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Microentrepreneur's Handbook



Translated and edited by Valentina Martufi based on the Spanish version of the 'Manual del Emprendedor' - developed by Valentina Martufi, Marta Dormal and Ruth Pollak for Asociación SOLAC



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– Solidaridad, Ayuda y Cooperación, in cooperation with Incuba Network - Red de incubación virtual de empresas

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Part I: Entrepreneurial skills

1. Why start a micro-business?

- I would like to be financially independent
- I would like to be able to make my own decisions
- I would like to develop my skills
- I would like to build up experience
- **I want to pursue my dreams**



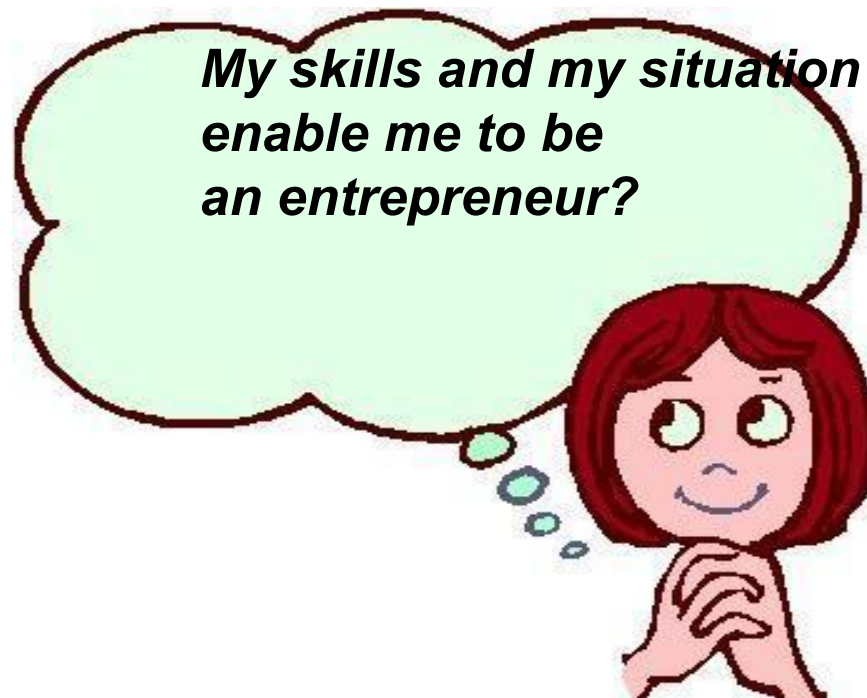
Which are your motivations?

Why would I want to start a micro-business?



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2. Identifying my entrepreneurial skills



ENTREPRENEUR PROFILE					
Statement	Very much	Enough	More or less	Not much	Not at all
My family would encourage me to start a business					
I can take on individual responsibility					
I am enthusiastic about being my own boss					
I need a job that helps me cover my basic expenses					
I always respect the commitments I make to others					



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3. What are my competences?



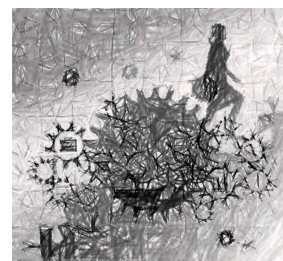
#	Entrepreneur's key sentences	Never	Sometimes	Often	What can I do to improve?
1	"I pursue my dreams" Setting goals - in order to work out the path to reach them				
2	"I plan/manage my time/I am productive" Systematically planning and monitoring our progress - if we are not getting closer to our goals, it allows us to correct the path				
3	"I solve problems" Looking for useful information relevant to the goals set - it helps us to know how to act, day by day, to reach our goals				
4	"I am creative in thinking of new opportunities" Having initiative and looking for opportunities in a creative and innovative way - looking at things/problems and finding different ways of using/dealing with them				
5	"I am self-disciplined" Demanding quality and efficiency - always trying to save resources, optimise processes, and thereby enhance achievements				

¹ Estratto da 'The Achieving Society' di David McClelland



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6	"I accept risks". Taking calculated risks - knowing how to anticipate them, assessing them carefully and trying to minimise them, daring to take them when necessary				
7	"I am unstoppable" Being persistent - being able to handle the adversities that appear along the way while always focusing on one's main goal				
8	"I act with integrity" Complying with one's commitment - sticking to one's word, agreements made, defending one's good name; being able to give up earnings when necessary to fulfil commitments or being able to dialogue if commitment cannot be fulfilled for any reason				
9	"I speak in public/ I can sell and do business/ I manage contact networks" Persuasion and networking - trying to communicate well, unambiguously and humbly, being able to convince others of one's ideas; building a network of contacts, exploiting the potential of collaboration to achieve a common goal and using it as a gateway to open many doors				
10	"I am a leader" Independence and self-confidence - not depending on the approval of others to follow one's own path, feeling confident in making decisions and convinced of the choices made; being self-confident enough to listen to the opinions of others and able to change one's mind when receiving sensible suggestions				





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4. Which connections do I have to build my enterprise?

	Available contacts	Additional potential contacts
To seek funding		
To find support for my business		
For useful advice		





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PART II. Entrepreneurial ideas

1. Entrepreneurial ideas brainstorming



Now choose your 3 favourite ideas and ask yourself:

- Are these really good ideas for an enterprise?
- Will I devote all my efforts to implement my projects?
- Why should customers choose my product/service over that of the competitors?
- What is the added value of my product/service?

2. Analysing ideas

What factors (external and internal) are important to successfully develop a business? What do we need?



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A. External Analysis: An evaluation of my business context

Category	Helpful questions	Idea 1		Idea 2		Idea 3	
		—		—		—	
		Yes	No	Yes	No	Yes	No
Customers: People who need or want to buy my product/service	1. Are there people who need this product/service?						
	2. Who might your customers be?						
	3. What can you do to make your potential customers know about your company?						
Overcoming competitors: there are other people selling the same product/service	4. Do you know your competitors?						
	5. your product/service can overcome competitors ?						

Now sum up your “Yes” and ‘No’:

Idea 1:

YES: _____ **NO:** _____

Idea 2:

YES: _____ **NO:** _____

Idea 3:

YES: _____ **NO:** _____



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A. Internal Analysis: Assessing my resources to create my business

Category	Helpful questions	Idea 1		Idea 2		Idea 3	
		Yes	No	Yes	No	Yes	No
Expertise	1. Do I have the expertise needed for this enterprise?						
Materials: what I will use to produce my product/provide my service	2. Are raw materials available locally?						
	3. Do I own the necessary tools and/or equipment for my enterprise?						
	4. If I need manpower for this enterprise, can I find it in my social context?						
Time/Space: For anything we want to do we need time and space	5. Do I have enough time to commit to my enterprise?						
	6. Have I got enough room for developing my enterprise?						

Now sum up your "Yes" and 'No':

Idea 1:

Idea 2:

Idea 3:

YES: _____ NO: _____ YES: _____ NO: _____ YES: _____ NO: _____

Now think about the points to which you answered 'NO':

How can you improve them - turn them into 'YES'?

If you cannot improve them now, will it be possible to turn them into 'YES' as your enterprise develops?

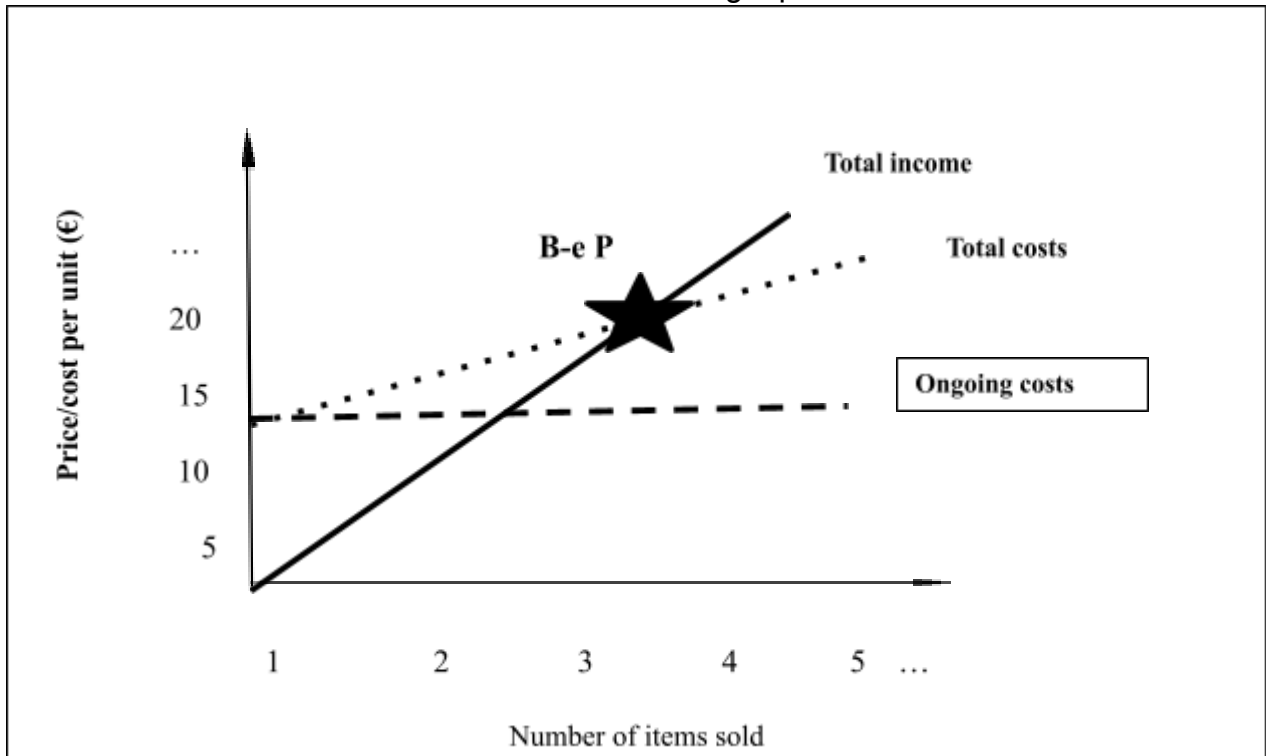


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PART III. Costs Assessment

1. Break-even point

It sets the number of units to be sold to start making a profit.



Total Ongoing Costs

B-e P =

Unit selling price – Variable Unit Cost

Examples of ongoing costs	Examples of Variable Unit Cost
<ul style="list-style-type: none"> ✓ Workspace rental ✓ Monthly expenses (website/social media, water - if I do not use water to produce, electricity - if I do not use electricity to produce, monthly telephone bill) ✓ Salaries (mine and my employees'!) 	<ul style="list-style-type: none"> ✓ Materials I use to create my product/service - if I produce more I need more! ✓ Product delivery (if online business)



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1. *Investment*

It is the total up-front investment required for the project to be up and running, you have to include it in every detail.

Quantity	Description	Unit Cost €	Total €
One-off expenses - you only have to do them once in a while (or until they break!)			
1	Work table	150	150
1	Computer	600	600
1	Cell-phone	350	350
2	Shelves	50	100
3	Hammer	15	45
1	Saw	35	35
Subtotal one-off expenses			€ 1.280
Monthly working capital - per quantity of 'x' products			
1	Studio rental	500	500
500	Nails	0,30	150
5	Wooden boards 2m x 2m	65	325
1	Electricity	160	160
1	Water	115	115
6	Paint cans	15	90
1	Cell phone Cost	20	20
1	Internet/wifi	50	50



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2	Salaries	1000	2000
Subtotal monthly working capital			€ 3.410

- ☐ **Subtotal one-off expenses – one paid no need to worry!**
 - o If paid with a loan, it will be repaid in monthly instalments (thus becoming part of the monthly working capital)
- Subtotal monthly working capital – must be covered by the monthly sales proceeds**

Cash flow

To accurately keep track of your company's income and expenditure.

Month	June	July	August	September
Income				
Total income (prezzo dell'unità * number of units sold)	€ 2000	€ 2600	€ 3250	€ 3600
Expenses				
Total Expenses	€ 3.410	€ 3.410	€ 3.410	€ 3.410
Cash flow (total income –total expenses)				
Profitto mensile	- € 1.410	- € 810	- € 160	€ 190 !!!



My first profit!!!

PART IV. ONLINE MARKETING

Look on YouTube: business online tutorials

- ☐ You will find A LOT of videos explaining how to promote your micro- business online!



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**GOOD
LUCK**

