because of that, to improve it and to make it even better, some measures have been

adopted. A financial system is protected when only a small percentage of borrowers can't afford their repayments. There are some other people who can take profit from the microcredit even being able to get funds from the traditional financial system. Maybe with lower rates, but some experienced artisans or SMEs or groups of professionals with a solidary dynamic (cooperatives, associations, etc.) can work with microcredit agencies and make them safer. But for microcredit to get developed and to be an option for medium economies, some protective measures must be adopted.

### **Other examples of Social Businesses**

Social Bite

Link: [Social Bite](#)

Social Bite is a restaurant chain that supports the so-called homeless -homeless people- by giving them employment and a place to live temporarily. Inspired by the ideas of Muhammad Yunus, Alice Thompson and Josh Littlejohn decided to follow in Yunus' footsteps and create Social Bite. This social business develops the idea of a restaurant chain that allocates the profits from its products to help the homeless, providing them with decent work, food, and housing so they can have a better life. They also have created Social Bite Academy to reintegrate people who have lived on the street with dignity, the event Sleep In The Park inviting people to spend a night away from home and sleeping in a park, and the Social Bite Village to develop abandoned areas by building houses that can host more than 20 people in a period of between 12 and 18 months.

FoodLab Detroit

Link: [FoodLab Detroit](#)

FoodLab Detroit was founded in 2013 when a group of food-loving women observed that there were plenty of cooks in Detroit operating informally for a little extra cash, but that production space (licensed commercial kitchens) was their biggest barrier to entering the formal economy.

The co-creators of FoodLab Detroit, found a ready source of kitchens: churches and community centers. These kitchens were underutilized and with some minor adjustments, they could meet the state's requirements and with a small grant set up a system to connect entrepreneurs with kitchens. Today, 235 Detroit-area food entrepreneurs are members of FoodLab, who represent many stages of business growth.

One can see FoodLab's approach as asset-based community development, which creates opportunities based not on what a place is lacking, but on what is already there. Simply said, instead of focusing on what they do not have, they focus on what they do have. FoodLab saw a source of kitchens as well as people who could grow if connected to spaces, training, and one another.

Toho

Link: [Mission - Tohu](#)

Based on a mission with three interconnected components (Circus - Earth - Human), TOHU is a laboratory for sustainable development through culture.

École Nationale du Cirque, the Tohu in Montreal, where various organizations (Cirque du Soleil, En Piste, and, also in the same district, a residential centre for artists in Montreal) have created a local compound of creativity. This creative ecosystem hosts artists and cultural practices. Moreover, the Tohu carries out



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activities with an important social dimension, which seek to augment the cultural capability of the local community. Not only does the Tohu aim at integrating visions of the community, but it is the participatory approach from the beginning of the development of the site, which prompts human development and social interaction (Temblay and Pilati, 2013, 73). From a governance perspective, the Tohu group also collaborates with major territorial stakeholders and develops projects in collaboration with the City of Montreal and several other organizations.

## B) Social Innovation in the Cultural and Creative Industries in Europe



**Social&Creative InterregMED** is a transnational cooperation programme to foster creativity and social innovation thanks to the work of promoting connections and interactions between local and transnational parties and networks.

Link: [MEET - Mediterranean Innovation Tales](#)

In the vision of the Social&Creative community, the individual projects of creativity and social innovation developed by parties and territories, provide points of departure and nourishment for new policies, replicable throughout the area to create a Mediterranean innovation system.

## C) Local Social Entrepreneurship: Cases & Examples

### Spain

#### PROYECTO LÁZARO

Link: [Proyecto Lázaro](#)

Proyecto Lázaro was born in the city of Alicante in 1994, initially as a small project to meet the needs of a group of people with difficulties in finding decent employment, and detecting the potential that the management of second hand clothing could have for this purpose.

Since then, they have been developing a whole circular economy at the service of people and the environment, generating work and training spaces where workers increase their knowledge, skills and competences to get and keep a job, while at the same time reducing domestic waste with their work of reuse and recycling.

#### TALLER TOPOTESIA - PLAYA 220

<https://impulsaculturaprojecta.com/p-item/playa-220/#toggle-id-2-closed>

Link: [Taller Topotesia](#)

<https://alicantepiazza.es/el-taller-topotesia-al-rescate-de-los-municipios-en-riesgo-de-desaparicion>



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Topotesia started as an architecture workshop for children and has become an association that works to show how this discipline can help solve social problems. This initiative of the architect Javier Martínez has been the first winning project of the contest for entrepreneurs 'DOEACT-UA: turn your business into reality' of the University of Alicante. In its two years of existence, it has reached a national dimension with the organization of initiatives always linked to the use of architecture as a social tool.

The Playa-220 project, designed by Taller Topotesia, consists of a multi-platform and multidisciplinary project that combines different interventions in towns on the verge of demographic collapse with the aim of reactivating them socially, economically and culturally, with architecture acting as the director of the revitalising movement. Playa-220 focuses on rehabilitating the urban heritage of the intervention sites and activating it thanks to multidisciplinary work with experts from other professional fields, providing it with a use in accordance with the 21st century, a possibility that current strategies, technologies and infrastructures allow, thus returning population and activity to the municipalities and counties that are the object of their actions.

## CASA DALMASES

<https://www.hipersocial.eu/casa-dalmases/>

<https://www.hipersocial.eu/galeria-de-arte/>

The FOUNDATION CASA DALMASES is an entity located in Cervera (Catalonia) Spain, whose headquarters are located in the Casa Dalmases, an 18th century building-palace.

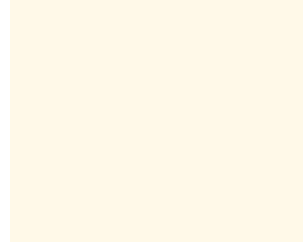
It was created to respond to the urgent need of the territory to create employment for people at risk of social exclusion. Specifically, people with intellectual disabilities and/or mental illness and also people living on the street.

In order to carry out its main purpose, in 2013 the Foundation promoted the creation of a craft beer brewery on the ground floor of the building. Cervera is surrounded by large extensions of cereal crops (wheat and barley) and this is where the idea of brewing craft beer arose, linking the activity to the craft beer, linking the activity to the natural environment.

The brewery is led by a master brewer who is in charge of the formulation of the beers and controls the entire brewing process. Working with him are six people with intellectual disabilities. They are responsible for bottling, cleaning and labeling the bottles.



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Currently, five basic ranges of beers of different styles are produced and, occasionally, some special editions.

The Foundation also has an orchard, located a few meters from Casa Dalmases, where hop plants are grown, one of the raw materials for making beer. The garden employs another two people with intellectual disabilities and/or mental illness.

As a craft brewery, the Casa Dalmases Foundation is a member of the Guild of Craft Brewers of Catalonia (GECAN) and the Association of Brewers of Lleida (ACALL). It also belongs to the Social Economy Network (XES), the Labour Insertion Network (XIL) and the Respon.cat Association, a business initiative for the development of Social Responsibility in Catalonia.

The aim of employing people at risk of social exclusion is also carried out through an artisan chocolate workshop, located in another space on the ground floor of the building, led by a master chocolatier. led by a master chocolatier, which employs five people with intellectual disabilities, and produces a wide range of chocolates, nougats and cocoa creams. This project also works with small producers in two regions of Peru, from whom cocoa is bought and sold at a fair price and a range of chocolates known as "bean to bar" is made.

The Foundation also has a revitalising purpose in the area where it is located and collaborates with other local entities to promote actions that benefit its inhabitants. The House Dalmases House, on its main floor, also hosts exhibitions of works of art (painting and sculpture)

made by people with intellectual disabilities.





# Unit 3 – Social Business Model Canvas

## 3.1.- Changes in the BMC

### From Customer Segments to Segments

Segments include beneficiaries who don't pay for what they get. There is no place for them in the regular business model canvas

### Customer Relationships disappears

There is no marketing on this. The relationship must be transparent and clearly positive for the beneficiaries.

### Key Partners to Partners and Key Stakeholders

The Stakeholder gets relevance. Partners are just coming from the Network. Stakeholders come to the social business by sharing common interests and responsibilities. They frankly support the social business because it is not looking for profit among other reasons.

- New Concepts

### Type of Intervention

This refers to the attempt to change a non-desirable situation to improve it or prevent it from getting worse. There are many types of social interventions.

### Surplus

Plan and communicate what happens with profits and where they are going to be reinvested

- How to manage with the SBMC

Bring your team together to discuss your ideas for the venture and how you see it working.

Use the Social Business Model Canvas template provided to structure your conversation.

Start with the Market and Value elements of the canvas (the most important elements), and don't be tempted to start filling in the canvas from left to right.

Carefully consider the questions set out later in the Further Guidance section.

Write down the answers in the template or use sticky notes.

Get creative.

Challenge your assumptions as you go along. How do you know that what you have written in each part of the canvas is true?

What evidence would you need to test your assumptions?

When completed, take stock and consider the whole picture. Explore the connections and trade-offs between each section. Is the overall picture plausible?

Are there things that you need to revisit or think differently about?



### 3.2.- Impact Business Model Canvas Template



**VIDEO:** <https://youtu.be/GUIkKL4D6Go>

**LINK TO TEMPLATE (to download):** <https://docs.google.com/document/d/11XL-BG2XLA314svVj1sdsT52IFigx6VeQUEOgN76uF4/edit>

**Your Venture:**

**Your Legal Structure Hypothesis:**

<b>Problem Statement</b>				
<b>Mission Statement</b>				
<b>Key Partners</b>	<b>Key Activities</b>	<b>Value Proposition</b>	<b>Stakeholder Relationships</b>	<b>Stakeholder Segments</b>

	<b>Key Resources</b>		<b>Channels</b>	
<b>Cost Structure</b>			<b>Revenue Streams</b>	
<b>Intended Impact</b>				

The Impact BMC<sup>37</sup> leverages the Business Model Canvas by [Strategyzer.com](https://strategyzer.com), which is licensed under [CC BY-SA 3.0](https://creativecommons.org/licenses/by-sa/3.0/).

Questions to focus your project idea

1) Problem Statement: What is the problem you have identified?

How large is it?

How many people are affected?

In what geographies?

<sup>37</sup> [https://stanford.edu/dept/gsb-ds/Inkling/The\\_Impact\\_BMC/index.html](https://stanford.edu/dept/gsb-ds/Inkling/The_Impact_BMC/index.html)

Are all layers of society affected equally?

What external factors surround the problem and might influence your strategy and operations, e.g., the economy, technology, political conditions, social conditions, etc.?

EXERCISE:



TOOL: 5 WHYS

VIDEO: [The 5 Whys Problem-Solving Method](#)



EXAMPLE: Finding problems in the craft sector.

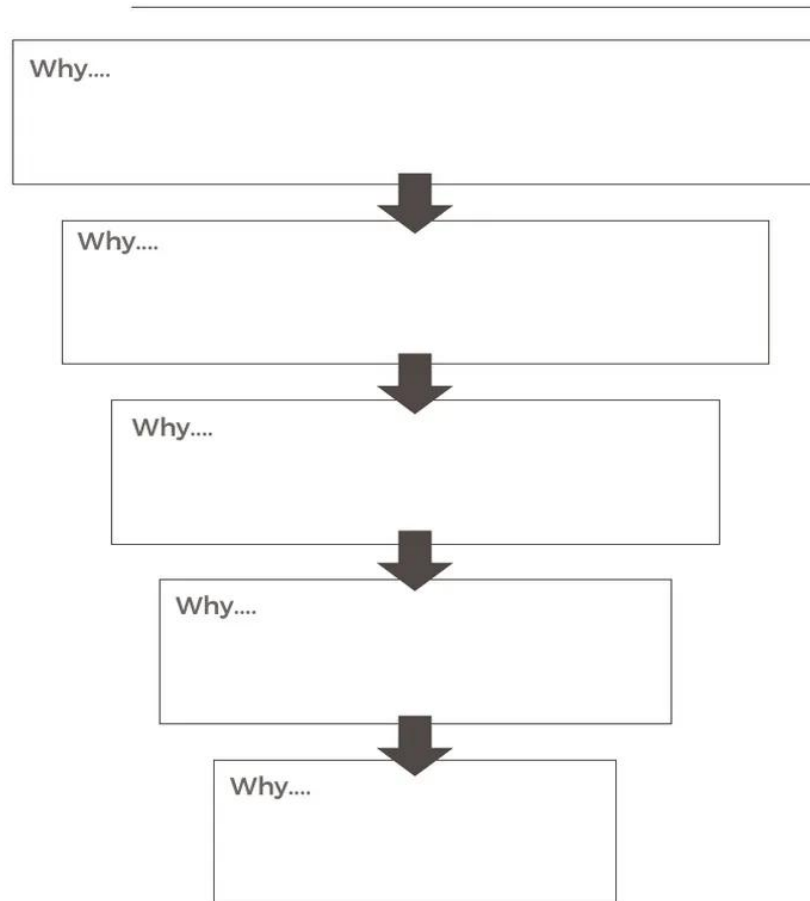
Source: <https://ceeielche.emprenemjunts.es/?op=13&n=11873&codMenu=4055>

EXAMPLE: Finding problems in the craft sector.

There is a similar example in the PowerPoint Presentation (ToolKit)

LINK: <https://www.canva.com/design/DAFBsFVfeXg/2N117iXwpIc25XqV-r9JXw/edit>

Problem:



This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.  
Designed by the authors of "Design, Think, Make, Break, Repeat. A Handbook of Methods" (BIS Publishers)  
[www.designthinkmakebreakrepeat.com](http://www.designthinkmakebreakrepeat.com)

Source: <https://es.scribd.com/document/423826858/5-Whys-template-pdf>

2) Mission Statement: Why does your venture exist?

Possible structure:

Verb + Target Client + Result (Solution)

Example: "Provide disable people with new abilities to express themselves"

3) Stakeholders Segments: For whom are you creating value?

Who are the main Stakeholders types?

Are there particular “segments” within each Stakeholder type?

Describe the Stakeholders type(s) and/or segment(s) and explain the need you are addressing for each? What are their main drivers and behaviors?

Do some stakeholders assume several roles, e.g. are your customers also beneficiaries, are your founders also investors?

EXERCISE:



VIDEO: [How to create a stakeholder map](#)



Example: Bakery & Confectionery workshop

TOOL - STAKEHOLDER MAP

Link: [https://www.canva.com/design/DAFBD-8y8S8/oTOgrLOq6j6\\_z4XP4R943A/edit](https://www.canva.com/design/DAFBD-8y8S8/oTOgrLOq6j6_z4XP4R943A/edit)

HOW TO USE THE TOOL:

1st) Brainstorming: for example... Families with children/schools/Workshops for the Town Hall Activities/Teambuilding for companies/Foodies-

2nd) Prioritize them according to interest and power.

3rd) Map them in the Stakeholder Map.



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- 4) Value Proposition: What value are you creating? How are you solving a problem, satisfying a need, or delivering benefits in a new way?

What is the offering(s) your social venture or program will provide to your stakeholders? In the short-term? In the long-term?

What type of service or product are you offering to the customers?

How do your beneficiaries, partners and investors benefit?

What is the efficacy that your offering or set of offerings delivers to the stakeholders?

What is the market category of the product or service?

What makes your business or offering unique?

How will you create and maintain competitive advantage?

How different is your social venture or program from market leaders?

- 5) Channels: How are you reaching your stakeholder segments to deliver your value (think communication, distribution, sales)?

Awareness - Do we raise awareness of products/services AND impact?

Evaluation - How do we help customers evaluate our impact value proposition? What evidence and stories can we/should we share?

Purchase - Can we extend the way customers find and purchase our goods/services?

Delivery - How can we connect our customers more effectively through our delivery mechanisms?

After sales - How can we ensure that they will champion social enterprise?

What channels are necessary for initial adoption of your value proposition?

What channels are most likely to reach your customers? Your beneficiaries?

What channels are necessary for retaining and growing your customer and beneficiary stakeholders?

What channels are cost effective and achieve optimal revenue (or earned income) streams.

What channels are needed at different points of the sales cycle?



- 6) Stakeholder Relationship: What type of relationship are you establishing with each stakeholder customer segment to deliver your value?

How intimate does the company's relationship need to be with each Stakeholder?

How much "hand-holding" and/or "education" does each of your Stakeholders need?

Do your Stakeholders value/need personal interaction and/or are they comfortable with machine interaction?

Which Stakeholders need the most nurturing in order to meet your social and economic objectives?

- 7) Key Resources: What are the most important assets required to make your business model work?

What tangible or intangible items are necessary for your business or program to be successful?

Does your business or program require specialized talent, material, land, building, systems, technology, intellectual property, and/or machinery?

Which resources are your biggest costs and/or hardest to acquire?

- 8) Key Activities: What are the most important actions you must take to make your business model work?

What are the most important tasks that your company needs to perform in order to provide the Value Propositions to your Stakeholders? In the short-term? In the long-term?

What high level actions are necessary to design, launch, provide and support your offering(s)?

- 9) Key Partners: What network of suppliers and partners make your business model work?

Who (or what type) are your current and/or future key informal partners?

Who (or what type) are your current and/or future key formal partners?

What do these partners provide for your social venture or program?

What value do you provide these partners?

What is the depth or nature of your partnership?





10) Revenue Streams: Keeping in mind profit potential, what revenue(s) are you generating from each stakeholder segment for your value?

Through what type of Revenue Stream are Customers, Beneficiaries or Investors paying for operations, service and/or product?

Are the Revenue Streams based on a fixed price or are they variable based on market conditions?

Are the Revenue Streams based on one time transactions or are they based on long-term value of recurring revenue?

Are the Revenue Streams in small increments or large sums?

11) Cost Structure: Keeping in mind profit potential, what are the most important costs inherent in your business model and how will you minimize them?

What are the critical expenses that your social venture or program will incur to start operating and gain stakeholder traction?

What are your long-term cost drivers?

What are the most expensive aspects of running your business or program?

Which costs will decrease over time if you scale?

12) Intended Impact: How much of the identified need are you holding your venture accountable to resolve and in what timeframe?

Quantify the social or environmental problem that your business is addressing.

How large is the potential economic opportunity of your value propositions?

What is the size of the addressable customer segments and beneficiaries?

What are the appropriate units of measure for the impact and financial objectives?

How much of the opportunity can you effect or capture?

## QUIZ



State true/false for the following sentences:

- 1.- Social entrepreneurship doesn't need to make a profit (False)
- 2.- Social entrepreneurs are considered as positive changemakers in society (True)
- 3.- Social entrepreneurs raise capital more easily (True)
- 4.- Their services are better designed to suit the needs of the individual or the problema (True)
- 5.- Cost effectiveness is another advantage of a social Enterprise (True)
- 6.- It is also easier to get good staff at lower salaries compared to other industries. (True)
- 7.- Investors in a social business are disallowed to take money beyond their investment (True)

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# **Module 12 - Fundraising and Microcredit**

# Unit 1 – The Concept of Fundraising

## 1.1. What is Fundraising

Fundraising is the set of actions to raise third party capital to support a project or a cause, which usually has a social aim. In this case, "donors" are individuals or companies that choose to finance a business idea because they share its aims and vision.

The most common idea of fundraising is that the less money is spent to raise capital, the more effective and efficient the organisation is. This is not always the case, in fact it is important to invest in the internal capacity to raise funds, in order to have the ability to finance itself and operate at its best in the long term. Therefore, investing in fundraising, even more than what is raised as donations, is not synonym of poor management of the activity; on the contrary, it is an investment in the future of the organisation, which will have competent employees and volunteers, qualified and with good soft skills, who, in the long term, will be able to convince people to invest in your organisation.

**In the specific field of culture and creativity, Fundraising is particularly suitable for start-ups, which need an initial capital to access the market and find their financial sustainability, or for Non-Profit organisations that do not sell goods or services and that need continuous donations to finance their activities.**

## 1.2. The Three Steps of Fundraising<sup>38</sup>

### A. Looking for new sponsors

This is probably the most difficult and complicated phase, especially if your organisation has just started, but you have an extra weapon that organisations already operating on the market may be losing, which is the passion of someone who has created something new. But first things first.

**A new donor is someone who donates to your association for the first time, and the reasons may be very different, but having the possibility to understand why he or she has supported your organisation is a first way of doing fundraising correctly. Accordingly, from the very beginning, gathering as much information as possible about your target audience is a first step towards good fundraising.**

**However**, the search for new donors tends to be a very costly activity and it is almost always loss-making, because not all the people that you contact or who have shown interest in your mission will actually donate. Potential new donors can be contacted through a letter home, by collecting their details at events and fairs or at your own stalls, or they can be people who have called you for more information; we will then see which channel is the most suitable for each target donor. It is normal that following up these people until they come to donate is a cost, and unfortunately many times the desired result is not achieved, but even if initially the activity carried out will be at a loss, do not despair because the next step is the most important one.

### B. Raising the average donation

Once the person, or the company, has gone from "potential donor" to "donor", there comes a decisive moment, since it is necessary to ask to raise the average donation, in order to increase the amount of funds

<sup>38</sup> FUNDRAISING - The most complete manual for fundraising, by Valerio Melandri, Maggioli Editore, [2017]

raised. One thing must be clear: you must not continually look for new donors, which is an expensive and risky business. You need to be on the safe side and avoid long days when you might not get anything. It is much less expensive to contact existing donors and ask them to donate more than to look for new potential donors. Asking them to contribute more is not the same as trying to get them more involved in the organisation, but just trying to get them to increase their contribution. Certainly not everyone will respond to your call, but the cost of soliciting them is less than the cost of finding new donors.

### C. Raising the frequency of the donation

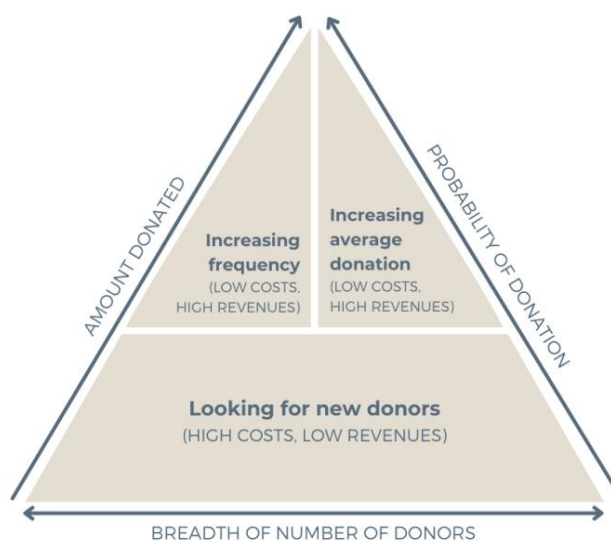
The third and final step to grow fundraising and thus to obtain more funds is to use all available methods to get the donor to donate as many times as possible. Once a circle of donors, who have donated at least more than once, has been created, the organisation has to make sure that these people are encouraged to donate more, because if they are willing to donate, they are probably also willing to give more.

In summary, this is the path to a successful fundraising: increase the number of donors at any cost without getting down on yourself, increase the average donation of those who are already donors and take care of every donor, getting them to donate more frequently.

### 1.3. The involvement of the donor

It is unrealistic to think that all donors will stay with you forever, it is the natural order of things that sooner or later some of them will stop funding your *mission*, so it is up to the entrepreneur/organisation to make sure that this drop-out rate is as low as possible, and some solutions are to give attention and involve them within your organisation also as volunteers. The aim is to make them **build a relationship with your organisation**, by trying to tie them to you as much as possible because **fundraising is not just asking for money but building something together**. The concept of involvement can be schematised with the donor pyramid, which shows the concepts expressed so far in a simple and graphic way.

Fig.1 Donor pyramid



The base of the pyramid is the first step. In fact, looking for new donors requires a lot of efforts and the likelihood of people donating and the amount of what people generally donate is very low, as they do not know you yet. Donors have little involvement and you also run the risk of not seeing them again and losing them, so that one remains their only donation to you.

At the second level you find fewer donors, but they are the ones who donate more frequently and tend to donate more than those below, they are the ones with whom you have to create a lasting bond trying to understand their needs, whether to involve them in activities on the spot, whether to send them more articles with reports of the activity, or anything else in accordance with their interests. It will never be possible to take the whole base to the next level, not even big organisations can do it; however, it is necessary to try to expand this area, so that you are not dependent on a few donors or on donors who contribute with small amounts.

#### 1.4 Mission Statement and E.R.O.I. Model (Emergency, Risk, Opportunity, Investment)

Mission is a term that has already come up, but we have not explained it well yet, now it is time to bring it up again. An organisation that is born must have a **clear idea of its purpose** and values and it has to be able to transmit and communicate them; usually the mission is expressed through a series of sentences. You do not have to say what the organisation does, but you have to explain why it exists and the system of values in which it believes. **It has to be a good line that makes donors realize if they are interested in the topic or not.** A good mission statement is already a first way of doing fundraising because it can put you in contact on a deeper level with potential donors. It is difficult to create a good mission, but here is a schematic table with practical steps to create one from scratch.

Table 1<sup>39</sup>

QUESTIONS	EXAMPLE OF ANSWERS
Define the main value the organisation believes in	<i>Self-sufficiency, independence and self-esteem are the rights of all people.</i>
Describe the conditions that prevent this value from asserting itself	<i>Alcohol and drugs prevent some people from affirming these values</i>
Briefly explain what is needed to solve the problem posed in step 2	<i>Organisation X believes that alcoholism and drug addiction can only be parentheses in life</i>
State that your organisation does a lot to solve the problem mentioned in point 2 and it is able to undertake the solution mentioned in point 3.	<i>It believes that offering treatment to alcoholics and drug addicts is right, true and important</i>

Using these answers, it becomes easy to write a mission statement like this: 'Self-sufficiency, independence and self-esteem are the rights of all people. Yet, even today, many people fall victim to alcohol and drugs and they lose all self-esteem: often they would like to get treatment but they do not know where to turn. Association X believes that free therapies are the best chance for all alcoholics and drug addicts to be fully

<sup>39</sup> FUNDRAISING - The most complete manual for fundraising, by Valerio Melandri, Maggioli Editore, [2017]

reintegrated into society and to regain a sense of responsibility and awareness of the value of the human being. It is not compulsory to follow such a scheme, but it is advice.

In general, it is difficult to ask people to donate, imagine yourself in front of a blank sheet of paper writing to people you do not even know to finance your cause; to overcome this difficulty, the E.R.O.I. model was created, a tool to help you write a case.

Fig. 2 E.R.O.I. Model



**Emergency:** it is something negative that is happening right now that your donor is called upon to solve through their donation, it can be a flood, an earthquake, a health emergency and so on. It is the most emotional phase of this scheme, a great example of this are the announcements we listen to when uploading videos where there are voices that immediately start exposing a problem and asking us to help do something.

**Risk:** it is something negative that might happen tomorrow. The risk comes after the emotion, but the latter is still present, because it is an event that promises to be dangerous but the extent of which is not yet known. You have to show how the world could be better thanks to your action and with the support of your donors.

**Opportunity:** it is the positive things that happen today. It means that if you donate now, there is still time to do something. You have to make people understand the need for an action that cannot be postponed and that can lead to a better future.

**Investment:** it is something positive that can happen tomorrow thanks to the continuous help of people. Usually this is the part where you try to build donor loyalty to the cause you are working for.

This model is widely used in the *call to action* of different organisations.

## EXERCISE 1

With the help of the EROI model, the student develops an expression of the fundraising case of a non-profit organisation. This paragraph(s) should encapsulate the essence of why the organisation is asking for donations for its annual fundraising.



## 1.5 Individual Fundraising

There are two main audiences of donors, each requires its own techniques to achieve donations. The first and best known is made of people (Individual fundraising), while the second is that of companies, (Corporate fundraising). Below we will analyse the first target group, the people.

There are many different channels to reach this target group, according to whether it is a *one-to-one* request or a *one-to-many* request. What are these channels?

1. Personalised letter and direct mail
2. Face to face
3. Telephone calls
4. Telemarketing (call center)
5. Fundraising events
6. Door to door
7. Advertising space/Internet banners
8. Crowdfunding

Next, we will analyse only the most used methods, as well as the most suitable ones to apply in the context of art and culture: the personalised letter, face-to-face, events and crowdfunding.

### 1.5.1 Personalised letter and direct mail

The direct mailing method involves sending a physical letter to the target group with a specific donation request. Despite the advent of technology, experts have shown that a traditional letter is still more effective than email, due to the ability of letters to convey emotions and feelings, in addition to the fact that it remains more imprinted in the memory than an email that we generally consider as spam. The difficulty with this channel is that it requires a large budget to acquire the names of the donors, to prepare the packaging and to send it out, not to mention the time it takes to do so. Therefore, this method of fundraising is more suitable for established, structured organisations with multi-year budgets. The construction of a letter requesting a donation or a contribution consists of some essential contents:

- Target: It is the element that will determine the success of your campaign, you need to find people who are interested in your work and who also donate to other similar causes.
- Outer envelope: leave nothing to chance, the envelope must be carefully designed, and it must have attractive graphics. You must look for a reason for the potential donor to open the envelope, such as attractive images or small gadgets that you want to give.
- Gift: if you have the opportunity, it is a great way to ingratiate yourself with people; it can be any type of object, in line with your and their values, as long as it achieves the goal.
- The text of the letter: The absolute principle of the letter text is that it has to be emotional, you have to write for something you believe in and transmit the message, not everyone is able to write such a letter persuasively. Stories that work are usually constructed this way:
  - There is a beginning which illustrates the problem to address.
  - Then the difficulties and struggles you face on a daily basis are described.
  - Finally, you conclude indicating how the problem can be solved and with a *call to action*.
- Pictures: don't forget the power of pictures, they usually remain more imprinted than all the beautiful words you have written in the letter.
- Paying-in slip: the presence of a pre-filled postal bulletin facilitates the donation process and encourages the donor to continue.



Once you have obtained the donation, you should thank them and ask for an upgrade with new appeals, don't let too many months go by without being heard.

### 1.5.2 Face to face (F2F)

It is a very effective way of raising funds because the donor becomes, in most cases, a regular donor.

It involves direct dialogue with the potential donor, who is usually met on the street or in specific contexts, where you can explain your cause, provide personalised information and answer questions.

The procedure can be carried out on your own or you can make use of specialised agencies. The cost of this fundraising channel is very high if professionals are involved, but if it is well planned it can lead to excellent results.

In any case, there is nothing to stop a newly founded association from trying to do face-to-face fundraising on its own by means of stalls scattered around the city; but this could be costly, especially in terms of time.

### 1.5.3 Fundraising events

It deals with organising an event for selected categories of stakeholders to explain a cause and raise funds for it. Organising fundraising events requires great organisational and cross-functional competences, and very often it clashes with local bureaucracy and with costs that were not foreseen at the planning stage.

If you are an artist, you can think of organising an artistic workshop to teach your techniques in exchange for funding, or a joint exhibition to raise funds with other artists.

However, it can easily be the most profitable initiative of all. Especially if you are given the opportunity to participate in third-party events to explain your cause. If your goal is just to maximise fundraising, then this is the one for you, because you will not 'waste' time and resources in organisation and you will take fewer risks.

Another example is to find an event in line with the principles and values of your association and to directly contact those who will be the guests, proposing them to be your sponsors. In fact, many times singers, actors, writers, or other personalities in the artistic environment are willing to support non-profit organisations. This working method takes little time and if it is successful, it can have a twofold effect: obtaining funds and being able to build a relationship with someone interested in your issues and who can expose your values and mission outside your catchment area.

On the other hand, if your aim is to organise the event from start to finish, it is worth following a couple of fundamental steps:

- Brainstorming: You cannot build anything on your own, you have to rely on people who share your ultimate goal and who can give new creative impulses to your idea and maybe reject your own ideas that you thought were feasible but were not.
- SWOT<sup>40</sup> Analysis: Conducting a SWOT analysis is always a good starting point: it is a matrix in which you need to include strengths, weaknesses, opportunities, and threats (**S**trengths, **W**eaknesses, **O**pportunities, **T**hreats) arising from both the internal and external environment of the organisation.

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<sup>40</sup><https://marketingaround.it/strategia/analisi-swot-come-farla-ed-esempi-pratici/>

- Building an Event Card, namely drawing up a first draft of the event itself, this is the creative phase of the project.  
Drawing up a Business Model Canvas<sup>41</sup>: drawing up a Business Model Canvas for the event will show you a series of practical difficulties that you had not thought of.
- Timeline: create a timeline to better plan the steps needed, and when they should be completed, to reach the final event.

Once all these steps have been taken, you will have a clear idea of whether your project is economically sustainable or whether it should be postponed. The advice is always to think about everything that could go wrong in order to avoid last-minute problems, but everything positive that comes out of it will be an excellent result. However, having a too positive attitude in the planning stage might lead to structural errors in the construction phase.

#### 1.5.4 Crowdfunding<sup>42</sup>

Crowdfunding is the cross between two English words "crowd" and "funding", namely financing from the crowd. We can define it as a sort of online collection, where a person or a company asks to be financed for personal causes or to achieve a goal.

This procedure is mainly implemented with the help of online platforms, usually free of charge, which are already set up to receive and disseminate your Crowdfunding campaign.

The strength of this tool is its ability to reach anywhere, if the campaign is done well, allowing you to expand your audience in a way that normal communication channels (mail, letters, calls...) could not guarantee, or that would require more investment.

Generally, there are four types of crowdfunding:

1. Donation-based: the donor contributes for free, without expecting any return on investment. It is a contribution to a good cause, whether by an organisation or an individual.
2. Reward-based: in these cases, the donor gets a *reward*, a non-monetary one, which can be symbolic (an object) or even a product created by the association/individual requesting for funding. It is widely used in the field of art and culture, as it allows donors to receive a preview of the result of the artistic project they have funded (e.g. a handicraft, a book, a film, a music album...). This method is a way to thank the donors, but it is also useful for establishing contact, testing one's own product and disseminating it.
3. Social lending: also known as Lending crowdfunding or Peer to peer lending. In this case the public lends money to a company on the assumption that it will be repaid with interest. It is a very similar situation to bank financing, except that you are borrowing from a large number of investors. These investors are willing to risk "small" amounts, which would not guarantee a return in the stock market, in exchange for interest.
4. Equity crowdfunding<sup>43</sup>: Through equity crowdfunding, the sponsors of the project receive a small participation fee (equity), becoming minority shareholders, usually without the right to vote in the

<sup>41</sup><https://www.beople.it/business-model-canvas>

<sup>42</sup><https://ec.europa.eu/docsroom/documents/10229/attachments/1/translations/it/renditions/native>

<sup>43</sup><https://www.ilsole24ore.com/art/crowdfunding-come-progettare-campagna-successo-AELcXnKF>

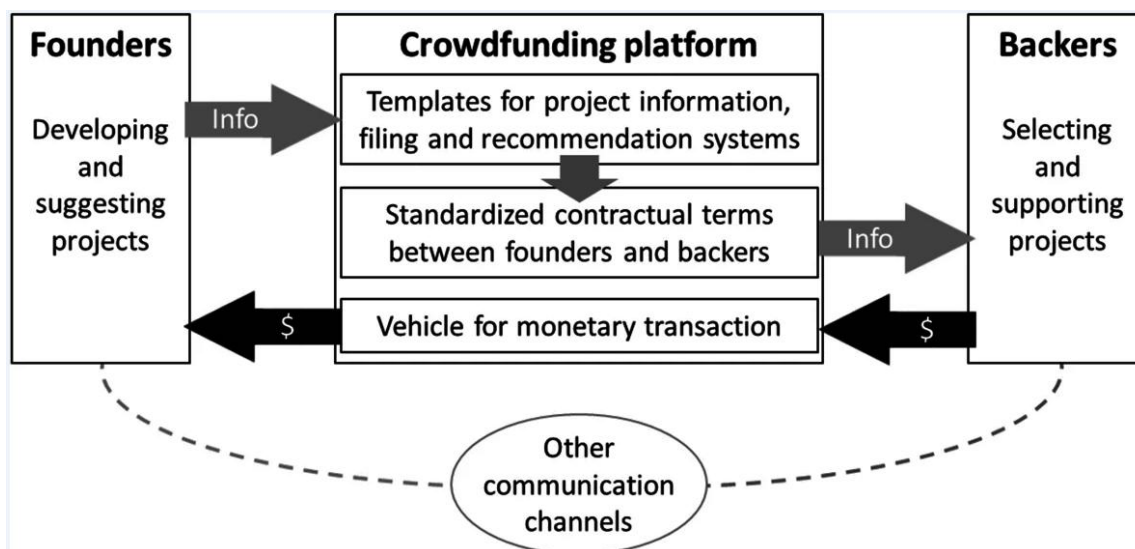
meeting, but with the right to distribute profits. This type of crowdfunding constitutes a solicitation of public savings and involves risks similar to the stock market, so in the countries where it is significantly present, it has been regulated by the competent bodies.

There are various crowdfunding platforms, some more professional for innovative startups that are interesting for a segment of the market that wants to invest their capital, while others are more focused on social issues and aim to sponsor a certain type of campaign. Even on social networks, non-profit organisations run crowdfunding campaigns. At certain times in history (earthquakes, fires, etc.) you can see fundraising campaigns on Facebook shared on the home page both by the organisations themselves and by your friends. Another classic example is the campaigns for birthdays, when Facebook now allows you to raise money for charitable organisations.

### How does a crowdfunding platform work?

First, after coming up with a project, who is asking for funds fulfils the template provided by the crowdfunding platform with the necessary information about the project, with details as project description, funding goals to commence the project, images or videos, eventual rewards. Usually, the platform files the call in its database and sets standardised contractual terms, sometimes with pre-set options to choose. In this way, everyone entering the platform can choose the most suitable project to fund. The crowdfunding platform receives the money and transfers the total amount to the founder of the project. In the meanwhile, those who desire to fund a project research for information about the project and its founder on other channels, as social media. To finance themselves, the platforms usually retain a percentage, between 5 and 15% of the total amount raised.<sup>44</sup>

Fig. 3 The process of crowdfunding via a platform



Sources: Dalla Chiesa, C., & Handke, C. (2020). Crowdfunding. In R. Towse & T. Navarette (Eds.), *A handbook of cultural economics* (3rd ed., pp. 158–167).

### Case study

<sup>44</sup> <https://link.springer.com/article/10.1007/s10824-022-09444-9>

The tips to street performers became a specific case of crowdfunding, as they are transitioning from the use of cash to the generation of income through digital platforms and payment app.

To know more:

Elkins, M., Fry, T.R.L. Beyond the realm of cash: street performers and payments in the online world. *J Cult Econ* 46, 231–248 (2022), <https://link.springer.com/article/10.1007/s10824-021-09421-8#citeas>

In the [ToolKit](#) it is possible to find a list of crowdfunding platforms active in various European countries, with an indication of the sector for which they are most suitable.

### **The steps for a successful crowdfunding campaign<sup>45</sup>**

In order to establish a successful crowdfunding campaign, clarity, enthusiasm and transparency are fundamental, together with taking into consideration these 7 steps:

- a. Set an objective, in terms of minimum amount to raise and period of time
- b. Choose the most suitable platform
- c. Prepare all the necessary documentation: presentation of your project, Business Plan, pitch, ...
- d. Decide if you are offering a reward for your investors, in terms of products, offers or special discounts for example.
- e. Create a marketing strategy campaign, creating your community or informing the one you already have through your social media around your project, product or service.
- f. Tell your story, mission and vision, explaining why you are putting effort in your project and involving your target audience telling your vision and mission (for example through a short video).
- g. Keep your investors informed on the use of funding, the progress of your campaign and communicating the results achieved.

### ***Watch a video!***

Watch Amanda Palmers' inspiring TED Talk "The art of asking", about her experience with the crowdfunding campaign to fund her solo album! [www.ted.com/talks/amanda\\_palmer\\_the\\_art\\_of\\_asking](http://www.ted.com/talks/amanda_palmer_the_art_of_asking)

Around Europe, a general regulation on crowdfunding does not exist, and it is usually regulated under national financial structures and, where relevant, the Markets in Financial Instruments Directive (MiFID).<sup>46</sup>

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<sup>45</sup> <https://thestartupcanvas.com/it/blog/2021/07/14/come-iniziare-a-fare-una-campagna-di-crowdfunding-7-step-fondamentali/>

Just 10 countries in Europe have specific laws on crowdfunding: Austria, Belgium, Finland, France, Germany, Italy, Lithuania, Netherlands, Portugal and Spain.

At European level, the “Regulation on European Crowdfunding Service Providers for Business”, n. 2020/1503 of 7<sup>th</sup> of October 2020, give a great impulse for the regulation of the instrument.<sup>47</sup>



**Further reading:** to read more about crowdfunding in the cultural and creative sector, you can refer to the study “Crowdfunding. Reshaping the crowd’s engagement in culture”:

[https://www.nemo.org/fileadmin/Dateien/public/topics/Museum\\_Management/Crowdfunding\\_ReshapingEngagementInCulture.pdf](https://www.nemo.org/fileadmin/Dateien/public/topics/Museum_Management/Crowdfunding_ReshapingEngagementInCulture.pdf)

In the study, it is possible to read about Market analysis of crowdfunding benefitting cultural and creative sectors, with a mapping of the use of crowdfunding in Europe for cultural and creative sector, analysis on crowdfunding in different areas of the sector (performing arts, architecture, audiovisual, literature and press, music...), and an overview of the main platforms at European level.

Together with the study, you can also consult the website <http://www.crowdfunding4culture.eu/>, European information hub with everything related to crowdfunding in culture. You will find:

- a map of crowdfunding platforms across Europe, with comparative information on costs, model used, ... focused on Cultural and Creative Sectors
- case studies
- events, tools, news on crowdfunding in the sector

### **The case: PATREON**

Patreon (<https://www.patreon.com/>) is a crowdfunding platform funded in 2013, which allows to create a steady flow of resources thanks to the subscription model. Patreon has been established especially for creators, and at the moment of creation of an account it asks to classify the project into categories: Video and films, Writing, Drawing and painting, Podcasts, Photography, Science, Crafts and DIY, Music, Comics, Animation, Games, Comedy, Education, Dance and Theatre. Then, it is possible to choose how much to charge to the community, to personalise your page and to establish possible rewards according to the amount of the donation.

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<sup>46</sup> Crowdfunding - Reshaping the crowd’s engagement in culture, [https://www.nemo.org/fileadmin/Dateien/public/topics/Museum\\_Management/Crowdfunding\\_ReshapingEngagementInCulture.pdf](https://www.nemo.org/fileadmin/Dateien/public/topics/Museum_Management/Crowdfunding_ReshapingEngagementInCulture.pdf)

<sup>47</sup> <https://www.shopify.com/it/blog/crowdfunding>



Get to know Patreon: <https://www.youtube.com/watch?v=rwvUjAv6pxg&t=24s>

## EXERCISE 2:

*Strange Horizons* is defined by the creators as a speculative fiction magazine, available free online, published on Monday from September 2000. In the last year, together with the translation-focused sibling magazine, they have published speculative fiction, poetry, essays, interviews, reviews and round tables.

From the beginning, the project has been entirely funded by voluntary contributions, from readers and volunteer labour.

You can read more about the project here:

<https://www.kickstarter.com/projects/strangehorizons2019/strange-horizons-2023?lang=it>

The participants identify the main characteristics that is attracting funding to this project, in terms of nature of the project, content, communication.

### 1.6 Corporate fundraising<sup>48</sup>

This method involves an existing company funding your activities or cause. In this case, the donation is not made by private citizens, but by a legal entity organisation. Corporate fundraising is the meeting point between the for-profit world, the companies, and the non-profit world, the organisations. This union is not so absurd, because in the world many companies want to redistribute the added value created in the surrounding area.

Collaborations between for-profit and non-profit organisations can be summarised in two distinct logics. The first is the sale, thus the choice of a company to sponsor an organisation, benefiting from being connected to an important name in the social sector; it is usual, in fact, to choose brands that are already established and well-known.

The other option is Corporate Social Responsibility, which can be defined as *the voluntary integration by a for-profit company of social and environmental impact in its business activities and in its formal and informal relations with stakeholders (internal and external). One of the most common ways for companies to engage in CSR is through philanthropy: non-repayable investment programmes - usually in support of non-profits - that the company makes to give back to civil society a part of the value it gets from the business*<sup>49</sup>. In

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<sup>48</sup> FUNDRAISING - The most complete manual for fundraising, by Valerio Melandri, Maggioli Editore, [2017]

<sup>49</sup> <https://italianonprofit.it/risorse/definizioni/responsabilita-sociale-impresa/>

this context, companies are willing to collaborate with local entities, whether small or very small, thus creating a more cohesive community.

But how do you find a company to finance you?

- Territory: select companies that operate within your territory, as it is important for them to demonstrate that they also have an impact at local level.
- Product: the product must be similar to yours, if you are a world hunger association you will look for food producers, if you are in the clothing business you may hear from shops or companies that produce clothes and so on.
- Target audience: assess whether your target audience may also be interesting for the company, and whether the company may have an interest in approaching your target audience.

How can you be financed by a company?

- Donation: there are companies that create budgets specifically for one-off donations such as at Christmas; they do not seek visibility, but they do it as a gift to support the local community through associations that promote a certain type of development.
- Payroll giving: it is a donation in the pay packet, in fact an employee can decide to donate an hour, or more, of his or her work to support a good cause.
- Gift in Kind: in this case the company supports the association with the donation of goods or services; it is a very popular system that can bring excellent results, the only thing is that the goods and services received have to be really useful to the association, otherwise it becomes just a waste of time and resources. It is also a great way for the company to advertise itself, because if, for example, you want to open an after-school club for children, asking for and receiving toys will make children and parents come into contact with the brand of the company that supports you.
- Employee involvement: finding a company that involves its employees in favour of your organisation can be useful, as you will have more people raising money for your organisation than as a *team building* element in favour of the company.
- Cause Related Marketing: this system is used by large companies to gain 'good' publicity, as it is usually their job to find a strong brand to sponsor. The company undertakes to donate a percentage of the revenues of one of its products to a specific social cause, also with a view to obtaining a return in terms of image and reputation.

For example, for those who want to promote a small handicraft production activity, a good Corporate Fundraising initiative could be to offer their product to companies that can use it as a gift for their customers or employees. In this way, companies can advertise themselves, and enhance the social impact that the initiative generates.



# Unit 2 Microcredit

## 2.1 A brief history of the birth of microcredit

Microcredit is broadly conceived as the granting of «small loans, mainly for investment rather than consumption, to individuals or micro-enterprises, mainly without any asset guarantees, for which microcredit institutions use alternative forms of guarantee»<sup>50</sup>. In other words, microcredit can be understood as a tool to serve individuals and micro-enterprises cut off from the traditional banking system.

The microcredit adventure began in the small village of Jobra in Bangladesh thanks to the intuition and tenacity of Muhammad Yunus, Nobel Peace Prize winner in 2006. The huge gap between the elegant economic theories and the reality in his country led Yunus to decide to do something to change things. He decided to go and visit poor people himself and work out solutions to help them. This led him to discover a reality where the perverse mechanism of usury was dominant and where many people were choked by debts and unable to get out of this circle. He drew up a list of all the people of Jobra (one of the villages surrounding his university) involved in this circle, and then discovered that with a total amount of about twenty-seven dollars, it would be possible to get all the 42 people on the list out of usury. The fact that such a small amount of money was enough to enable so many people to repay their debts to the traders and start selling their products was a shocking discovery and at the same time stimulating for the formulation of a solution. The basic idea behind the birth of the GrameenBank (Village Bank) is that in order to solve the problem of poverty one has to focus on giving people fair opportunities, leveraging their skills. It rejects giving alms as it does not incentivise people to roll up their sleeves and find a way out of poverty, "begging [...] is just ignoring their problems and deliberately making them fester". He then realized that poverty was not due to ignorance or laziness of people, but to the lacking support from the financial structures of the country in case people cannot give collateral guarantees. Yunus and his collaborators began to visit hundreds of villages in Bangladesh, lending even just a few dollars to communities, the minimum amount needed to implement entrepreneurial initiatives, for instance to buy raw materials. Such action started a vicious circle, with repercussions on the emancipation of women, since Yunus encouraged women to open cooperatives involving large sections of the population. Microcredit has become, then, a financing instrument used all over the world in order to promote economic and social development, and it has spread in more than 100 countries. The fundamental concept on which GrameenBank is based is trust.

The GrameenBank turns traditional banking culture upside down in many ways, and one element that certainly deserves to be considered is the importance given to **women** in this project. There were two main reasons for Muhammad Yunus to give this special importance to women: the desire to balance the gender discrimination that is so widespread in Bangladesh and the fact that lending money to women would lead to faster changes than when men were the recipients of credit. This second awareness stems from the fact that women are much more affected by hunger and poverty than men and have no means to escape from their conditions. This, in addition to the fact that they often have to face the traumatic situation of not being able to feed their children, means that women are the ones who fight the hardest and with the most conviction to change the state of affairs. Experience has also taught us that men are more likely to use loans to meet their own personal needs, while women fight to help the whole family. However, getting women to join the microcredit project was not easy. At first, none of the women spontaneously went to ask for a loan, and the work of convincing them was done by visiting the village women personally. The fear and mistrust of

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<sup>50</sup> Becchetti L. [2008]



women were the biggest problem and it stemmed from the fact that they had never enjoyed any real autonomy as they were totally dependent on their husbands. They could not read or write, they could be disowned by their husbands at any time for no reason, and they did not have permission to leave the house and earn a living. All this created a real wall of fear against these financial proposals that would open the door to an untried form of independence.

## 2.2. Microcredit in Europe

An identical reproduction of the Grameen Bank model devised by Muhammad Yunus in Bangladesh is practically impossible since the reality of Bangladesh and of developing countries in general is a particular one that does not reflect the rest of the world. However, efforts must be made to maintain the fundamental values of microcredit, such as the importance given to the female gender. In fact, with regard to the importance of women, as Giorgia Bonaga and Fabiola Tinessa state, «studies on the evaluation of the impact of microcredit agree, quite widely, with the idea that the practice of lending preferably to women leads to an improvement in family economic conditions and a series of other benefits associated with it, such as diversification of livelihoods, increase of levels of education and improvement of health conditions for family members<sup>51</sup>».

The first act through which the European Commission showed interest in the subject of microcredit dates back to 1998 with a communication to the Council and Parliament entitled "Microfinance and poverty reduction", in which it was recognised that «microfinance, promoted mainly by NGOs, can be considered one of the main instruments to fight poverty<sup>52</sup>». This communication recognises microcredit as a valuable tool for action against the scourge of poverty and creates the need for coordination between European states for community microfinance operations. In 2003, the European Community also contributed to the development of the European Microfinance Network (EMN)<sup>53</sup>, a network active in the promotion of micro-enterprises and self-employment.

The microfinance market in Europe is not regulated by the European Commission but is subject to national, regional and local laws; this is due to the cultural and economic differences, and the different types of businesses that are part of it, in the different countries. Access to credit for both private individuals and companies varies from country to country, and even from region to region within the same country, hence the impossibility of unifying the issue of microfinance under the same legislation. It should also be noted that in several European countries it is not possible for microfinance institutions to provide loans directly to beneficiaries. However, the EU has considered this subject to be of great interest and very effective and, although it cannot act as a supra-national legislator, it has established a self-regulatory framework called the "European Code of Good Conduct for Microcredit Provision", which aims to outline minimum institutional standards for microcredit provision and is managed by the Commission and by relevant stakeholders.

In the [ToolKit](#) you can find a descriptive list of microcredit institutions active in several European countries.

The European Project *Pro CCS*, funded by Erasmus+ programme and led by Ente Nazionale per il Microcredito (Italy), focuses on microfunding for the Cultural and Creative sector (CCS). It aims at

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<sup>51</sup> Brunori L. [2014]

<sup>52</sup> European Commission [1998]

<sup>53</sup> EMN was founded by ADIE (France), NEF (United Kingdom) and evers&jung (Germany) with the support of the European Commission.



reinforcing the competences of professionals in the CCS and at bridging the gap with financing opportunities to facilitate access to credit.

You can visit the project website <https://pro-ccs.com/> and subscribe to the newsletter



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## Unit 3 European funds for the cultural sector: the CREATIVE EUROPE programme

European funds are financial instruments made available by the European Union with the aim of reducing the existing gap between member states and regions within them, thus promoting greater social and economic cohesion. Programming is carried out every 7 years and the 2014-2020 cycle has just ended, thus entering the new 2021-2027 planning period. Contributions have been allocated to each sector or thematic programme, which can be accessed through calls for proposals that require specific characteristics for access and participation. The general terms of the budget proposal presented by the European Commission for 2021-2027 are these: 1,135 billion in commitments expressed in 2018 prices, equal to 1.11% of the gross national income of the 27 Member States.<sup>54</sup>

**Creative Europe is the European Union's programme to support the cultural and creative sectors for the period 2021-2027;** the Programme has a total budget of €2.4 billion and comprises 3 macro-areas:

- **MEDIA:** in support of the audiovisual industry sector
- **CULTURE:** in favour of the cultural and creative sectors
- **TRANSITORIAL:** funds to address the challenges and opportunities of the cultural and creative sectors, including the audiovisual sector

The objectives of Creative Europe are<sup>55</sup>:

- support the creation of European works and help the cultural and creative sectors to seize the opportunities of the digital age and globalisation, in order to reach their economic potential, contributing to sustainable growth, employment and social cohesion;
- promote the competitiveness and innovation of the European audiovisual industry and help the European cultural and media sectors to access new international opportunities, markets and audiences;
- promote cross-sectoral innovative actions and diversified, independent and pluralistic media.

To this end, Creative Europe will financially support creative organisations, cinemas, and films.

There are National Desks which are the point of reference for organisations wishing to apply for European funds, and their advisory service can be very useful especially for those who may be unfamiliar with calls for proposals at the outset, particularly European ones.

The Creative Europe programme involves the following **beneficiaries**<sup>56</sup>:

- Cultural associations and institutions
- Creative organisations in the audiovisual, music, arts and performing arts fields
- Foundations
- Publishing houses
- Public bodies

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<sup>54</sup>[https://www.agenziacoesione.gov.it/wp-content/uploads/2019/01/Fondi\\_europei\\_2021-2027.pdf](https://www.agenziacoesione.gov.it/wp-content/uploads/2019/01/Fondi_europei_2021-2027.pdf)

<sup>55</sup><http://europacreativa-media.it/europa-creativa>

<sup>56</sup><https://www.guidaeuroprogettazione.eu/guida/programmi-comunitari/europa-creativa/>

- Cultural and creative industries
- Universities and research centres
- European cultural networks and international cultural observatories

The programme **does not** allow applications submitted directly by **private citizens**; in order to participate, the entities listed above must have been established for at least two years in one of the EU Member States. A derogation is foreseen for some non-member states that have concluded cooperation agreements with the EU and these are Albania, Bosnia-Herzegovina, Georgia, Iceland, Macedonia, Moldova, Montenegro, Norway, Serbia and Turkey.

The 3 main themes of Creative Europe, identified above, have sub-programmes within them that outline the guidelines for participants in the calls:

1. Culture sub-program: it comprises 4 priority action strands:
  - **Cooperation between cultural organisations**, i.e. the funding of projects involving the collaboration of several partners active in the cultural sector, with a minimum duration of 48 months.
  - **Opportunities for the promotion and translation of literary works within the European Union**, thus supporting the dissemination of knowledge between one country and another
  - **Structuring of networks** that help companies in the cultural and creative sectors to operate in networks, increasing their competitiveness and transnationality.
  - **Construction of platforms to promote emerging artists** and stimulate European programming of artistic and cultural works. **Economic support to platforms** linked to the promotion of mobility and visibility of authors and artists, to the programming of cultural and artistic activities on a European scale, to the promotion of the visibility of European values and different cultures.
2. Media sub-program
  - **Promotion** of initiatives for the distribution of films and fictions
  - **Support** in the access to both physical and online markets
  - **Support** in project development or project series
  - **Support** in the production of TV programmes or video games
  - **Promotion** of audio-visual works
  - **Promoting** interest in the film industry as "film festivals" or "cinema networks"
  - **Actions** to facilitate international co-production and to strengthen the circulation and distribution of works
  - **Activities** to strengthen the capacities of audiovisual professionals, mainly related to digitisation and development of opportunities and skills
3. Transversal intervention sub-program
  - Supporting the Creative Europe Desks network
  - Promotion of cooperation on the creation of transnational policies in the cultural and creative field
  - Creation of a Guarantee Facility to facilitate access to economic and financial resources for micro, small and medium-sized organisations in the cultural and creative sector.



**Tip:** You can visit the official website of Creative Europe to discover success stories and projects and find inspiration for your own idea: <https://culture.ec.europa.eu/creative-europe/projects>

In order to find the story you are looking for, it is possible to filter per activity and sector, for example dance, theatre, music, fashion among others. For each project, the platform provides a summary and the access to the results produced.

In addition to the Creative Europe programme, funded by the European Union, there are a number of other opportunities provided by private and non-private organisations in the cultural sector. At national, regional and even provincial level, it is possible to find different forms of funding that can guarantee sustenance and work for your activity.

In the [ToolKit](#) you will find some useful links to access the Creative Europe programme and the references of the National Desks in Europe.

### EXERCISE 3:

Starting from the Logical Framework approach in the Toolkit, the participants try to identify the main details for a proposal for the Creative Europe programme.

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