



ESSENTIALS OF ENTERPRISE AND ENTREPRENEURSHIP

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The Essentials of Enterprise and Entrepreneurship

*A Guide to Key Concepts
For Use by Mentors and Mentees*

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INTRODUCTION

An incredible wealth of information is available from the web for anyone wishing to start a business. On the one hand, that can be helpful. On the other hand, knowing where to start and which are the important issues can be somewhat confusing. Which might explain why, that despite all of the help available, more than half of new businesses cease trading within three years. What this document sets out to do is to introduce the essential components of enterprise and entrepreneurship that can help in the creation of a sustainable new venture. In addition, that means those essential components that apply equally for any self-employed person through to social enterprises and, ultimately, to the high-tech, high-growth venture.

The material that follows came from a project involving colleagues from Sicily and our own team at the University of Malta called ‘I-KNOW’. But it has been drawn from the experience over many years working with more than 5,000 innovators and founders from 25 countries around the world with a particular focus on the UK, Chile and more recently in Malta. For example, my colleague Ing Joseph Bartolo provided over 1,000 hours of mentoring for new businesses here in Malta in the last 12 months alone. And so the material is based not simply on academic content, nor solely upon popular methodology currently in vogue. Rather, it is based upon a combination of both but coupled with that most valuable ingredient... experience.

Importantly, my colleague Prof Philip Wragg has been able to demonstrate that a structured approach to mentoring makes a significant difference to sustainability of new business ventures. His findings inform the contents of this document. So, getting the foundation right from the outset is vital and this guide provides the basis for a sustainable business outcome. It has been written without reliance upon business ‘jargon’ or popular terms that can be open to misinterpretation. The guide forms a framework that can be used by both mentors and mentees and the topics included are the ones that, during our most recent research, both parties told us were of most value.

But getting off to a good start is just that... a start. Building a successful new business requires hard work and commitment. Finding a good mentor is extremely helpful. As is having access to accredited educational programmes. In particular, the supportive environment of a start-up facility that offers help with ‘Germination’, ‘Incubation’ and ‘Acceleration’ is particularly valuable at the outset as is the availability of a ‘Catapult’ programme that helps a high-tech, high-growth company to achieve significant progress later on. A good idea is just the starting point... turning a good idea into a sustainable business and ultimately a successful business requires a lot of help and a healthy dose of good luck.

New business venture is the life-blood of any economy and the more we can make that successful the better. I really hope that the information on the following pages helps whether you are a mentee or a mentor.

Good luck with your endeavours!

Prof Russell Smith
Malta, 2019



Section 1: THE BUSINESS MODEL

Every business can only sell two things: a product and/or a service. There is nothing else. And customers buy products and services when they see them as a solution to a problem that they have. A refreshing drink is the solution to feeling thirsty; a family car is the solution to the problem of transporting your loved ones around; a watch is the solution to not being late for meetings... etc. But Enterprise, the process of business, requires selling products and services at a profit - which means that revenue income must exceed all of the business costs.

WHERE DO WE START?

The term '**Business Model**' describes the organisation of how products and services are, firstly, created and then delivered to customers. A full business model will identify all of the key resources, people and activities needed to carry out the activities of the enterprise. And such a model is often captured in a document called the Business Plan which itself is usually accompanied by a business budget called a **Cash Flow Forecast**. But before we go too deep into the detail, the adjacent graphic is a good place to start. As mentioned, the key principle for any enterprise is that it provides a solution to a problem experienced by the customer.

Question 1: CAN THE ENTERPRISE ACTUALLY DO THIS?

After you have identified a possible solution to a problem the first question to ask is whether you (perhaps you and your team) can actually make the product and/or deliver the service... be very realistic here and don't fool yourself. If the answer to this first question is "yes" then this leads into thinking about details such as key activities involved, consumables needed, partners and so on. The pricing of goods and services requires that we take account of all of the costs involved. Some costs will be reduced if the enterprise can do things at scale - so we need to know how many customers might buy from us...

| | | |
|----------------|-------------------|-----------------|
| Question 1 | Enterprise | Question 4 |
| Problem | Solution | Benefits |
| Question 2 | Customer | Question 3 |

Question 2: DO CUSTOMERS WANT THE SOLUTION?

Market research is vital since there will be no sustainable enterprise if too few customers want your products and/or services. And we also need to know not just how many potential customers there are but also where those customers are and how they will buy from you. Very importantly, we also need to know about the **competition** and, if there is competition, why customers should buy your products instead of theirs. Ultimately this comes down to customers believing that they get better **value** from you than from your competitors...

Question 3: DO CUSTOMERS PERCEIVE VALUE?

For value, price is always important. But it is not the only factor. I like red wine - Shiraz in particular. And the wine I can buy in Malta for seven to eight euros I enjoy a lot more than the wine I can buy for three to four euros. And so this more expensive wine I consider to be better value. Overall, customers must perceive that the benefits they receive represent good value when they buy at the price you must charge in order to make a profit...

Question 4: IS THE ENTERPRISE SUSTAINABLE?

Unless the enterprise can generate ongoing profit from the sales of its products and/or services it will not be sustainable. And so, this last question must ask whether revenue can realistically exceed costs. If it can, then we are literally 'in business'. If not, then we should not start.

WHAT ELSE SHOULD THE BUSINESS MODEL CONSIDER?

In recent years a lot of work has been done - and many articles published in print or online - to look at fresh ways of considering business models. One approach stands out in this field: the **Business Canvas Model** as developed by Alexander Osterwalder. You should consider reading his book (*Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. 2010. Alexander Osterwalder, Yves Pigneur. ISBN 978-0-470-87641-1) or look at a short, YouTube video: (<https://www.youtube.com/watch?v=QoAOzMTLP5s>). You could also read the Wikipedia entry: (https://en.wikipedia.org/wiki/Business_Model_Canvas).

The clever thing about this model is that it breaks down any business into nine components arranged together in a template. That template is often printed onto a large piece of paper so that people can stick 'post-it' notes onto the sheet in any of the nine areas. This works well with a team of people who can all contribute useful ideas. And as ideas evolve, 'post-it' notes can be removed and replaced during the discussion process. A company called "Strategyzer" commercialises these ideas but they offer a series of free videos on YouTube that you should consider watching. There are six videos and none of them are more than four minutes in duration. Take a look here: (<https://www.youtube.com/watch?v=wwShFsSfb-Y&list=PLBh9h0LWoawphbpUvC1DofjagNqG1Qdf3>)

HOW DO PEOPLE GO FROM BUSINESS MODEL TO REAL BUSINESS

The correct answer should be, "carefully". And the reason for this is that making a business sustainable is very hard. In fact, more than half of all businesses will cease trading within three years. Current thinking is that businesses should adopt an efficient approach as described by Eric Ries in his book, "The Lean Startup". You can see a number of great YouTube videos about this book but one to start with is here: (<https://www.youtube.com/watch?v=sobxOzRjAGg>).

| | | |
|---------------------------|-------------------|---------------------------|
| <i>Milestone Forecast</i> | Enterprise | <i>Cash Flow Forecast</i> |
| Problem | Solution | Benefits |
| <i>Market Forecast</i> | Customer | <i>Product Forecast</i> |

WHAT IS THE LEAN START-UP APPROACH?

The key principle is quite simple: Build, Measure, Learn. What this really means is that businesses should (i) Build a prototype product or service and get it to customers rapidly using as few resources as possible; (ii) Measure meaningful feedback from customers; (iii) Learn what customers want and go back to the Build step if required. In this way, the business startup becomes efficient and quickly gets to a product that customers want.

SO, WHAT SHOULD WE THINK ABOUT TO START WITH?

This approach is not unique or even especially new - some commentators say that being efficient and willing to learn has simply been rediscovered. But that argument need not concern us. What matters is that any new start-up should move rapidly to provide what customers actually say that they want. And so this is really Market Research embedded into the product and/or service prototyping phase. We believe that you must not lose sight of other key factors such as the money that you will need and the budget that you have available, the milestones that you set for your business, the market that you want to capture and the products that you can actually make. So we can take our earlier illustration and include not questions in the four corners but forecasts about what you want your business to do. With these components in mind you are well on the way to preparing a Business Plan which is what the bank will ask for if you want to borrow money in order to start your business. But this early stage is not about getting bogged down with preparing old-fashioned documents that are boring to read and tedious to create. Rather, we want to capture key issues and avoid risk. In so doing, we improve the chances of business success.

Section 2: BUSINESS STRUCTURES

Self-employment and starting a business are really the same thing. It is all about creating a ‘business entity’ under which you intend to trade. People who work for themselves can trade under a number of different legal formats; the three main types for you to consider are:

- **Sole Trader, Partnership or Private Limited Company**

SOLE TRADER BUSINESS FORMAT

A Sole Trader is a person that trades on their own (sometimes called ‘self-employed’) but they can employ other people. You must notify the Tax and the Social Security authorities when you begin to operate as a sole trader. We would also advise that you set up a business bank account (many High Street banks offer free business banking for the first year) to keep business finances separate from personal finances. The disadvantage of being a sole trader is unlimited liability - this means that if things go wrong you are personally liable for any debts and you would have to pay from your personal money (or, worse still, assets like your house) if your business account could not cover the debt.

THE PARTNERSHIP

A Partnership is where two or more people come together as a business with a view to sharing profits. In similarity with sole traders, the partners have unlimited liability for the debts. There are no set rules as to how a partnership must be structured so there really needs to be a written **Partnership Agreement**; in the absence of one then profits are shared equally. Partnerships can go wrong and it's important to address issues of ‘divorce’ in the partnership agreement. In order to have the best chance of success we believe that you should consider, before entering into a partnership, if the potential partners respect and trust each other - most important. Also, do they have complementary skills, clearly defined roles, can work as a team and share a common vision for the business?

THE LIMITED COMPANY

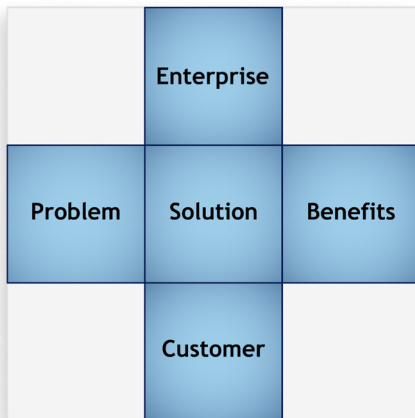
A Limited Company is, in law, an artificial legal person with rights and obligations distinct from those of its members. It is structured in a way so that more than one person can own it through the issue of shares. One person can own 100% of the shares or many people can own varying numbers of shares. A company can sell shares and so this vehicle is suitable for start-ups that wish to raise investment capital via what is called ‘equity finance’. Each company must have a unique name and a registered address together with written documents that define how the company will operate (all to be registered with the authorities). A company is run by a minimum of one director and can appoint a company secretary to help - both of these roles involve certain duties. Shareholders in the company have rights defined by law and by your written documentation; the Articles of Association and the Shareholders’ Agreement are very important documents that should be prepared by your solicitor.

WHO CAN ADVISE YOU?

Since these three different business entities are suitable for different circumstances, it is important that you consult a professional adviser about which one is best for you. Either a qualified accountant or a lawyer can help you with this. An accountant is probably the best person to advise you since you will need one to help with your tax calculations for salary and for your end-of-year tax returns. Do remember, though, that Limited Companies are required to make formal filings and so you will incur more professional charges with that business format. The Government in Malta entrusts **Malta Enterprise** with the support of new and existing businesses. Within Malta Enterprise, its ‘Business First’ component provides a range of services aimed at helping people to plan, start, run and grow a new business. The Business First website may be found at <https://businessfirst.com.mt/>

Section 3: THE VALUE PROPOSITION

The **Value Proposition** is usually taken to mean everything that is provided by the **Enterprise** to the **Customer** as a **Solution** to a **Problem**. And that solution must be perceived by the customer as giving Benefits that are regarded as offering good value against the cost price that the customer has to pay; all of this can be represented with the following figure:



The Value Proposition must also include a value for the enterprise - normally in terms of generating revenue from which the business can make a profit. In terms of the Value Proposition for the customer, this might be better described as the Customer Offer and for this we recommend getting all of your information for the customer onto one page; we use a Fanfold Brochure to do this.

THE FANFOLD BROCHURE

Let's be honest, this brochure format is not new and it's certainly not 'cutting edge'. But it is very popular and for very good reason: it is easy to create and quick to read.

So that works well for both you and your customers. We think that its value though is in the discipline of helping to create key messages because you must limit what you write to fit. The layout of the single-sheet (A4) brochure is shown below with three panels on the outside and three on the inside. The outside allows you to provide some information about you and your enterprise. Add your logo (if you have one) on the front cover and also add a tagline - maybe three to five words that describe what your business is about and what you offer.

| | | | | | |
|--------------------------|---|-------------------------|--------------------|---------------------|---------------------|
| 1 Bio Panel | 2 Contact Panel | 3 Front Cover | 4 Inside | 5 Inside | 6 Inside |
| <i>Details about you</i> | <i>Business Address and Contact Details</i> | <i>Logo Tagline</i> | <i>The Problem</i> | <i>The Solution</i> | <i>The Benefits</i> |

Inside the brochure we describe the **problem** / **solution** / **benefits** to engage your customers. Make sure that you write this for your customers and avoid any jargon or technical details.



1. THE BIO PANEL

This should be a short section about yourself and about your business. Do include a photo of yourself here as customers like to know who they are dealing with. Your biography should be short and limited to information relevant for the business.

2. THE CONTACT PANEL

This is quite straightforward: just the trading address and contact details for your business. Don't forget to list your website here if you have one.

3. FRONT COVER

Try and think of a business name that helps the customer to understand what you do. Remember that 'Apple' was originally 'The Apple Computer Corp, Inc.'. It is only when you have established your brand that a single word name like 'Apple' is perhaps appropriate. Include your logo if you have one. But do try and come up with a three to five word 'tagline' to help your customer understand what your business is all about.

4. THE PROBLEM

Here is where you identify the problem that your business can solve for the customer. It is ok to talk about multiple problems that co-exist with a core problem. But always keep the customer in mind and write text that will be understood quickly.

5. THE SOLUTION

Please... no technical stuff here. And certainly no jargon or acronyms. Keep things simple and describe exactly what you offer as a product and/or a service. Do not talk about the features of your product or service, only what it delivers. That way the customers do not have to waste time figuring out things for themselves.

6. THE BENEFITS

Here is where you make clear to customers all of the benefits that they can expect from your product and/or service. Common benefits might include convenience, uniqueness, flexible payment terms, after sales service and so on. For example, the books that I buy from Amazon are exactly the same as the ones I buy from the bookshop in the next town. But Amazon never closes...

IN CONCLUSION

The fanfold brochure is also an alternative to a business card when setting off in business. It combines a way of giving out your contact details whilst at the same time giving a lot more information about you, the business founder, and your business products and/or services. It can also be sent out as part of a mailshot, or simply accompanying a letter, using standard envelopes. But as we said before, the key thing is that it gets you to identify the key messages that you want to get across about the customer problem, the solution (your product and/or service) that you offer and the benefits that customers can expect.

Section 4: PROTECTING INTELLECTUAL PROPERTY

If you are planning a business based on a new idea, then that idea certainly constitutes your ‘Intellectual Property’ or ‘IP’ for short. And, as the person who came up with the idea you obviously feel ‘ownership’ and also the ‘rights’ to that idea. That seems like plain common sense. Well... you may feel that those rights are automatically yours but unless you take steps to protect your idea (before you tell others) then you may well lose out. With a new invention for example, if you tell others about it before applying for a **patent** then this may prevent you obtaining a patent. New ideas, or inventions, are not the only forms of IP. Many aspects of your business are things that you have come up with and hence are also forms of your IP. So whilst an invention (your product) may have obvious IP, less obvious is the **design** aspect of your product. In addition, how you brand your business and product (your business name, symbol, logo etc - what marks out your trading identity) are also aspects of your IP. And of course things that you write (like this guide) represent IP too. So, you need to know about intellectual property rights so that you can take an informed decision about whether you feel it is worth investing money to protect this asset of your business. There are four main types of formal protection available.

THE FOUR MAIN TYPES OF IP PROTECTION

A **Patent** gives its owner exclusivity to prevent others from exploiting his invention; protection is for a limited period of up to 20 years in a certain territory. To qualify, an invention must be new, not obvious to others in the field, appropriate for industrial application and patentable subject matter. Applications can be national, EU-wide or international with separate applications needed for other countries. **Note that the patent process can be very expensive.**

A **Registered Trade Mark** gives its owner a limited monopoly to use a word, a logo (or something similar) to distinguish its goods and services from that of competitors and to prevent others from using the same mark. Protection is renewable every 10 years.

A **Registered Design Right** may be obtained regarding the shape or appearance of industrially manufactured items, which have significant ‘eye appeal’. Protection is limited to 25 years after creation, in renewable five year blocks.

Copyright applies to things like artwork, publications and recordings and even business plans and documents. It does not require you to pay for registered protection. Protection limits vary between 25 and 70 years; for plays and artistic works it continues for 70 years after the author’s death.

Always seek professional advice from your solicitor.

CAN YOU KEEP A SECRET?

We introduce IP issues before business planning since we feel strongly that you need to make an informed decision about what form(s) of protection you already have or may need as part of your planning process. And of course, if you feel that formal IP protection is required then you have to allocate an appropriate budget for that. But to start with, the best form of protection is simply not to talk about things with anyone; except, of course, your Professional Advisers. Realistically, you may not be able to set up your business without talking to other parties. But there are steps that you can take. One such step is to prepare, and use, a document called a ‘**Confidential Disclosure Agreement**’ (CDA) that you get the other party to sign before telling them your idea. The CDA is worded such that the other party agrees not to tell anyone about what you tell them and only to use the information that you give them for a specific purpose. That purpose might be to allow them to give you a quotation for manufacturing your product for example. In addition to having a CDA in place, make sure you mark all documents as ‘Confidential’ and for use only in connection with those discussions. Start any meeting by telling those present that what you are about to tell them is confidential and cannot be disclosed to anybody. Even write to them afterwards repeating this point, which will itself impress by demonstrating to them the seriousness with which you treat protection of your intellectual property.

Always make detailed notes of meetings as everyone will have different recollections of who said what. Taking these precautions **won't** offend anyone who is serious about business so don't be afraid to insist. **Remember: CDAs really need to be written by solicitors.**

KNOW-HOW

Do not forget that, perhaps, the most important aspect of IP is the **Know-how** that you have. It might be something specific like a recipe. Or it may be quite comprehensive such as the training you may have had to become a qualified electrician. Telling other people how you do things means that they could, potentially, copy what you do and offer a similar service to customers.

WHERE DO I START?

We stress the need for you to consult your professional adviser. The best place to start is your solicitor but they may well refer you to legal specialists such as Patent Attorneys). Although the word 'patent' is the most commonly heard word relating to IP, few businesses actually invent something that requires a patent application. Let's start with things that most businesses need to consider.

THE ® AND ™ SYMBOLS

The symbol ® is used to show a registered trade mark whilst ™ simply denotes what you believe to be your trade mark and is often used in relation to unregistered trademarks. You don't have to use either but you should use the appropriate symbol whenever possible. It will let people know that you claim rights to the mark and using the ® may help you to recover damages if you have to take legal action for trade mark infringement. Note, it is an offence to falsely represent a trade mark as a registered trade mark through improper use of the ® symbol.

THE BUSINESS NAME AND DOMAIN NAME

If you set up a company and register that name with the Government, then no other company may trade using that name. Similarly, if you purchase and maintain registration for a domain name then no other party can use that name. Together, these two registrations represent important IP that belong to the business.

FORMAL PROTECTION (YOU PAY) OR SECRECY

Generally speaking, all businesses have intellectual property. The trick is knowing what types of intellectual property exist within your business, making sure you own what you think you own and being able to make an informed decision about whether it makes business sense to invest money in protecting your intellectual property. On the one hand, it's not too hard to agree that a new company with a possible cure for cancer should patent their intellectual property. But at the other end of the spectrum, it's debatable as to whether 'Greenfingers Garden Services' would need to trade mark the name that appears on the side of their van. And, as so often in business, it's the decisions that fall between the two ends of a spectrum that are often the hardest to resolve.

Hence, it's really important for all business founders to take professional advice and to make considered decisions about what IP protection is needed.

Section 5: MARKET RESEARCH

Having come up with a product (or service) that you wish to sell, it's quite obvious that there's no point in starting a business around that idea unless people want to buy your product. Sounds obvious, but this is the classic mistake that so many people make when starting a business. You may have what you believe to be the most wonderful product in the world. And it may well be just that. But if nobody wants to buy it, then you certainly don't have a viable business idea. In order to 'test the water', it's sensible to undertake market research before starting a business to answer that question about whether your product will sell. And importantly, will you have sufficient sales to make a profit?

WHY DO MARKET RESEARCH?

Market research may be defined as *'the collection and evaluation of information about the marketing and purchasing of a product.'* There are many reasons to do market research: we may summarise those reasons in terms of (i) reducing risk for the business, (ii) increasing sales or (iii) in order to develop a product range. At this stage of our business support programme, however, what we want you to focus on is market research that will help you to make **sales predictions**. What you will need to confirm when you write your business plan is that your business income will exceed your business expenses. It's relatively easy to be quite accurate about expenses but projecting sales is at best an informed estimate and, at worst, just a wishful guess... hence the need for market research.

TYPES OF MARKET RESEARCH

Primary market research is that information which you obtain from real people, ideally potential customers, using techniques such as questionnaire surveys. Secondary market research is everything else; these days that means information gleaned from the internet as well as information from competitors' catalogues, company reports and so on. All of this is often referred to as 'desk research'. Taken together, market research helps you identify (i) what you are selling, (ii) who will buy your product, (iii) why customers will buy your product, (iv) how you will sell your product, (v) where you will sell your product and (vi) when you will sell your product... remember, the public don't buy a lot of Christmas crackers in June although retailers might be ordering them in!

THE FOUR Ps (... actually five!)

Market research gives a 'snapshot' of information that helps in decision making and is a vital prerequisite to the business planning process. It's not the same thing as 'marketing research' which is a continuous process that helps monitor your marketing activities once your business is underway. Ideally, market research information will help you get as close as possible to the famous 'four Ps' of marketing to which we add a fifth... People:

1. **Product** - offering the right product or service for your market
2. **Price** - selling for an amount perceived to represent good value by your customer
3. **Place** - distributing your product to a place where customers can buy it (physical location or online)
4. **Promotion** - presenting your product in the right way to attract your target customers
5. **People** - remember that you are always dealing with people in business

Many companies offer to do market research but this can be expensive and hence most small businesses do their own market research before starting off and the internet is a great place to start.

COLLECTING PRODUCT MARKET RESEARCH DATA

Overleaf are typical questions to address in comparing your product to others already on the market. As a minimum for your market research, fill this in for your own product and then **do the same for competitor products**. Much of this can be desk-based secondary research. Note that not all questions will relate to every product; a microwave might need a handbook but a sandwich would not!

- | | |
|--|---|
| 1. Manufacturer | 15. Availability (<i>off the shelf or not?</i>) |
| 2. Address of manufacturer | 16. Delivery method (<i>Mail/Courier/etc</i>) |
| 3. Contact details | 17. Time on the market (<i>if known</i>) |
| 4. Complaints department (<i>Yes/No</i>) | 18. Date new version due (<i>if known</i>) |
| 5. Website (<i>Yes/No</i>) | 19. Main features of product |
| 6. Website quality (<i>Good/Fair/Poor</i>) | 20. Any unique selling point of product |
| 7. Can you buy from the website? (<i>Yes/No</i>) | 21. Secondary features of product |
| 8. Product Price | 22. Options offered (<i>eg colour or any add-ons</i>) |
| 9. Market size | 23. Product range (<i>Yes/No</i>) |
| 10. Packaging (<i>Good/Fair/Poor</i>) | 24. Handbook (<i>if required - Good/Fair/Poor</i>) |
| 11. Advertising impact (<i>Good/Fair/Poor</i>) | 25. Fit for purpose (<i>works well etc if known</i>) |
| 12. Advertising coverage (<i>TV/Local paper etc</i>) | 26. Reliability (<i>Good/Fair/Poor</i>) |
| 13. Endorsements (<i>famous people etc</i>) | 27. Availability of spares (<i>Good/Fair/Poor</i>) |
| 14. Availability (<i>where can it be bought?</i>) | 28. Sales service (<i>Good/Fair/Poor</i>) |

COLLECTING CUSTOMER MARKET RESEARCH DATA

By contrast, most of the customer market research data tend to come from direct primary research. Below are a series of questions that might go into developing a basic survey questionnaire.

- | | |
|--|--|
| 1. Sex (<i>generally doesn't require asking...</i>) | 8. Why do you prefer it? |
| 2. Age (<i>may be easier to say, 21-30, 31-40 etc</i>) | 9. What would make you buy another product? |
| 3. Business type (<i>if not an individual</i>) | 10. What is the most you would pay for a product? |
| 4. Rural, town or city location? | 11. Is price more important than quality? |
| 5. Do you buy {product category}? (<i>Yes/No</i>) | 12. Where do you purchase the {product category} from? |
| 6. If so how often? (<i>weekly/monthly etc</i>) | 13. Is where you buy it important? |
| 7. Which product in this category is your favourite? | 14. Would you consider buying elsewhere? |

Interviewing a random sample of people with even this brief list of questions will give important information. But beware of bias in samples: asking people outside a church may yield different answers compared to standing outside a wine bar. Not better or worse. Just different.

These data help you tailor your product to what customers want to buy... a recipe for success!

Section 6: HOW TO MARKET

In the previous section we talked about the importance of doing market research to establish whether there is a market for your product. And, if there is, whether you will be able to make sufficient sales to make a profit. Having gone through this process - and convinced yourself that you do have a viable business idea - it is important to present your business and product to the marketplace as effectively as possible. This is really the essence of marketing.

THE MARKETING CAMPAIGN

As a new business, the aim of your marketing campaign should be to communicate to your target market (i) that your business exists, and (ii) how they can benefit from using your product or service. Having already carried out some market research, you should have a pretty good idea as to who your target customers are. Most businesses find that their product appeals to a number of different ‘types’ of customer. What we are going to ask you to do now is to separate these customers according to various categories. For example:

- according to whether they are end users or trade people (middlemen)
- according to whether they are consumers (like you and me) or organisations (like other businesses or government bodies)
- according to what they use the product for (*ie* its application)
- according to what ‘need’ the product is addressing, (*eg* to one person a hat is a means of keeping their head warm, to another it is a fashion statement)
- according to their geographical location *eg* whether they are local, national, or even international
- for consumers, according to their demographics (*ie* age, sex, income, marital status etc)
- for organisations, according to their size and buying potential

There is good reason for separating your potential customers into categories like this. Marketing activity is most effective when it is targeted at a specific group of people, *ie* segments of the market. That’s because different market segments often have different needs and expectations.

YOU AND YOUR COMPETITORS

Unless you are in the fortunate position of having a highly innovative product, it is inevitable that the customers you target will be targeted by your competitors as well. Your marketing campaign, therefore, needs to make it clear to your target market why they should buy your product over others. A good way to approach this is to use a ‘SWOT’ analysis. SWOT stands for internal Strengths & Weaknesses and external Opportunities & Threats. As an example, let’s imagine that you are a local convenience store. Your SWOT analysis table may look something like this:

| Strengths | Weaknesses | Opportunities | Threats |
|---|--|---|---|
| <ul style="list-style-type: none"> ◦ Excellent location ◦ Good, friendly service ◦ Close to wholesaler | <ul style="list-style-type: none"> ◦ Limited range of products ◦ Closes early in evening ◦ Product range relatively expensive | <ul style="list-style-type: none"> ◦ Vacant premises next door ◦ New housing estate being built and so potentially more customers | <ul style="list-style-type: none"> ◦ Possible opening of supermarket ◦ Parking restrictions could be introduced ◦ Interest rate increase may curb spending |

Having done a SWOT analysis for your own business, it is sensible to do one for your competitors; this will provide you with key information on the differences between your business and theirs.

PROMOTION

There are five general categories of promotional activity, which are: **Advertising**, **Direct marketing**, **Personal selling**, **Sales promotion** and **Public relations**.

Advertising is probably the most well-known of these. It is a way of letting people know about your business and product or service on a mass audience level rather than an individual one. Adverts can be delivered in many different forms, for example online, via television, radio, magazines, newspapers or even billboards. To gain maximum benefit, it is often best to tailor an advert to a specific segment of your target market. The company that you advertise with should be able to give you a breakdown of their readers, listeners etc by geographic and demographic spread. In contrast to advertising, **Direct marketing** is a type of promotional activity which deals with target customers on an individual basis. Typically, material is sent to them in the form of emails, mailshots or leaflet drops. As with adverts, they tend to be more effective when they are targeted at a specific segment of the market. For example, you might want to start off by targeting a particular geographic area. To improve the response rate, try to send each mailshot to a named person. **Personal selling** is used when you need to make direct contact with customers. It tends to be used most often for products or services which are new, complex or expensive. Unlike advertising or direct marketing, a salesperson can personalise the message they give to a potential buyer and can field objections and questions during the selling process. This is generally the most expensive because of the cost involved with finding and employing the right people to do the job. **Sales promotions** are designed to complement other promotional offers by granting something over and above the normal product offering. There are lots of different ways you can do sales promotions. For consumers it could be based on (i) money eg a 10% discount off a particular product, (ii) product eg 'buy one get one free' or (iii) a gift or prize eg 'buy this and you'll be entered into our prize draw for a holiday'. **Public relations (PR)** can be a very cost-effective way of promoting your business. In essence, it is an activity designed to create a favourable climate of opinion towards your business and product or service. As with advertising, good PR is about getting the right message across to the right audience using the most effective communication channels. PR is often considered more credible than advertising as readers place greater trust in the objectivity of journalists who write or edit the stories. Bear in mind that getting news and information about your business published for free is not easy.

CONCLUSION

It is difficult to overstate the importance of the marketing function within a business. Understanding the needs of your customers and presenting your business to them in the right way are obviously going to be key to the success of your venture. A marketing campaign needs to make clear to your target customers why they should buy your product or service. What can you offer them that your competitors can't? The idea is to offer your target customers a product or service that they really need and want, at a price they deem to be value for money, and at a time and place they find most convenient. And perhaps most importantly, this package needs to be communicated or promoted to them in a way that encourages them to move through five stages...

1 NOTICE... 2 LIKE... 3 WANT... 4 NEED... 5 BUY

...of which the most important is **BUY!**

Section 7: BUSINESS PLANS

Our aim is to help you ‘avoid the avoidable’ when starting off in business. A major part of avoiding trouble comes from writing a good business plan. And then using that business plan as a tool to help manage your business. But trying to sit down and write a business plan from scratch is a daunting prospect. But like all complex tasks, it’s made much easier if you can break it down into smaller, ‘bite-size chunks’ and these are the ones that you need:

1 Executive Summary (1 page only)

2 Introduction (approx. 6-8 pages)

- 2.1 Introduction
- 2.2 Technology review (if appropriate)
- 2.3 Intellectual property
- 2.4 Licensing

5 Operating plan (approx 6-8 pages)

- 5.1 Production (or R&D) plan summaries
- 5.2 Corporate alliances
- 5.3 Resource requirements
- 5.4 Financial analysis

3 Business opportunity (approx 8-10 pages)

- 3.1 Market description
- 3.2 Target products
- 3.3 Competition
- 3.4 Commercial strategy
- 3.5 Market potential

6 Appendices (be restrained!)

- 6.1 Relevant reviews
- 6.2 Intellectual property
- 6.3 Short-form CVs
- 6.4 Detailed production or R&D plans
- 6.5 Financial projections

4 Management (approx 1-2 pages)

- 4.1 Directors, partners or owners
- 4.2 Key managers
- 4.3 Consultants

Excluding appendices, the business plan should not be more than 30 pages at the most and, of those pages, the ‘Executive Summary’ is the most important page. **Write it last.** The business plan constitutes an important tool for management since it identifies objectives and milestones, the people and facilities/equipment that they will need and the costs that will be incurred along the way. As such, it provides a tool to monitor progress and to manage the budget. Unless you have an idea of where you need to be in, say, six months’ time how will you know if you are off course? But first off, if you need to raise finance to start your business then the business plan is the document that any financier will need to see. So this single document is absolutely vital to starting, and running, a business.

1 THE EXECUTIVE SUMMARY

First of all, this is a **one-page** summary. The acid test here is that if you can’t summarise your business proposal down to a single page then you may not understand the ‘bigger picture’ clearly enough. You are not trying to impress the reader with how clever you are but you are trying to convey the essence of your business proposal in a clear and understandable way. It should be understood by more or less anyone. Your summary should include the contents as shown overleaf.

- the nature of your product (*ie* what it is and how it is used)
- how it evolved (*ie* brief history)
- what your intellectual property position is (*ie* that you own it)
- how you intend to develop your product(s)
- what resources you need (*ie* financial, human, facilities etc)

2 THE INTRODUCTION

There are no hard and fast rules but around six to eight pages in total should be adequate for this section overall.

2.1 Introduction

This section is intended to provide **any** reader with a brief overview of your product or service and it should be written assuming **no** prior knowledge on behalf of the reader.

2.2 Technology (background) review

Not all businesses will require this section but a brief background overview is always helpful. Essentially, this is the place for a summary of any technical information that a reader would need in order to understand clearly what follows in the rest of the business plan.

2.3 Intellectual property

All businesses have Intellectual property (IP) in terms of know-how, a registered business name and domain name. By contrast only a few will have patents.

2.4 Licensing

Some businesses are only possible if you have been granted some kind of official permission. Here's the place to list those requirements and what you have done (or will do) about them.

3 BUSINESS OPPORTUNITY

This section will draw upon the market research that you will have done. This is an important part of the business plan but you should not go over 8-10 pages in our view. You should follow a logical flow in this section: summary of the market overall; a description of your products or services; a summary of the competition; your commercial strategy and what you believe is your market potential.

3.1 Market description

In this section you are aiming for a general overview of the market. And this includes information about **how** people buy (from a shop, mail order, via the internet etc) and **when** people buy, should there be seasonal variation (Christmas market etc).

3.2 Target products

This is where you describe what your products and services will be. It's not where you say how much better than the competition they are (that comes in the next bit), it's just a clear and concise description. If you will make a product, this is the place to insert a photo or a line drawing.

3.3 Competition

It's important in this section to provide an objective assessment of your competition. Don't be afraid to state that you have competition - the mere fact that others are selling a product or a service like you intend to do demonstrates that there is a market. An objective assessment of how your product or service compares is never easy but it is vital that you maintain objectivity.

3.4 Commercial strategy

Having primed the reader with background information and then introduced information about the market for your product or service, this is the section in which you describe what approach you will take to get your product to market. Of course, your commercial strategy will depend heavily on the type of product or service and the current market. That being said, the most important factor is to demonstrate in your plan that you do have a commercial strategy. This may be no more than a marketing campaign that involves, for example, leafleting businesses in your local town. Or it might range through to a national television advertising campaign. Whatever form your commercial strategy and initial marketing campaign will take, it's important to realise that it is an integral part of planning.

3.5 Market potential

If you have been fortunate enough to collect market research data that tells you how big the market is for your product or service, then this section is where you can estimate what portion of that market you think it is possible to capture - this is essentially your market potential.

4 MANAGEMENT

It feels odd writing a little piece about yourself. Most of us feel awkward about singing our own praises. However, if your business plan is going to be used to raise money then this section is a critical component. It's often said that financiers will fund a good management team with a reasonable business idea in preference to a reasonable management team with a good business idea.

4.1 Directors, partners or owners

Financiers will want to know about who is in charge; this means all directors for a limited company, all partners for a partnership or just you if you are a sole trader. We suggest that a **couple of paragraphs** per person are enough for each description here with perhaps up to half a page for a sole trader. The text should describe your age and experience and it should be written so as to reassure the reader that the right person(s) are leading the business.

4.2 Key managers

Depending upon the size of your business it may be necessary for you to appoint managers; those people who will oversee certain functions within the business under your direction. If you have already identified (or even appointed) people to these posts then they merit at least a paragraph in this section.

4.3 Consultants

Not everyone lists consultants and professional advisers in a business plan but we think it's important. At the very least, we'd suggest that you include contact details for your accountant.

5 OPERATING PLAN

The operating plan is quite simply your description of how you intend to move the business from its current position to where it needs, identifying key milestones along the way for each year.

5.1 Production or R&D plans

For a young high-tech company, these plans will heavily focus on the R&D (research and development) plans since it may not be possible to bring a product to market in that time. For a business that intends to manufacture a product then the manufacturing plans are critical. However, in this section you must address some, or all, of the factors from our six-point checklist as follows:

- *What needs to be done for any product in development and what are the milestones along the way?*
- *What needs to be done for any product in manufacture and what are the milestones along the way?*
- *What people will you need in order to do the work?*
- *What facilities/equipment will you need as you progress through the milestones?*
- *How much of the work will be contracted out to third parties and who will be the contractors?*
- *How much will all of this cost?*

5.2 Corporate alliances

This is the place to list any other businesses that you must work with in order to run your own business. We don't mean people like stationery suppliers but, for example, suppliers of any raw materials that can't be sourced elsewhere. Alternatively, you may propose alliances with businesses that will market your product for you. Whatever alliances you feel are necessary for your business, this is the point to describe them and also to describe any agreements or contracts (and the terms agreed) that you feel will be required (or are already in place).

5.3 Resource requirements

Having defined **what** you want to do and **how** you intend to do it you are now at the point where you must define **what** resources will be required. There are three main resource areas to consider: (i) human resources, (ii) capital for premises and equipment and (iii) operating capital to run the business. Of these three forms of resource, human resources are considered in terms of who you will need for the business and when you will need them (often, not all at once).

5.4 Financial analysis

With all of the work that you have done to get to here, this part of the business plan should be comparatively simple to produce. Full details of the budget, on a month-by-month basis should be prepared as spreadsheets and included as appendices. The sequence is as follows:

- *develop the operating plans (what you intend to do)*
- *work out the headcount needs (who you will need)*
- *work out the monthly 'consumables' costs associated with the plans (what 'operating' expenses you will have)*
- *define facility and equipment needs, again referenced to each month (what 'capital' expenses you will have)*
- *cost out any external contracts on a monthly basis (what you will need to pay for others working on your behalf)*
- *predict what sales you will achieve on a monthly basis*

These spreadsheets can then be used to prepare:

- *hiring strategy*
- *overall Operating Expenditure*
- *overall Capital Expenditure*
- *overall external contract costs*
- *sales estimates*
- *an overall Cash Flow Forecast*

These spreadsheets go into the Appendices and so a simple 'cash flow' table may be all that is required in this section.

6 APPENDICES

There is no hard and fast rule about what goes into the appendices of a business plan; most plans will differ. However, we see five categories of appendix that you should consider as follows:

- CVs of managers
- Cash Flow Forecast
- Brochures
- Anything else!

Back to the Executive Summary

We've left it until last because we think you should do as well; we think it should include:

- *what your product is and how it's used*
- *how it evolved (ie brief history)*
- *what your intellectual property position is*
- *how you intend to develop your product(s)*
- *what resources you need (ie financial, human, facilities etc)*
- *the commercial opportunity that this business proposal offers*
- *an assessment of the competition and any business development pitfalls (ie the risk)*

So that's it. How we think you should approach business planning.

IN CONCLUSION

The business plan constitutes an important management tool since it identifies objectives and milestones, the people and facilities/equipment that they will need and the costs that will be incurred along the way. As such, it provides a tool to monitor progress and to manage the budget. So, later on, as you progress your business, the business plan will provide you with the information to check how things are going. But remember that the business plan is a 'living' document. And by that we mean that it will evolve as time goes along.

The key is to know what your business performance is and to respond to any change appropriately.

Section 8: THE CASH FLOW FORECAST

There is nothing very complicated about setting a budget for a business. It simply takes some careful thought and detailed preparation - see our version in the Appendix.

GENERAL LAYOUT

The first thing that you will notice is that the cash flow forecast is simply a table of rows and columns. The rows relate to (i) categories of information and (ii) totals for groups of categories whilst the columns relate to (i) descriptions, (ii) months of the year or (iii) annual totals. You will also notice that a set of numbers has already been added to give you a case study from another business. Since this is an Excel file we recommend that you save a second version by another name so that you can modify that file and, ultimately, generate a cash flow forecast for your own business. It is common to create a cash flow forecast for one year on a single A4 sheet like the template. Most business plans look out over a three-year period and so there would be an annual cash flow forecast for each of the years.

CASH FLOW INTO THE BUSINESS

You will see that the top row simply gives the months of the year from January until December and then, at the right-hand side, the final column in which numbers are added together. That addition is done automatically in an Excel spreadsheet template.

Row 1 indicates that the items grouped with green backgrounds relate to **cash flow into the business**. **Row 2** is a **Family Loan** of 40,000 euros paid into the business bank account in January; repayments on this loan are shown in Row 24. **Row 3** gives forecasts of **Product Sales** for each month with no sales predicted in the first month which is very sensible. For businesses that sell more than one product or service it is common to create a separate spreadsheet that details sales of each product. Monthly sales for each product are then added up and the total appears in Row 3. You can either input that manually or link the spreadsheets (so it happens automatically) depending on your familiarity with Excel. Alternatively, if there are only a few products or services on offer, you could insert new rows under Row 3 as required - one for each product. **Row 4** is the total of all categories (here Rows 2 and 3) giving **Total Cash Flow In**.

CASH FLOW OUT OF THE BUSINESS

Row 5 is **Cash Flow Out of the Business** - all categories of expenditure that the business makes with green backgrounds to the Excel cells. However, notice that there are two main categories of expenditure grouped together: **Row 6** heads up the **Capital Expenditure**, items which include **Row 7 Premises** (no expenditure as the business rents facilities (see 15 Rent), **Row 8 Vehicles**, **Row 9 Office Equipment** and **Row 10 Manufacturing Equipment**. **Row 11** shows monthly totals for these items of **Capital Expenditure** (usually shortened to CapEx). Items under **Row 12 Operating Expenditure** (OpEx) relate to costs that the business incurs in its day-to-day activities. The reason for separating out CapEx and OpEx is that your accountant will treat them differently when preparing your end-of-year accounts. **Row 13 Salaries** shows the gross salaries paid before deductions of any tax payments to be made to the Tax Office. **Row 14 Life Cover Scheme** relates to any life insurance cover for employees paid for by the business. **Row 15 Rent** is the facility rental that the business rents; in the example this is double in January reflecting a rental deposit. **Row 16 Local Taxes** refers to any additional taxes payable on the rented facility which may include waste collection. **Row 17 Combined Insurance** is the policy taken out by the business so that it has all of the statutory insurance cover in place that it requires.

A **good Independent Financial Adviser (IFA)** will be able to arrange such a policy for you. **Row 18 Utilities** includes such things as water and electricity charges. **Row 19 IT Charges** includes the landline and WIFI at the business facility but sometimes includes mobile phones allocated to employees but paid for by the business; this is often the case when mobile phones are included as part of a 'package' from the supplier.

| Cash flow forecast template | | | | | | | | | | | | | |
|---------------------------------------|----------|----------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTALS |
| CASH FLOW INTO THE BUSINESS | | | | | | | | | | | | | |
| Family Loan | € 40,000 | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € 40,000 |
| Sales - product 1 (add rows as req'd) | | € 3,600 | € 8,460 | € 9,750 | € 11,000 | € 12,000 | € 13,400 | € 15,000 | € 19,500 | € 21,300 | € 22,400 | € 21,500 | € 157,910 |
| TOTAL CASH FLOW IN | € 40,000 | € 3,600 | € 8,460 | € 9,750 | € 11,000 | € 12,000 | € 13,400 | € 15,000 | € 19,500 | € 21,300 | € 22,400 | € 21,500 | € 197,910 |
| CASH FLOW OUT OF THE BUSINESS | | | | | | | | | | | | | |
| Capital expenditure Items (CapEx) | | | | | | | | | | | | | |
| Premises | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - |
| Vehicles | € - | € 3,800 | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - | € 3,800 |
| Office equipment | € 2,500 | € 3,200 | € 500 | € - | € - | € - | € - | € - | € 350 | € - | € - | € 620 | € 7,170 |
| Manufacturing Equipment | € 7,600 | € 2,375 | € 750 | € 1,275 | € 325 | € 1,855 | € - | € - | € - | € - | € - | € - | € 14,180 |
| CapEx TOTAL | € 10,100 | € 9,375 | € 1,250 | € 1,275 | € 325 | € 1,855 | € - | € - | € 350 | € - | € - | € 620 | € 25,150 |
| Operating expenditure Items (OpEx) | | | | | | | | | | | | | |
| Salaries (gross amount totals) | € 2,000 | € 2,000 | € 2,000 | € 3,000 | € 3,000 | € 3,000 | € 4,000 | € 4,000 | € 4,000 | € 5,000 | € 5,000 | € 5,000 | € 42,000 |
| Life cover scheme | € 250 | € 275 | € 275 | € 325 | € 325 | € 325 | € 325 | € 350 | € 350 | € 350 | € 350 | € 350 | € 3,850 |
| Rent | € 3,600 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 1,800 | € 23,400 |
| Local taxes | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 250 | € 3,000 |
| Combined business insurance | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 350 | € 4,200 |
| Utilities | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 180 | € 2,160 |
| IT Charges: Phone, Wifi and Website | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 120 | € 1,440 |
| Legal & intellectual property | € 1,400 | € - | € - | € - | € 2,000 | € - | € - | € - | € - | € 1,200 | € - | € - | € 4,600 |
| Accounting, payroll & audit charges | € 1,200 | € 50 | € 50 | € 50 | € 50 | € 50 | € 50 | € 50 | € 50 | € 50 | € 2,550 | € 50 | € 4,250 |
| Business travel | € 100 | € 100 | € 100 | € 100 | € 100 | € 500 | € 500 | € 100 | € 100 | € 100 | € 100 | € 100 | € 2,000 |
| Bank charges | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 25 | € 300 |
| Founders' Loan repayment | € - | € - | € - | € - | € - | € - | € - | € 5,000 | € 5,000 | € 5,000 | € 5,000 | € 5,000 | € 25,000 |
| Marketing | € 200 | € 100 | € 700 | € 500 | € 100 | € 1,500 | € 2,000 | € 100 | € 2,000 | € 1,500 | € 250 | € 250 | € 9,200 |
| Raw materials | € 2,370 | € 1,790 | € 1,250 | € 1,730 | € 2,350 | € 2,160 | € 3,150 | € 3,250 | € 3,900 | € 3,490 | € 3,620 | € 3,820 | € 32,880 |
| OpEx TOTAL | € 12,045 | € 7,040 | € 7,100 | € 8,430 | € 10,650 | € 10,260 | € 12,750 | € 15,575 | € 18,125 | € 19,415 | € 19,595 | € 17,295 | € 158,280 |
| TOTAL CASH FLOW OUT (CapEx + OpEx) | € 22,145 | € 16,415 | € 8,350 | € 9,705 | € 10,975 | € 12,115 | € 12,750 | € 15,575 | € 18,475 | € 19,415 | € 19,595 | € 17,915 | € 183,430 |
| MONTHLY NET CASH FLOW | € 17,855 | € 12,815 | € 110 | € 45 | € 25 | € 115 | € 650 | € 575 | € 1,025 | € 1,885 | € 2,805 | € 3,585 | |
| MONTHLY BANK BALANCE | € 17,855 | € 5,040 | € 5,150 | € 5,195 | € 5,220 | € 5,105 | € 5,755 | € 5,180 | € 6,205 | € 8,090 | € 10,895 | € 14,480 | |

It will, most likely, also include costs for basic website and email provision. **Row 20 Legal and Intellectual Property (IP)** relates to fees from lawyers and generally some arise at the outset. **Row 21** relates to fees for the **Accountant** and shows some costs at start-up and then near the end of the year for annual accounts preparation.

It is always sensible and cost-effective to get your accountant to do payroll for you every month. **Row 22 Business Travel** will vary a lot between business types and activities. **Row 23 Bank Charges** relates to charges incurred for the business bank account although some banks offer free banking for a short time when you start a business. **Row 24 Founder's Loan Repayment** shows how the Founders of the business intend to repay the loan when revenue has become more established later in year one; the plan here is to repay at a rate of €5,000 euros per month from August onwards. **Row 25 Marketing** includes all costs spent on leaflets, brochures, advertising etc. **Row 26 Raw Materials** relates to whatever is purchased for making the products; this will be a variable amount each month (unlike rent) since it will depend on the amount of product being produced.

All of the OpEx costs are combined in **Row 27 OpEx Total**. **Row 28 Total Cash Flow Out** is simply CapEx (Row 11) and OpEx (Row 27) added together. **Row 29 Monthly Net Cash Flow** is the difference between cash coming into the business and going out of the business on a monthly basis. Finally **Row 30 Monthly Bank Balance** shows the money forecast to be in the bank account at the end of each month.

IMPORTANCE AND USE OF THE CASH FLOW FORECAST

We think that it is incredibly important to have a cash flow forecast for your business otherwise your finances can get out of control. For example, you will see from the original template spreadsheet case study that the bank balance is never forecast to go below €5,000. Clearly the Founders were being cautious and ensuring that they had a 'buffer' of that amount in hand in case things did not go to plan; for example, a customer paying later than expected. Some things in the cash flow forecast are easier to predict than others, especially '**Fixed Costs**' such as rent that is the same every month. Other costs are harder to predict: these '**Variable Costs**' include such things as Raw Materials since the need for those will vary according to production volumes together with Business Travel. One item that is often cut back, when times are tough, is expenditure on Marketing although that is often short-sighted since effective marketing can increase sales revenue.

Most people in business agree that the hardest thing to forecast is sales.

Having said that, good market research provides the data from which you can predict sales with more confidence - it is therefore very important to spend time on market research before starting a business. And if you are not as lucky as the Founders in the case study who received a loan from Friends and Family then you will need to approach financiers, typically a bank. In that case, you will be asked for a business plan and a cash flow forecast - both documents underpinned by market research data of course. Please remember that a cash flow forecast is exactly what it says - a forecast. The more experienced you are then the more accurate it is likely to be. Do not fool yourself with over-inflated sales forecasts nor by forgetting some costs that you will incur. And do remember that once you start trading, your monthly bank statement becomes the document with which to compare your forecast.

If in doubt, get your accountant to check it before you launch your business.

Section 9: ROUTES TO MARKET

In the 21st Century, new businesses usually choose from three kinds of Routes to Market:

1. **Direct Selling** of products and services person-to-person or via a physical location such as a shop or a restaurant. The face-to-face contact is helpful if your product or service needs explanation or when customers need help and advice when selecting from a range that you offer. One weakness is that you (or your staff) need time and expertise that you can share with your customers before they decide to buy. This can be expensive in terms of resources expended per sale; don't forget staff training, which is expensive in terms of time and costs.
2. **Selling via Intermediaries** is where you sell to a third party that acts as a re-seller en route to the end user (*bear in mind that there can be a 'chain' of multiple intermediaries*). This can include you selling via wholesalers who in turn sell on to retailers. Or it might be where you sell via one or more retailers yourself; for example, you make cheese from sheep's milk but sell it via restaurants or delicatessens.
3. **Online Sales** is something that we all have become increasingly aware of this century. Of course some businesses still sell products and services via 'Distance Sales' - this can be telephone ordering as a follow-up to seeing an advertisement in a newspaper or on television. But online sales are everywhere now, and most people have access to online sales these days.

To some extent, choosing between these three routes to market is determined by the type of product or service that you have for sale and the type of customers that you want to sell to. For example, Direct Selling would be expected for very expensive items such as an Aston Martin sports car. And so 'customer care' and 'customer satisfaction' all make up part of the Direct Selling opportunity. By contrast, selling via Intermediaries probably means that you never get to meet the end user. Now that may not matter at all if you are selling cheese made from sheep's milk. And of course, such products as cheese have a shelf life and so selling via multiple intermediaries means that a batch of stock can all be sold in a shorter period of time than if you were doing it on your own. And so less chance that the cheese is left on the shelf. So selling via intermediaries extends the range of potential customers that could buy your products. Online Sales also increases your 'reach' to new customers and especially those in new territories. It is just as easy to buy online from a different country. What you have to ensure is that the 'delivery chain' of partners involved in getting your product to a customer outside of your territory do so in a timely and professional manner. In the buying process, there are five important steps that the potential customer has to progress through as shown below. Let's look at my love for the Aston Martin car as an example...

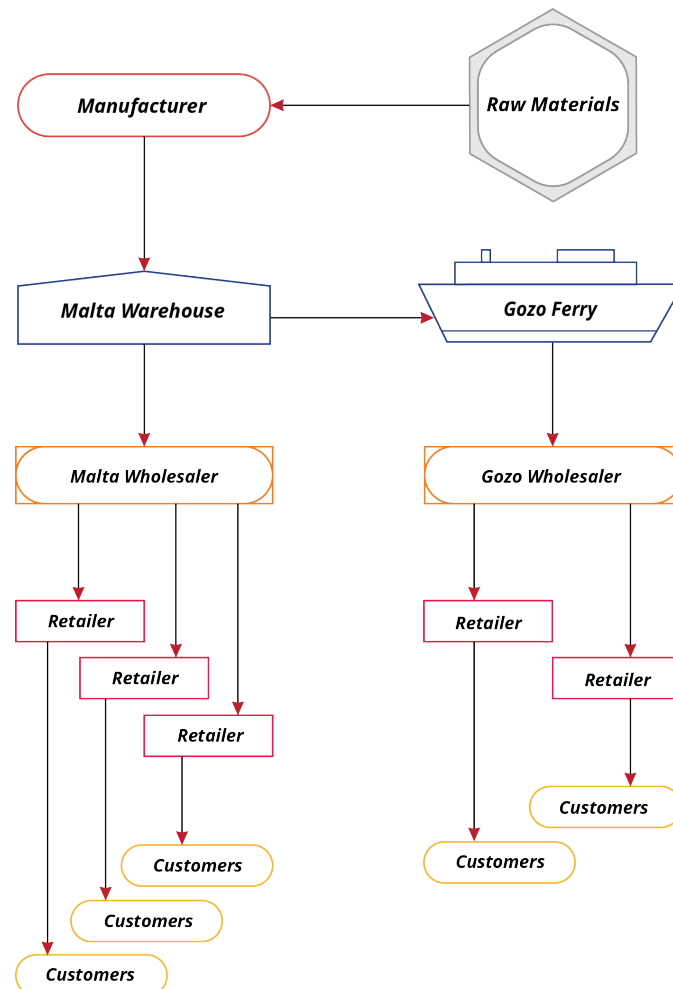
1. **Notice.** I first noticed the Aston Martin DB5 in 1964 in the James Bond movie "Goldfinger".
2. **Like.** The secret agent 007 was very cool. So was his car. At the age of seven, I decided to be a secret agent when I grew up. And all those gadgets on the car... I liked them especially.
3. **Want.** Well before my eighth birthday I decided that I wanted an Aston Martin. I still want one over 50 years later. But they are very expensive. Good value perhaps, but still very expensive...
4. **Need.** Part of me says that I need one. But not the part that matters. For example, I do not need an Aston Martin more than my sons need a good education.
5. **Acquire.** The chances of me buying an Aston Martin are extremely small (*I hesitate to say non-existent just to keep the dream alive*). But that is me as the **Buyer**, and this step is labelled 'Acquire' not 'Buy'. So I could be the **Beneficiary** if someone else bought it for me... (*still dreaming*).

These steps arise whichever Route to Market you choose although the way in which they apply will differ. You must select the way in which your potential customers progress through these steps and help them to get to the key Step 4 at which point they 'Need' your product.

But do not forget that at Step 5, one can 'Acquire' by being either a Buyer or a Beneficiary.

Section 10: CHANNEL PARTNERS

When you first start to think about becoming self-employed or starting a business with just one or two friends then ‘defining the team’ may seem unnecessary. If it is just yourself running your business, then you have to do everything right? Well actually no, that is wrong. You must do what you need to do but you should try to avoid doing things that you do not need to do.



Whilst this may look like a complicated process it is actually quite straightforward. The product (wine) is produced in Malta by the Manufacturer who then uses a Warehouse in Malta to store the wine under the correct conditions of temperature etc. The Warehouse also acts as a Distributor for the product by transporting to a Wholesaler in Malta and then, via the Gozo Ferry, to a Wholesaler in Gozo. Those Wholesalers then sell the product to a variety of Retailers who, in turn, sell to their own customer base. We don't show that delivery component in the adjacent flow chart. What we do show is the pre-manufacturing chain of Raw Materials that go to the Manufacturer; these might include glass bottles, corks, labels etc.

CONCLUSIONS

Channel Partners allow growing businesses to reach customers that they might not otherwise be able to do effectively. These might be customers in new territories or different customer segments; in our example, two segments could be (i) members of the general public and (ii) buyers for wine bars or restaurants.

Section 11: DEFINING THE TEAM

When you first start to think about becoming self-employed or starting a business with just one or two friends then 'defining the team' may seem unnecessary. If it is just yourself running your business, then you have to do everything right? Well actually no, that is wrong. You must do what you need to do but you should try to avoid doing things that you do not need to do.

WHERE TO START?

You could start to think about your business according to this schematic. It is likely that you thought about becoming self-employed and starting a business based upon the products you could make, the services you could offer and the customers that you believe will buy from you. That places the focus on your technical competencies of course. By contrast, there are some activities under 'ADMIN' that could be done by a book-keeper. And we believe strongly that you should get an accountant to handle all of your tax returns and monthly payroll. However, we do not want you to ignore administrative tasks or financial matters but be sensible about when to ask for help. Some aspects of admin - for example ordering raw materials - will need your expert oversight.



And under Finance, we certainly want you to check cash flow and ensure (via online banking) that your business account has enough funds to meet payments as they become due. But where do we start to build a team? Well, in fact, you may already have a bigger team than you think...

THE EARLY BUSINESS TEAM – THE FIRST 10 MEMBERS

1. **Founders.** This means you and anyone else who has joined you in the new venture.
2. **Accountant.** Every business needs one to ensure that you comply with tax rules, filing of annual returns, VAT and payroll. Visit three and appoint the one you like best.
3. **Book-keeper.** A person who prepares monthly management accounts so that the Founder(s) can easily see how the business is progressing from a practical point of view.
4. **Solicitor.** You do not need one to start a business (your accountant can do that) but it is important to identify one that you can get advice from if something unexpected comes up.
5. **Trade Organisations or Professional Bodies.** If you are a member of any trade body, then think of them as part of your team. Go to their meetings, listen and learn.
6. **Bank Manager.** Try to meet with bankers at the outset and then at least every six months. You may need to organise a bank loan and so they need to know you and your business.
7. **Government Organisations.** In Malta we have a lot of helpful organisations. You should certainly think of **Malta Enterprise** and **Trade Malta** as part of your team.
8. **Regulatory Advisers.** You will need to ensure that your business operates to the correct standards required by legislation; eg health and safety... ignorance is no defence in law!
9. **Independent Financial Adviser.** The IFA can advise you about what insurance will be most appropriate for your business and can also advise on pensions and health insurance.
10. **Customers.** Take time to ask questions and listen carefully to their answers. Information from customers about what they want allows you to offer products and services that they will buy.

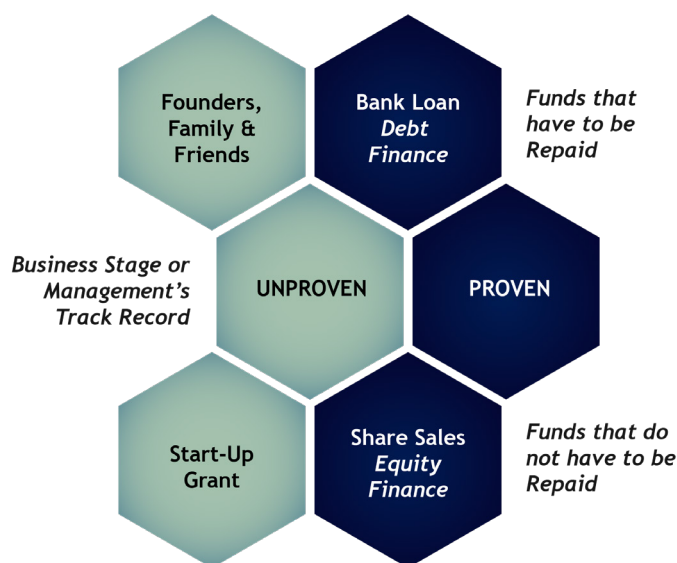
CONCLUSIONS

So these are the top 10 components of a business team at the start of your business venture. As your business grows, you will need to hire other people capable of making products or delivering services - people like you.

Always remember that you can hire people on a part-time or short-term contract to suit your needs.

Section 12: RAISING BUSINESS FINANCE

Raising Business Finance is not easy and the pre-requisite is a Cash Flow Forecast for the business that predicts what money will come into the business and what money will go out of the business over a certain period. For most new businesses (especially those set up by self-employed, 'First-time Founders') that period of time will typically be one year. For more mature businesses or those founded by a Management Team with a proven track record then the period may well be three years. The following figure illustrates the main forms of business finance relevant for a new business.



As will be seen above, the key components are grouped in terms of the 'Unproven' business (blue) and the 'Proven' business (green). Unproven means a business that has not yet started trading or one that is being launched by Founders without a track record in business. By contrast, 'Proven' means a business that is already trading successfully (means it makes a profit) or a new business being launched by an experienced Management Team that has a proven track record of success in business. The reason for making this distinction is that Financiers treat Unproven and Proven businesses differently.

FUNDS THAT HAVE TO BE REPAYED

Funds that have to be repaid are essentially loans - see the top two hexagons opposite. Now loans can come from people that know you (Founders, Friends & Family or 'FFF') or people that don't know you very well... mainly people in banks. FFF loans can be very flexible in terms of when repayments start, what period repayments are made over and what interest (if any) is paid by you. Bank loans are different. These will have very tight and often inflexible terms set by the bank. The terms may vary a little between different banks but most will be broadly the same. In addition, the banks are likely to ask for (i) the Founders to put in some of their own money and (ii) a form of security in case things go wrong such as a charge over the Founder's house if the new business has no assets to secure the loan.

FUNDS THAT DO NOT HAVE TO BE REPAYED

Funds that do not have to be repaid - see bottom two hexagons opposite - are essentially gifts or mean selling a portion of the business to an investor. The sale of 'shares' in a new business relates only to a Limited Company and is termed 'Equity Finance'. Any new business should always look for Start-Up Grants and there are a number available in Malta; the best people to speak with in Malta are Government support bodies such as Malta Enterprise.

THE UNPROVEN BUSINESS - STRENGTHS

By the very nature of the business being unproven, that may qualify it for Local, Regional, National or even EU funding schemes and grants aimed to help start-ups. In addition, Friends and Family may wish to support someone they care about and help them to start a business with a flexible loan. However, the business still must be based upon a good idea with a sound business plan and a realistic cash flow forecast.

THE UNPROVEN BUSINESS - WEAKNESSES

The unproven business will not have made significant sales and its forecasts about future sales may be considered unreliable (at best) or, as is often the case, over-optimistic (at worst). In either case, a lack of confidence in future sales may lead bankers to conclude that the business would not be able to make repayments on a loan and hence refuse a loan application. In addition, an unproven management team (especially a single founder) may be considered as 'risky' and hence the bank is likely to ask for some kind of security with which to secure any loan. And for young people in particular, who are unlikely to own their own home, they may not have suitable assets with which to secure a loan. Equity finance is even more problematic. For an investor (often called 'Business Angels') to buy shares in a company they need to be convinced that the business has a strong chance of growing very substantially. And the Founder(s) must have an 'Exit Strategy'; that is to say, a plan to sell the business within five years (typically) at a higher valuation such that the investor makes a 'capital gain' by selling the shares at a higher price than they were bought for. To make matters worse, investors like to back experienced management teams that have track records of success in doing this kind of thing before. A single, unproven Founder is therefore unlikely to meet their requirements.

THE PROVEN BUSINESS - STRENGTHS

A proven business may be one that has been established for a few years and whose accounts indicate that it is profitable. In addition, if the sales revenue and profitability is seen to grow year-on-year then bankers will be confident that reasonable loan repayments could be made. Furthermore, such a growing business is likely to have a good 'purpose' for the loan such as the need for 'working capital' to help fund growth; banks will look more favourably on loan applications in these situations. In addition, if the management team has a good track record then the bank will gain additional confidence that the business will be able to deliver what is written in the business plan and the cash flow forecast. A proven management team may also attract investors who would buy shares in the company and hence provide equity finance for the business.

THE PROVEN BUSINESS - WEAKNESSES

It may be that banks will expect a proven management team to put in some of their personal funds (presumably obtained via previous business success) as a contribution towards the amount required. Banks like it when the business owners 'back themselves' in this way as it is seen as sharing the risk with lenders. It would not be unusual for a bank to expect 30% of the amount required from the owners to match 70% from the bank.

CONCLUSIONS

Raising business finance is not easy. Please remember that banks are not in business to take risks and that they never share in the financial success of a business - they only get the loan repayments plus interest. Equity finance is not for the amateur. But one other route to explore might be reward-based crowd-funding; in Malta take a look at the ZAAR.com.mt website for details of how those schemes work. That website contains examples of organisations (often including short videos) that are attempting to raise money via reward-based crowd-funding.

Section 13: PERSONAL BUDGETS

PERSONAL BUDGETS – SOME GENERAL COMMENTS

When you come to enter your personal details be very honest - you only fool yourself if you underestimate expenditure or you overestimate income. The main aim of any budget is to have more money coming in than going out. If that is the case, then you can put any surplus into a savings account. Or if you have things such as outstanding credit cards then you could use the surplus to pay down any outstanding amount.

Difficulties arise, however, when the amount going is more than the amount of money coming in - in that situation you will start building up debt. Temporary debt can be managed, perhaps by a bank overdraft, by using credit cards for short term only or even with financial support from friends and family. However, if the situation continues then the debt can spiral out of control and that becomes a very bad thing.

THE EXAMPLE GIVEN

The spreadsheet has been completed with some imaginary data and you will see that the outgoings match that of the incomings; in other words, the budget is in balance. That is very unlikely to arise in real life! What this example does illustrate however is that total outgoings each month add up to 2,500 euros. And so the self-employed income entry has been set to match that.

This means that your income from a business venture must be at least 2,500 for you to break even each month. And remember that income here is after all taxes and national insurance payments have been made to the Government. But the good thing is that a personal budget like this one gives you a great starting point as it tells you how much you need to earn from your own business if you are to sustain your lifestyle. Of course there may be some items of expenditure for which you could 'cut back' and make savings. That would reduce the overall income requirement accordingly. But do remember that essentials such as rent and food must be paid for every month. And even the non-essentials - the 'fun' items - must be taken seriously since you need to have some time off and recreation to keep happy!

ITEMS IN THE PERSONAL BUDGET

If you are already in employment, then simply add the monthly salary data and any other sources of income. The budget can then be used to check that you are 'living with your means' and, if necessary, where you can make savings.

Alternatively, if you are thinking of becoming self-employed or starting a business then you **MUST** complete the personal budget so that you have a clear understanding of what you will have to earn from your business every month in order to 'keep your head above water'. In Section 8 we worked at the Cash Flow Forecast which is simply a business budget. You will need to use that forecast to determine if your business venture will generate enough revenue so that you can take out of the business the salary (net of all taxes etc) that your personal budget tell you that you will need to meet all of your monthly expenses. If your business idea is not able to do that then you would know not to start the business.

Introduction to Personal Budgets - Planning Spreadsheet

| Money Coming In | Monthly | Annual |
|---------------------|------------------|-------------------|
| Employment | €0.00 | €0.00 |
| Self-employment | €2,500.00 | €30,000.00 |
| Savings interest | €0.00 | €0.00 |
| Investment dividend | €0.00 | €0.00 |
| Pensions | €0.00 | €0.00 |
| Annuities | €0.00 | €0.00 |
| Benefits | €0.00 | €0.00 |
| Gifts | €0.00 | €0.00 |
| Other | €0.00 | €0.00 |
| Totals | €2,500.00 | €30,000.00 |

| Money Going Out | Monthly | Annual |
|---|------------------|-------------------|
| Mortgage or rent | €650.00 | €7,800.00 |
| Local property taxes | €0.00 | €0.00 |
| Water | €55.00 | €660.00 |
| Electricity | €50.00 | €600.00 |
| Gas | €42.00 | €504.00 |
| Oil | €0.00 | €0.00 |
| Home insurance | €45.00 | €540.00 |
| Phone - landline | €40.00 | €480.00 |
| Phone - mobile | €50.00 | €600.00 |
| Internet | €30.00 | €360.00 |
| TV charges | €24.00 | €288.00 |
| Household improvements and maintenance | €75.00 | €900.00 |
| Home - food and drinks | €600.00 | €7,200.00 |
| Home - other shopping | €100.00 | €1,200.00 |
| Food and drinks at work | €60.00 | €720.00 |
| Food and drinks eating out | €70.00 | €840.00 |
| Smoking | €0.00 | €0.00 |
| Car loan | €0.00 | €0.00 |
| Car fuel, maintenance and repairs | €60.00 | €720.00 |
| Car insurance | €57.00 | €684.00 |
| Public transport | €0.00 | €0.00 |
| Pets including pet food and costs of Vet | €0.00 | €0.00 |
| Clothes, shoes and any sports equipment | €80.00 | €960.00 |
| Medicines | €26.00 | €312.00 |
| Education fees (eg University tuition) and Books | €0.00 | €0.00 |
| Hobbies including membership fees , subscriptions and any equipment needs | €85.00 | €1,020.00 |
| Music and/or Apps that you pay for | €10.00 | €120.00 |
| Days out | €40.00 | €480.00 |
| Holidays including holiday/travel insurance | €80.00 | €960.00 |
| Bank charges | €35.00 | €420.00 |
| Personal loan repayments | €0.00 | €0.00 |
| Credit card payments | €86.00 | €1,032.00 |
| Savings payments | €0.00 | €0.00 |
| Other | €50.00 | €600.00 |
| Totals | €2,500.00 | €30,000.00 |

| | | | |
|-----------------------------------|---------------|--------------|--------------|
| Budget Deficit or Surplus: | Totals | €0.00 | €0.00 |
|-----------------------------------|---------------|--------------|--------------|

CENTRE FOR ENTREPRENEURSHIP AND BUSINESS INCUBATION (CEBI)



The Centre for Entrepreneurship and Business Incubation (CEBI) forms the Enterprise CAMPUS at the University of Malta and delivers the prestigious Master in Technology-based Entrepreneurship (MEnt). This postgraduate course is suitable for three key groups: (i) those wishing to start their own business, (ii) business advisers and (iii) those wishing to become intrapreneurs within existing organisations. The MEnt is delivered over one year during which students attend four intensive weeks of training. Students then progress to complete a Market Appraisal extended assignment for their own business idea. Next, students tackle their thesis - a business plan for their own business idea. Both assignments are mentored by experienced experts. All students undertake a viva exam in the form of a funding presentation, relating to their own business idea, in front of the Board of Examiners. Many graduates start their own business the day after the viva!

And MEnt graduates are not without help after graduation. The Enterprise Campus includes the TAKEOFF facility (powered by Incumatrix™) that enables MEnt graduates to launch their business and achieve its full potential. TAKEOFF does not have a focus on 'Start-up' but rather on Success. Of particular relevance to MEnt graduates are its proven Accelerator and Catapult programmes:

1. The **Accelerator** programme. A proven 125-component programme for businesses looking to develop and grow an enterprise rapidly.
2. The **Catapult** programme. A proven 625-component programme for businesses seeking significant finance and international growth.

Both of these programmes are drawn from substantial research over 20 years and have been proven to work both in terms of business funding raised (>100 million euros) and business sustainability (>70% after five years). The training material is linked directly to the MEnt course and has been effective internationally with business founders from India, Thailand, Vietnam, South Africa, Brazil, Mexico, Chile, United Kingdom and here in Malta across a broad range of business sectors.

The MEnt. Be the Business. Be the Best.

What the MEnts say about the course:

"The MEnt takes a hands-on approach to setting up your own company. I was rather sad it was over by the end of it and I kind-of wanted it to start all over again!"

Dr Nick Sammut MEnt, Deputy Dean ICT Faculty

"Following the MEnt was one of the best decisions I ever made. The MEnt was one of the most positive and motivating experiences in my life."

Mandy Mifsud MEnt, Entrepreneur

"The tools provided allow one to assess a business idea constructively and objectively with minimal loss of financial investment and time."

Dr Nicola Magro Axelsson MEnt, Lawyer

"The MEnt course was a big breath of fresh air. The way it is delivered is not comparable to any other course at the University of Malta."

Anthony Sant MEnt, Entrepreneur

"Reflecting back and comparing the level of my understanding of a business situation before and after I read for MEnt, I wonder how my business survived the years prior to taking the Masters."

Carmelo Romano MEnt, Entrepreneur

"It's hard to narrow my gratitude for this course in a few words. I can honestly say that my life changed 180 degrees after this amazing year."

Rachelle Muschamp MEnt, Entrepreneur

And what they say about post-MEnt mentoring:

"The equity finance process of raising money from investors was facilitated very professionally by our mentor who provided solutions to any problems that arose."

Dr Daniel Fenech MEnt, Entrepreneur Timely Ltd

"Our mentor facilitated rapid agreement over Heads of Terms between ourselves and a major Scandinavian company involving royalty payments and equity participation. And it was all agreed at the meeting in less than one hour!"

Nick Borg MEnt, Entrepreneur Ton 80 Metric

To find out more and to apply for the MEnt:

More information can be found on the CEBI pages of the University of Malta website:
www.um.edu.mt/CEBI.

A video including interviews with tutors and MEnt graduates is available from these pages.

Scheduling: The intensive training weeks are usually held in October, November, February and March. The extended assignment required completion by the end of June and the thesis by the end of September. The viva exams are held in October with graduation usually in November.

TAKEOFF

THE ENTERPRISE CAMPUS



TAKEOFF is part of CEBI (the Centre for Entrepreneurship and Business Incubation) and is located on the Enterprise CAMPUS at the University of Malta. It provides a working environment for anyone with a new business and enables the Founders to achieve their full potential. TAKEOFF does not have a focus simply on 'Start-up' but rather on Sustainability and Success. It provides services (facilities and support) for up to 60 individuals and 30 businesses over a three-year period of membership. And it does that via three forms of proven growth programmes:

1. The **Incubator** programme. A proven 25-component programme for anyone new to business irrespective of the business sector.
2. The **Accelerator** programme. A proven 125-component programme for businesses looking to develop and grow an enterprise rapidly.
3. The **Catapult** programme. A proven 625-component programme for businesses seeking significant finance and international growth.

All of these programmes are drawn from substantial research over 20 years and have been proven to work both in terms of business funding raised (>100 million euros) and business sustainability (>70% after five years). The training material has been effective internationally with business founders from India, Thailand, Vietnam, South Africa, Brazil, Mexico, Chile, United Kingdom and here in Malta across a broad range of business sectors.

TAKEOFF works closely with the UoM Knowledge Transfer Office (KTO) to support academics wishing to commercialise opportunities arising from academic research. And at the other end of the academic spectrum, it also supports students with fledgling business ideas and initiatives. Most of the Members of TAKEOFF come from the wider community of Malta and Gozo and TAKEOFF also supports community projects and charities.

To enquire about how TAKEOFF can help you with your enterprise, please call the TAKEOFF Manager, Ing Joseph Bartolo, on +356 23403781 or email at joseph.a.bartolo@um.edu.mt. We look forward to helping you.

Incubator programme:

"The Incubator programme mentoring has been invaluable in helping us to move from a single-project focus and build a rapidly-growing business."

Shaun Grech & Kevin Farrugia, Incredible Web Ltd

Accelerator programme:

"The team has mentored me weekly which has been extremely helpful in growing my business rapidly. I would recommend it to anyone."

Klaus Conrad, Headstart Ltd

Catapult programme:

"The equity finance process of raising money from investors was facilitated very professionally by our mentor who provided solutions to any problems that arose."

Dr Daniel Fenech, Timely Ltd

"Our mentor facilitated rapid agreement over Heads of Terms between ourselves and a major Scandinavian company involving royalty payments and equity participation. And it was all agreed at the meeting in less than one hour!"

Nick Borg, Ton 80 Metric

Student initiatives:

"The mentoring I have received has been amazing. Our mentor actually came with us to pitch for funding from The President. As an undergraduate I could not have set up my Voluntary Organisation without such help."

Natalie Muschamp, Step Up For Parkinson's

Community projects:

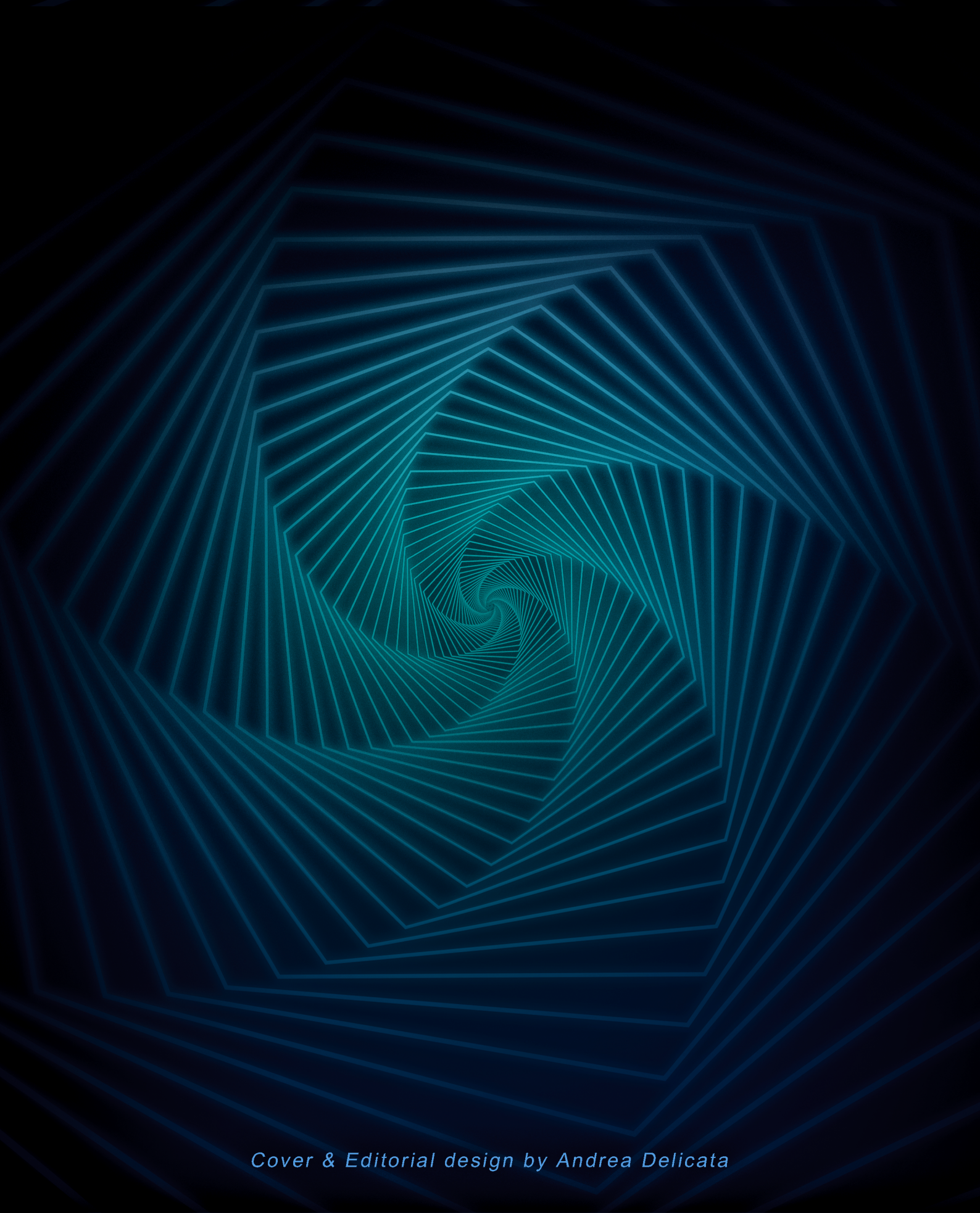
"The mentoring support has been very thought-provoking and has been instrumental in allowing us to re-think the entire strategy for our charity."

Karl Wijmark, Contribute Water

Network Support:

TAKEOFF has excellent links with Government Ministries and key bodies such as Malta Enterprise and Trade Malta. It also has links with professional advisers and trade bodies capable of helping Members. TAKEOFF also administers the Government-funded TOSFA and MARSA Proof of Concept and Seed Fund Awards (managed by KTO) that each distributes 100,000 euros annually. As part of the Enterprise CAMPUS it has strong links with the CEBI alumni group of Master in Entrepreneurship (MEnt) graduates who also act as mentors for Members when specialist sector advice is required.

NOTES



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