


A: Generating and selecting ideas

An entrepreneur is someone who runs an enterprise with the willingness to take risks! He or she has to come up with ideas of what their enterprise will be.

How can they generate ideas?

- Mind mapping / thought showering new ideas [innovation]
- Look at a problem which needs solving – how can a new enterprise solve this?
- Importing an idea from abroad that works in another country [goods or services in a new market]
- Adapting a current product or service [goods or services in a new context].
- Looking at what skills and attributes you have and how you, as an entrepreneur, can use them to build a new enterprise.



Selecting the BEST idea isn't an easy task. The best one which is **achievable** and is only achievable if you have the resources.

Resources can include:

- ✓ Human resources
- ✓ Financial resources / financial forecasts
- ✓ Physical resources
- ✓ Communication methods and promotional methods
- ✓ Skills of people / ability to recruit the skill set

There also needs to be a **gap in the market** (a need for the product or service) otherwise it is unlikely the enterprise will be a great success.

But – you must analyse if there is a reason there is a gap in the market. The best way to see a visual representation of the market is by creating a market map.

A: Aims, Goods and Services


Financial Aims
Plans that involve money based targets are financial aims because they involve the enterprises finances.

Examples are 'to make a profit' and to 'achieve break even'.

Non-Financial Aims
These are not linked money based targets, but are linked to other aspects of the enterprise such as strengthening brand image, building relationships with customers and suppliers or operating ethically.

All aims should be SMART:

- ✓ Specific
- ✓ Measurable
- ✓ Achievable
- ✓ Realistic
- ✓ Time-bound.



All entrepreneurs need to know what goods and services they're going to sell and be sure they're going to meet their customers wants and needs (market research is a must here!)


Around their competitions.

- What are their competitors?
- What do they offer?
- What are their prices?
- How will we compete?

Pricing models to encourage potential customers!

- ✓ Skimming
- ✓ Penetration
- ✓ Cost Plus
- ✓ Competition based

A: Skills Auditing



A skills audit is a process of identifying your own skills and the skills of others to see what skills your enterprise has and identifying what they therefore need. A skills audit is usually done on a scale using either number of phrases to help you to identify where you are.

Examples
A scale of 1-5 = 'No experience' - 'Very experienced'

A: Target Markets

You have got to **appeal** to your target market.

Now you have appealed to the target market, you must know how to reach them (i.e. sell the goods and services to them!).


Market segmentation is dividing your customers into groups based on them having similar characteristics!

⇒ Geographic example: Young adults who have an interest in football
⇒ Demographic example: People who live and work in the countryside
⇒ Psychographic example: Adults who are interested in a healthy life
⇒ Behavioural example: Those who only purchase certain brands.

This will help you to know where to sell the product, what price your customers are willing to pay and how best to attract the interest of the target market (promotions). To do this successfully you'll need to complete some market research.

Once you get to know your customers wants, needs and habits you'll be able to attract new customers and work on gaining repeat customers!

A: Communicating with Customers

Why should enterprises keep in touch with customers?	How can enterprises keep in touch with customers?	When creating promotional material it is key that you consider:
-To keep them informed -In an attempt to increase sales	Direct marketing <ul style="list-style-type: none"> • text • Emails • Letters 	How appropriate the content of the promotion is: <ul style="list-style-type: none"> •Is it accurate? •Is it complete? •Is it clear?
	Viral Marketing <ul style="list-style-type: none"> • billboards • Web banners • Radio • TV • Point of sale • Via third party 	How appropriate the appearance of the promotion is: <ul style="list-style-type: none"> •Is the colour appropriate? •Do the visual add to or hinder the message? •Are the images supportive? •Is the text easy to read?


Geographic	Demographic
Target customers based on a predefined geographic boundary. Differences in interests, values, and preferences vary dramatically throughout cities, states, regions, and countries.	The process of dividing a market through variables such as age, gender, education level, family size, occupation, income, and more. This is one of the most widely used strategies amongst marketers.
Psychographic	Behavioral
Focus on the intrinsic traits the target customer has. Psychographic traits can range from values, personalities, interests, attitudes, conscious and subconscious motivators, lifestyles, and opinions.	Break down the way customers go through their decision making and buying processes. Attitudes towards the brand, the way they use it, and their knowledge base are all behavioral examples.

A: Risk Assessment

When setting up a business you need to consider risks and assess whether the risks are likely to happen!

Potential risks
(Lucky ... or unlucky if you don't realise they're risky!)

- **L**ack of entrepreneurial skill through lack of experience
- **U**nexpected costs of production
- **C**ompetitor actions which pose threat to your business
- **K**eeping quality of a high standard to gain good reputation (quality control)
- **Y**our customer interest aren't interested [market research would avoid this]



A: Resources	Human resources	Financial resources	Physical resources
	The people the enterprise need which including their staff.	Sources of finance, start up costs, running costs, fixed costs and production costs!	Location, materials, equipment, IT, stock, fixtures & fittings!

B: Pitch a micro-enterprise activity

Pitch: A presentation made by an entrepreneur about the nature and details of an idea or start up to persuade a person or business to invest in the enterprise, or loan capital to start up the enterprise.

The purpose of a pitch is to provide your audience (potential investors/lenders) with information about the enterprise which you are running.

You need to convince them and prove to them why your business is or is becoming a huge success!

Pitches usually last 2-10 minutes, include lots of facts, and end with the opportunity for the investors/lenders being able to ask questions.

How can I deliver a persuasive pitch?

- ✓ Tell a story to explain your idea or your journey to this point of the pitch from the start.
- ✓ Be focused on problem solving – how does the product or service you're producing solve a problem for your consumers? Make the investors/lenders know how vital your product is.
- ✓ Using rhetorical questions will help the investors/lenders think about their own view, opinions and beliefs around what you're discussing with them.
- ✓ Repeat, at various points, the important phrases you want your audience to remember.
- ✓ Rule of 3: Things are easier to remember in 3s so give all reasons, benefits, advantages etc. in 3s.

Are there different ways in deliver a pitch to investors/lenders?

- ✓ Face-to-face
- ✓ Email
- ✓ Formal letter
- ✓ Passing conversation

B: Professionalism in a pitch

1. Dress Code!	It is most traditional and it is deemed the most smart to wear a suit when you're in business. This said, there are times where businesses have difficult cultures and will wear something different.
2. Greetings!	Once you're smartly dressed and you enter your pitch it's vital to remember you're here to persuade the audience to invest or to lend. <ul style="list-style-type: none"> • Greet the audience with a positive greeting (e.g. Good Morning, please to meet you.) • Introduce yourself and shake the hands of the entrepreneurs. • Be polite and courteous throughout the pitch – remember you're being persuasive.
3. Be Positive. Positivity is infectious!	You should be enthusiastic, excited and smiley – this will radiate to your audience too! Very helpful when you're being persuasive During the questions stage, welcome them openly, being positive once again
4. Rehearse your pitch!	It's natural to be nervous. You don't need to know your pitch word for word, but you do need to know the points you want to get across to your audience. Some people will practice in front of the mirror and some with family and friends – what ever works for you, but you must rehearse your pitch!



B: Engaging, involving and catering for your audiences' needs

Engaging your audience

- Firstly you need to should consider your audiences interests
- Relate what you're doing to them
- Example: Cupcakes enterprise – do they have small children? Example: Gym memberships – are they active?
- Be sure to use the techniques which are on the first yellow page to help you engage your audience,
- Also consider asking yes/no questions, ask them to imagine something, use humour or give them a short exercise to complete to engage them.
- Don't have too much writing on a slide, use visual aids and provide handouts if they're necessary.

Post-pitch questioning:

- Before the pitch anticipate what questions may be asked. Think of the key terms from the whole course.
- Listen carefully and ask for the person to repeat it if you're not totally sure what they're asking.
- If there are a number of questions within a question then answer each one at a time. You may need to note something down to prompt you so you don't forget an important item.

Involving your audience

- This gives you the opportunity to involve the audience in what you're pitching – this might be including them in a demonstration of providing them with a sample of what you're demonstrating / pitching.
- Don't let any audience involvement take too much time and make sure it doesn't disrupt the flow of your pitch!
- At the end of the pitch your audience will be involved by asking you questions – usually about what you have said in your pitch

B: What do I include to make my pitch a success?

1. Overview	2. Enterprise Aims
<ul style="list-style-type: none"> • You need to hook them in! • Give a clear and concise explanation of why the enterprise is important to the audience. • What is the product/service you're providing? 	<ul style="list-style-type: none"> • What do you want to achieve? • Do you aim to break-even or make profit? • Will you/how will you be ethical? • Will you be serving the community?
3. Your product or service	4. Target Market
<ul style="list-style-type: none"> • What are the different features of the product or service which you're providing? • What are its benefits? • How will it be different to your competitors? 	<ul style="list-style-type: none"> • Who are you targeting? • How does the product/service meet their needs? • How are you going to appeal to them? • This could include a demonstration of the product if required or given examples of how you'd promote the benefits of this product to the TM
5. Competition	6. Methods of Communication
<ul style="list-style-type: none"> • Who are your direct competition? • Who are your indirect competition? • How will you compete and how is your product or service better and therefore more competitive? 	<ul style="list-style-type: none"> • How will you reach your potential consumers to communicate what your product is, how its beneficial to them and to promote the product?
7. Resources	8. Finances
<ul style="list-style-type: none"> • What will you need to make your enterprise a success? • Materials, equipment, technology, location, human resources/skills. 	<ul style="list-style-type: none"> • How will your enterprise be funded? • Costs of setting up, costs of running the enterprise. • Forecasts of sales figures, pricing and targets

Giving Feedback

- The purpose of feedback is to help improvement.
- Giving feedback is a professional skill which should be practised and done well to support the person who you're feedback back to.
- There are two models which you should use when feedback back to your peers: BOOST and SKS

B Give **balanced** feedback of positives and improvements; sandwich improvements with positives.

O Feedback on what you **observed** not what you think about the topic.

O Focus on the **objectives** of the pitch. Don't be personal with the receiver, feedback on their actions/ outcomes.

S Give **specific** examples, to help you, when you're feeding back based on what you observed

T **Time** – give feedback as soon as possible whilst its fresh in both yours and the receivers minds.

SKS model of feedback.

What should the person:

S Stop Doing

K Keep Doing

S Start Doing

Receiving Feedback

Receiving feedback is very helpful and can help an entrepreneur (receiving the feedback) make important decisions.

In business, your feedback may come from (but not only from)

- Employees
- Customers / Clients
- Suppliers
- Stakeholders (such as the community)

Effective feedback should help to:

- Motivate yourself to improve
- Understand how others have perceived your pitch
- Go though a process of learning to progress
- Improve your performance



Elements of your business plan that contributed to the success of my pitch	Avg Review Score	What went well? Use examples from your plan and pitch. (use teacher and peer comments and self-reflection)	What went less well? Use examples from your plan and pitch. (use teacher and peer comments and self-reflection)
Research finding	8	My research findings helped me put a convincing pitch into action and make the audience believe that my business idea would be successful. This is because I was able to find out rival dog walking businesses prices, how long they walk dogs, and other services they offer. This allowed me to pitch why my business would be unique and better than rivals making my pitch more believable. Also by asking local residents about whether they would use a dog walking service, the high results demonstrated that my idea would work. This again led the audience to believe in me and feel confident in my business idea, aiding the success of the pitch. Getting a high average score of 8 out of 10 also demonstrated that the audience thought my pitch was well researched and that my ideas in my pitch made sense when trying to make my business idea stand out and be successful.	I didn't score 10 out of 10 because it was mentioned by a few that I only asked 30 local residents my questionnaire. This meant that they didn't represent a good sample size for the whole local area and so the results of all may not have agreed with the views of these 30. This made my pitch a little less believable as it wasn't based on a large sample. Therefore my predictions regarding the number of customers could be over-estimated and that the audience may not agree or believe them to be accurate. This may have put off the audience and any potential investors as my pitch wasn't based on a larger sample which would have given my audience more confidence in my business idea and financial forecasts.
Mission and aims	10	Getting the highest possible score for this section was because my aims were about raising money for charity and making more people aware of the RSCPA. This helped my pitch become more successful because it showed to my audience that I wasn't in business just for my own profit and my own self gain. This would have comforted the audience and made them respect me and my business idea more as the money raised would have gone to charity. As the charity is animal related which also links directly to my business, the aims made sense to my audience and they could see the connection between the two. I also think that my target of £500 for a month's work is realistic as well which would have made the audience more confident in my ability to achieve my aim and not think that my targets were unachievable. This was then related to the fact that I planned on achieving £579.58 profit which showed that my aim was realistic and suitable allowing my pitch to flow and come across more successful.	Potentially only targeting myself £500 could have been seen as low risk. As an important characteristic of an entrepreneur is being a risk taker, the audience may have been more engaged if I had a harder target to meet e.g. £575 (which is almost exactly my profit expectations). This could have made my pitch more successful as it would have made it more aspirational and challenging for me to achieve the target. This could have then led the audience to believe that I am pushing myself as hard as possible, making the audience feel more inspired by my pitch.
Business idea and why it is unique	8	Getting a really high average score from my reviews and focusing on a business service that was really easy to set up with little requirement for startup costs made my pitch more successful. This is because it showed to the audience how lots of profit can be made with a business idea needing very little investment. This was backed up by my research which presented how I was unique and different charging lower prices and offering dog treats. As my presentation allowed my business to stand out and seem better than other dog walking companies it enabled the audience to see the logic behind my presentation and they were clearly able to see why my business idea would work especially if similar more expensive versions currently work that don't offer dog treats as part of the price. Backed up by research it made my business plan stand out and persuaded the audience backed up by research why it was such a great idea, allowing the pitch to be more successful.	The only problem with my business idea was that it wasn't really unique or a brand new invention. This is because it was a simple service that already exists. There are lots of other dog walking businesses in Southampton and my business plan didn't present any new type of enterprise that could work in Southampton. Having a more innovative idea would have captured the audience's attention more, could have allowed me to charge higher prices and earn more profit to attract more investors. As it was a simple it may have come across less inspiring to the audience during the pitch as they could have been expecting something more creative and brand new.
Financial documents	9	Getting a really high score on this section really helped the success of my pitch. An important part of all businesses is to break even and have realistic professional profit forecasts that are believable. As my costs were well researched and allowed me to confidently ensure sure all were covered made my break even chart accurate. Also as I only needed 14 customers to break even when I planned on getting over 900 customers made my business look really positive and persuaded the audience that the idea will be successful especially when my profit forecast was well above my aims. Using excel to create my break even graph also looked more professional and demonstrated good ICT skills rather than taking a picture of a hand drawn one. As it made me look more professional it also made my pitch more professional and believable.	The only negative feedback I got was similar to above that my startup costs may change as I am not buying the equipment needed for a couple of months, if costs go up my financial forecasts will be wrong and sound more promising that what will really happen. Accurate financial forecasts are based on accurate research of costs and sales and so this was questioned by a couple of members of the audience. It would be more accurate if I were purchasing these startup costs earlier in my timeline as costs are less likely to change.
How well and detailed questions were answered?	5	I was able to answer all questions eventually which meant that I did not get a really low score. Being able to offer the chance for the audience to question me and my plan, and answer all question made sure that my audience was able to get answers to anything I didn't communicate well. This helped success because it meant that the audience got every detail they needed to be able to make a judgment on my potential business success. By only having 3 questions meant that my plan must have been well-researched and presented as few members of the audience flagged up missing items. It made my pitch more professional as the full audience could see that only a few people were not happy with some information and so asked questions. If I had lots of questions, more members of the audience would think that I didn't thoroughly plan very well and would give off an impression of a poorly planned business. By ensuring my business plan was well researched it allowed me to give off a more professional pitch, being able to answer all questions, and ensuring that all the key information was included so that not many questions were asked.	Looking back at my video and seeing the reviews with a medium average score I can agree that my answers could have been better. I stuttered and it took too long for me to think and reply back to the questions, I also didn't answer them in great detail and could have explained my plan better. It could have made my pitch less successful as the audience may have thought I wasn't very prepared and could devalue the information I was presenting and could be considered less valid and reliable. Lacking confidence and taking too long to reply shows a lack of preparation which could have been much better. If I answered questions confidently, in more detail and quicker it would have made my pitch more successful. It would have given the audience trust in me, believe the information that I presented was accurate and given off the impression of a well-researched plan.
Flow of information provided from start to finish	9	Getting a really high average score from my feedback and pitching my plan in a suitable order helped success as I was able to build up the picture of my business idea that made sense. It was important to start off with my mission and aim when introducing my business idea as it was important for the audience to see straight away what my idea was and what I wanted to achieve. By pitching this first, every section of my business could then be related back to how it could help me achieve my mission and aim so there was a constant theme throughout. This made my pitch more professional, understandable and better planned as there was a clear order and continued focus back to my aim as an entrepreneur leading to a successful pitch.	If I talked about my financial forecasts sooner it could have captured the attention of the audience more as they would see how successful my business idea could be. Personally this is one of the main benefits to my idea that my breakeven point is really low and that my profit for just August is well over £500. If I pitched this sooner it could have grabbed the attention of the audience more rather than saving it towards the end.