



**IPA CROSS-BORDER PROGRAMME
CCI2007CB I 6IPO007**



Programme co-funded by the
EUROPEAN UNION

PROJECT “CLUB ENTREPRENEUR”

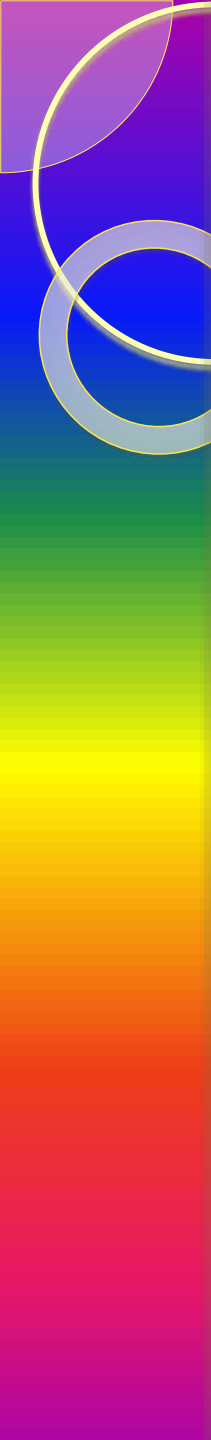
Nº2007CB I 6IPO007-2012-2-11

- **Entrepreneur training**
 - **13-15 June 2014**
- **Kraishte, Blagoevgrad**

TRAINING FOR ENTREPRENEURS



**Introduction to the entrepreneurship – definition and European
Union statistics**

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- **About 65% of the economic growth in the EU countries is provided from the small and medium enterprises. More than 90% of the national business in the USA, including about 14 million firms, is implemented by companies with up to 100 people personnel.**
 - **Entrepreneurial is any business which will lead to the development of the environment and the community, eventually. And entrepreneur, in the small business, is each and every minor manufacturer, trader, scientist who discovers, creates and suggests new benefits for the society.**



Small and middle enterprises development advantages

- they are source of the increasing market competition;
- they are generator of new employment;
- they have grater flexibility in times of crisis;
- their internal organizational structure is more flexible and they have the possibility for a quicker and easier innovations implementation;
- `they are a favorable place for developing entrepreneurial skills and business culture;
- they are closer to the end user and they have the ability to respond it's needs faster and more efficiently.



French school

The brightest representatives are Richard Kantalion and Jean-Baptiste Say.

- **Entrepreneur – each individual who is capable of predicting, risk taking, forward looking, profit hoping, but also ready for losses: i.e. a person acting in terms of risk.**
- **Say brings in a new entrepreneurship interpretation – as a function of those who need capital, in distinction of those who own it. He also puts an accent on the entrepreneur's leadership qualities, studies the behavior grounds depending on the personal characteristics, the work field, the country, the geographic area.**



Austrian school

- **Most outstanding representatives are Ludwig von Mises, Hayek, Joseph Schumpeter.**
- **Entrepreneurship's main idea is not about just owning the company but bringing in new, fresh ideas in the business sector;**
- **Entrepreneur could be any person who realizes new combinations out of the production's factors no matter if is a joint-stock company employee , a public servant or an enterprise manager.**



American school

With representatives: Peter Drucker (considered to be “the founder of modern management”), Kirzner, Hyneman, Vesper, Timons etc.

- **They associate entrepreneurship with uncertainty and risk also but meanwhile they put an emphasis on the changes, as a chance for progress.**
- **P. Drucker puts the entrepreneurs, the novelties and the growth in a single whole and focuses on the “opportunity”. According to him entrepreneur’s mind is set so as they can see the possibilities not the problems, brought by the changes.**



Small business significance in the European and Bulgarian economy

For the EU entrepreneurship means:

- **An important factor for increasing the competitiveness, opening new job positions and providing an economic growth;**
- **It's a way of letting someone's potential out;**
- **It's important for the community as a whole;**

The EU policy regarding entrepreneurship, aims:

- **Stimulating the entrepreneurial initiative in Europe;**
- **Overcoming the insufficient risk taking;**
- **Providing and supporting favorable business environment;**
- **Limiting the business growth barriers;**
- **Balancing the risks and the benefits for the entrepreneurship;**
- **Building a community which appreciates the entrepreneurs;**

In Bulgaria:

- **The amount of SMEs exceeds 221 thousands, which is 99,3% of all the companies;**
- **The micro enterprises (with up to 9 employees), which count 198 727, or 89,8% of the SMEs, dominate.**
- **The small enterprises (with 10 to 49 employed) count 18,9 thousands, or 8,5% of the SMEs.**
- **The minority is the group of the middle enterprises (with 50 to 249 employed) which counts 3,6 thousands, or 1,6% of the SMEs.**
- **The large enterprises in Bulgaria are only 561.**
- **The contribution of the SMEs in the country's gross domestic product is considerable – 19,2% of which: 4,9% for the micro enterprises, 6,5% - small enterprises and 7,8% - middle enterprises.**



National strategy for promoting the SMEs growth

- Developing the private property, freedom in the competition and the entrepreneurship;**
- **Opening new job positions with relatively small amount of capital investments;**
 - **Increasing the export activity of the SMEs;**
 - **Implementing the high tech producing;**
 - **Encouraging the investment in the SMEs sector;**
 - **Europeanization and internationalization of the SMEs.**



SMEs national policy is based on two mutually complementary approaches:

- **creating a common conducive business environment and**
- **supporting the startup and the progress of the SMEs by providing an actual support for the entrepreneurs.**

Administrative Law Policy

- **In Bulgaria the average number of administrative procedures to start a new business is about 10 and we're 36th in the list. In Poland, Slovakia, Greece etc. the number is even bigger. In comparison in Canada it only takes 2 procedures.**
- **In Bulgaria the number of days required to start a new business is 30 and we're 16th. In Slovakia – 125 days.**
- **In Bulgaria the value of the procedures to start a new business is relatively low – 120 dollars, which puts us on 6th place – much before other transition countries. In Hungary this costs 3143 dollars. Comparing these rates with the GDP per capita, in Bulgaria it's 7,9% and 66,7% for Hungary.**



Regional Policy


- **The institutional framework for conducting Regional policy is improving based on the regional development legislation. Working out and implementing the Regional development plans, better terms of coordination and partnership are established, as well as for better interests presentation of the SMEs. Small business is given the opportunity to be represented in the Regional Development Councils. Along with the newly established councils the responsibilities for developing and implementing the National Regional Policy are distributed between authorities and institutions on a national, regional and local level.**



Social and employment policy

Applying the National Employment Policy includes a set of actions in three basic directions:

- **Firstly – partnership in building SMEs supporting organizations;**
- **Secondly – encouraging the unemployed towards setting up own business;**
- **Thirdly – stimulating the SMEs jobs opening.**



EXERCISES



EXERCISE I: WRITING PURPOSES

- **Think about your SWOT analysis and problems, which you defined for your firm.**
- **Basing on this problems and working individual, use the instructions to define of purposes and think of one purpose for your strategy.**
- **Write the purpose on the flip chart , so everyone can see it. Discuss it with the group and determine if it corresponds to critical problems , identify to the firm and if it's good formulated and defined for the firm.**
- **Choose one of the purposes which is well defined and answers the specific problems of the firm. Write it on the flip chart, present it and discuss basic elements of the purpose in the group.**



EXERCISE 2: RELATION BETWEEN VISION, LONG-TERM AND SHORT-TERM PURPOSES

- **Work with the group of entrepreneurs and define local economic framework and potential problems, using your own SWAT analysis.**

Task 1

Discuss the following with the group, basing on this materials.

- **Vision**
- **Four long-term purposes for development**
- **Two short-term purposes for each of long-terms**
- **Make a structure of your answers, using Table I.**

Task 2

- **Think about the results that you want to reach in each of long-term purposes. Select at least one of the results and write it in Table I.**
- **Be ready to explain how your choice is related to the SWAT analysis and the vision.**
- **Write the information on the flip chart and select speaker.**



EXERCISE 3: SELECTING A BUSINESS PLAN

- Work with the group
- Look through the matrix of long-term goals, defined in exercise 1 and 2. Implement the following problems for each of them (8 long-term goals):
 - Make a list of all kinds of business plans, which would be helpful for the realization of each long-term goal. Write the long-term goals and business plans which are connected with them on the flip chart.
 - Save the materials on a file, so you can use them on the 2nd day of Modul 3.



EXERCISE 4: SELECTING A BUSINESS PLAN

- Work with the group.
- Use the matrix from ex.:2 and ex.: 3 from module 3. Look over the long-term purposes that you defined and business plans that will be helpful to realize these purposes.
- Look through each purpose, discuss it and think about all of the projects, that would be helpful for realizing it. Make a list.



EXERCISE 5: LINKING PROGRAMS AND PROJECTS

- **Use table 2 and 3 “Examples for business plans and projects”.**
- **Work with the group.**
- **Fill in the blank columns in table 2 with programs.” for each one of the projects related to the particular business plan. Fill in the blank columns with projects of development using the list of projects from exercise 4. Put “X” in each row contains a program related to the particular project.**
- **Think in your group how this information could help you to select projects in your firm.**

EXERCISE 6: PRIRITIZATION OF PROJECTS

- **By using the results from ex. 4 and ex. 5, enumerate the projects of development which you can use to realize your goals.**

Step 1

- **List all the projects from ex.:5 which corresponds to the following criteria. Use table 4 to rate them.**
- **Number each project.**
- **Using the following criteria put points on each project: 1 point-low ranking , 2 points-average ranking, 3 points- high ranking**
- **Effect of the project and contribution to short and long-term purposes.**
- **Prior conditions.**
- **Resources.**
- **Organizational capacity skills and available stuff.**
- **Potential influence on some of the long-term purposes**
- **Visible results in 2-3 years**

Step 2

- **Calculate the points for each project and sort out the projects.**
- **Write the results on the flip chart.**
- **Select a speaker to stand up your choice.**
- **Make a copy of the list with projects so you can use it for the next exercises.**



EXERCISE 1: ACTION PLAN PROJECT

- **Using the model from exercise (Table A1), Work in team from your group.**
- **Select two projects from the projects identified in exercises from module 3 or that you've made a strategic planning. Project can't be related to one long-term purpose.**
- **Think over the different components of the plan for development of your firm. Work in your group and discuss particular elements from the action plan and reach an agreement about most appropriate answer for each element. Make an action plan for each project.**
- **Remark where you miss information to finish this plan and think how to find it.**
- **Be ready to discuss your action plan.**

EXERCISE 2: ANALYTICAL RISK ASSESSMENT

- Read the casus „Action plan project“, which is part of the exercise /table 2/. Discuss the following items and fill the form in appropriate way.
- Identify four risk factors, that would be negative for the project. The cell in table 3 named “Scenario” is the same like description of the project. Fill the form of the risk analysis/ table 3/ for each of the four risk factors.
- Discuss the essence of each risk. Think what would happen trough each risk and what are the conditions of its existence or appearance.



EXERCISE 2: ANALYTICAL RISK ASSESSMENT- CONTINUATION

- **Think of probability of the risk and its effect on the success of your project if it appears.**
- **Propose a solution or measure against each potential risk to prevent or limit the consequences of it.**
- **Please notice that comparing the efforts for removing or correcting the risk, with the chances of it's appearance and the consequences of it, you can do nothing.**
- **Use the form to documenting your answers.**
- **You would be asked to defend your decisions and then you'll be given with an alternative solution. Discussions in group are important and recommendable.**
- **Save the form and your answers for the planning session.**

EXERCISE 3: ORGANIZATION PERFORMANCE

- **Work in group.**
- **Based on your strategy of development of the programs and projects and available resources for realization, think over and do the following tasks.**
- **Propose an organization structure for realization of the plan for development. Identify the three basic reasons why this is the best solution for you.**
- **Explain how the chosen structure will be established, funded and about the way of reading the results. Call the potential obstacles and problems which have to be solved with establishment and finance of the organization structure.**
- **Make a profile of the types of personalities which will work in your main team and identify kinds of skills that this team would have to demonstrate. Give an estimate about the necessary finance.**



EXERCISE 3: ORGANIZATION PERFORMANCE-CONTINUATION

- **Relying on the structure, chosen by you and the given plan for development, identify the most suitable people for your main team to be involved in the realization.**
- **If you're based on your plan for development, which persons or group of people, would have to be involved in the realization of the project?**
- **Which partner organizations and instructions you think are crucial in the project realization. What would have to be their role in management and coordination of the project?**
- **Prepare a flip chart, using this information and define an announcer, who will present your conclusions.**
- **Save your conclusions so you can use them for planning the establishment of the project.**



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