



European Union
European Regional
Development Fund



Study module on youth entrepreneurship support





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INTRODUCTION

The presented Study module on youth entrepreneurship support was developed during the implementation of the project 'Girl Power – fine-tuned entrepreneurial education for girls aged 15-18 years in Latvia and Estonia' (project acronym GirlPower), realized within the Interreg Central Baltic Programme 2014-2020. The project partners were Latvia University of Life Sciences and Technologies (Lead partner, Latvia) and University of Tartu (Estonia), that actively cooperated for 26 months: from November 2020 to December 2022.

Girls who are 15-18 years old and enrolled in secondary education were identified as the target audience of the project, however, the developed Study module is applicable to all secondary school students. The material can be used both during the lessons on the subject "Fundamentals of Entrepreneurship", and in the format of non-formal entrepreneurship education at school or career week activities. Separate tasks of the module can also be included in lessons of "Social knowledge" or "English".

The Study module is based on 30 training hours and is focused on the business environment in Latvia and Estonia. It accumulates knowledge on doing business in these countries, the characteristics of entrepreneurial approaches in them, and presents business cases from two Baltic countries.

Study module was developed on the basis of 5 types of events conducted in the framework of GirlPower project, home tasks performed independently by the project target group representatives between the events, students' feedback, as well as comments, suggestions and recommendations presented by experts and stakeholders.

The implemented events were as follows:

- Idea generation workshop "Come with nothing, leave with a goal"
- Idea assessment workshops "Will your idea fly?"
- Two-day cross-border hackathon "Make your idea a reality"
- 3 cross-border capacity- and team-building events on prototyping, sales & marketing and pitching
- Closing conference

The Study module consists of the following sections:

- Idea generation
- Idea assessment
- Hackathon
- Capacity-building seminars

Each section offers extensive material to immerse young people in the business environment and develop their entrepreneurial competencies,



contains tasks that combine theory, business case descriptions, videos and various exercises, and is accompanied by illustrations. When preparing materials, special focus was placed on business simulation techniques and game-based learning principles.

The Study module is accompanied by Guidelines that describe the options and possibilities for its use and provides step-by-step information on how to do it in the best possible way. It is also described how to communicate with potential speakers / experts and attract them to the presentation, how to interact with students, which handouts to prepare, etc. ICT methods go hand in hand with the learning process.

Study module links to the real world as much as possible and welcomes entrepreneurs, representatives of business support institutions, venture capitalists, etc. to its implementation.

Teachers and stakeholders are able to integrate the Study module into a formal and informal learning process easily and fast. In order to ensure Study module usability and usefulness, continuous close cooperation with teachers during the Study module implementation are provided.



I.

IDEA GENERATION SECTION

TASK 1

QUESTIONS FOR DISCUSSION

1. What is the difference between entrepreneurship and hired work?
2. How do you imagine a life of a successful entrepreneur?
3. Is it possible to start a business right after school or is it better to first gain experience in somebody else's company?
4. What are the advantages of entrepreneurship?
5. Where do business ideas come from?
6. What kind of ideas would make a change in society in addition to generating profit for business owners?
7. How would you act if you discovered that your business idea was already developed by someone?

TASK 2

EVERY CHILD WITH AN "ETTE"!

Study the business case and do the exercises below.

Business field: children's furniture

Idea origin: the need to solve a personal problem

Country of company incorporation: Latvia

The brand "Ette Tete" was created in 2016 by a married couple Linda Riekstiņa-Šnore and Krišjānis Šnore who are currently happy parents of three kids. Alike many famous companies that started business in a garage, such as Apple,

Facebook and Google, "Ette Tete's" activities began in a basement. As Linda's and Krišjānis's family grew, they felt a strong need for children's furniture that would be practical, multifunctional, easy-to-use and pleasing to the eye. The products also had to facilitate a child's natural development, provide a freedom of movement and build essential motor skills. Not a simple task to find something like this on the market!

"If you can't find it, make it!" – some business gurus say. One day, while Linda was watching over children on the upper floor, her husband



started crafting in the basement. Krišjānis, who holds a Bachelor degree in Business Management and was earlier involved in production of advertising objects, had neither education nor experience in woodwork. Nevertheless he was motivated and courageous enough to carry on! This is how the first helper tower came into the world. Today it is possible to buy a convertible model and easily transform the tower into a kid's table. Several colours are on offer, including a trendy mint.

Nowadays "Ette Tete's" assortment includes 9 products that are manufactured in a workshop of 860 m² located in Ikšķile. The company has 30 employees. Goods are successfully exported all over the world with Top 3 countries being the Republic of Korea (20% of total sales), the Netherlands (20%) and Estonia (12%). They are

also quite popular in Germany, Switzerland and Italy, which account for 9% of total sales each.

The family business was highly valued by the state-owned development finance institution "Altum", which invested 1 160 000 euros in the company during 2019-2021. Previously, "Ette Tete" received EU funding for the purchase of equipment.

Interesting fact

The brand name "Ette Tete" originated from our first child. When we were launching our company, he was just 2 years old and called everything "ette, ette, ette". This word simply stuck to us. Tete is a reference to the Latvian word "tētis" - father, who has been making furniture with his own hands. The name is easy to pronounce for kids. Our children still call all our products "ette"!



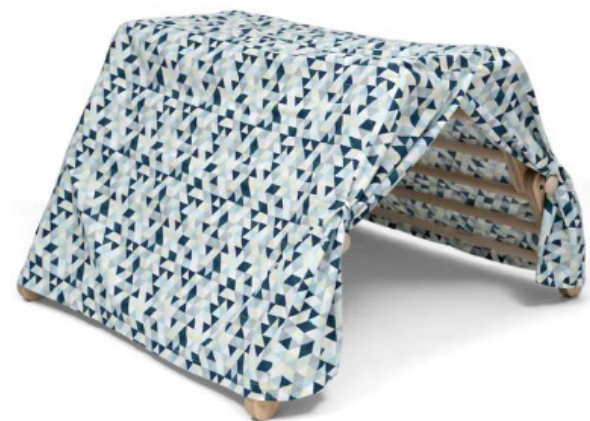
Modifiable climbing frame FIPITRI



Modifiable climbing frame MOPITRI

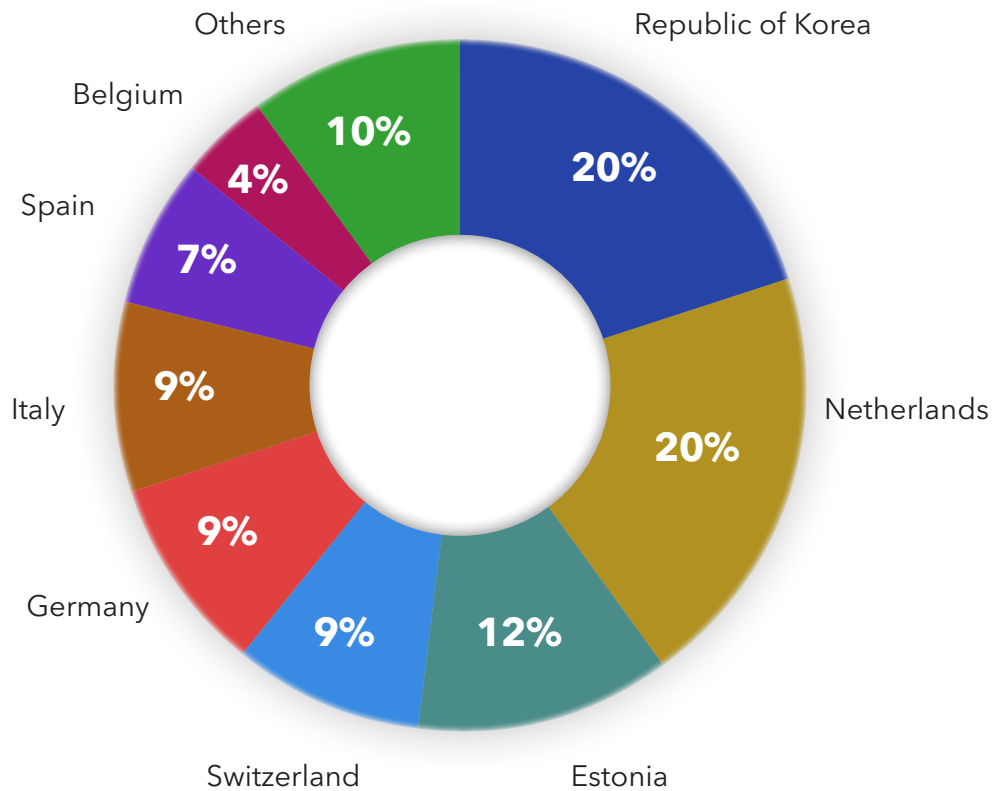


Convertible helper tower / table STEP'n'SIT



Main export countries in Quarters 1-3 2021

EXPORT COUNTRIES Q1-Q1 2021



EXERCISES

A. Discuss in groups of 4-6 persons what impressed you the most about "Ette Tete's" story. Does any of your family members have a problem he or she cannot solve at the moment? Can you offer a solution to it? Brainstorm in a team.

B. Break down into teams of 4-6 persons so that at least one team member would have a younger brother or sister. Jointly discuss his or her everyday activities and come up with a product idea that would be appreciated by a kid. You can also discuss several children if you prefer, but remember

to think out of the box! The idea should be innovative.

C. "Ette Tete" acts very smart when offering a textile tent in addition to a modifiable climbing frame, which is capable of taking on various forms. When combined together, the items allow creating a cozy tiny house for a child. Such technique is called upselling and refers to generation of extra revenue by selling add-ons to a main product. Analyze "Ette Tete's" assortment and decide what other add-ons the company could offer.

TASK 3

STORY OF "ANYBELLY": OCCUPY A FREE MARKET NICHE!

Study the business case and do the exercises below.

Business field: products for pets

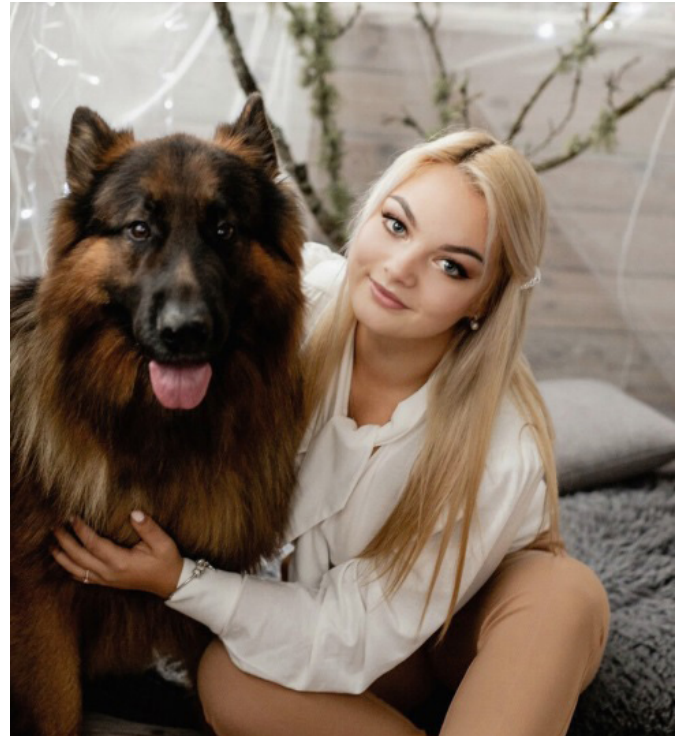
Idea origin: the need to solve a personal problem

Country of company incorporation: Latvia

You may consider that you need years of life and work experience to be an entrepreneur. No and no! You can achieve success in business while being in your early twenties or even before that. This statement is proven by a story of Arta Latiša, the co-founder and Managing Director at "Anybelly". Arta, who is a student at Riga Graduate School of Law, launched her company just three years ago, but has already won the award "New Best entrepreneur of the year 2020 in Latvia" and become a member of the Latvian Chamber of Commerce and Industry. She characterizes herself with a quote: "I was born with something inside me that refuses to settle for average. I don't know what it is, but I am grateful I have it."

So how did it all start and what kind of problem does "Anybelly" solve? Arta, who has been surrounded by pets during her whole life, is a genuine animal lover. One day her dog was diagnosed with spine problems, which meant that it needed a new elevated feeding bowl. While searching for the desired product, Arta discovered that there was a lack of high-quality bowls for pets on the market. The majority of them were cheap, uncomfortable to use and some plastic and metal options even caused allergic reactions, not to mention that they looked quite ugly.

If you see a free market niche, then occupy it! This is exactly what Arta did. She invented and produced an alternative - ergonomic feeding tables for dogs and cats manufactured out of oak covered with waterproof wax and combined with stylish ceramic bowls. Her company offers a selection of colours and shapes to suit pet owners' preferences,



including bone- and mouse-shaped tables. The elegant products made out of natural and sustainable materials are also great interior design elements!

Today “Anybelly” exports the goods to more than 10 countries in the EU, the USA and other destinations. Speaking of what made her succeed, Arta names hard work, dedication and belief in her products.



EXERCISES

A. Successful idea generation is the first step to a business. However, the idea does not exist in an isolation. It is also important to understand to whom and how a product will be offered. Please break down into teams of 4-6 persons and name 8-10 channels Arta could use to sell her feeding tables.

B. Close your eyes and imagine that you are standing on a stage. In just one minute, you are about to win the award “New Best

entrepreneur of the year 2023”. What kind of business idea would you like to represent? What would make you proud of yourself?

C. While Arta sells feeding tables, other entrepreneurs offer sunglasses for dogs on Amazon. (This is not a joke!) Do you think it is a good business idea? Why or why not? Discuss in teams of 4-6 persons and make a list of 5 arguments in favour of such business concept or against it.

TASK 4

FLOWER BUSINESS SAGA

Study the business case and do exercises after each chapter.

CHAPTER 1

Alike many kids, I enjoyed drawing, sewing and sculpting in my childhood. During school and university years, these activities were close to non-existent in my life. Creative fields appeared distant and unattainable to me. The only thing I was doing with pleasure from time to time was customizing dresses, jeans and jackets I had purchased. I was attaching rhinestones, chains and appliques to them... While studying for my Bachelor's and then Master's degree in Entrepreneurship at RISEBA (Riga International School of Economics and Business Administration), I could not even imagine that my business would involve so much creativity!

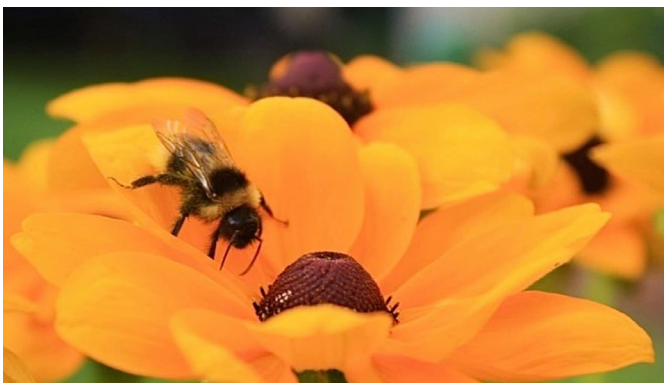
In 2008, I had already been working for two years as an Assistant Director in an international marine company in Riga. Stable and well-paid job, great colleagues. However, suddenly I realized that I would prefer doing something else, but had a hard time understanding what it was. Several years in a row, I was making a wish on New Year's Eve: "To find my favourite occupation or let it find me!" Yes, I do believe in the power of thought!

Following my friend's advice, I started paying attention to things I had fun doing. I performed this task over and over again every day. In a few

months, I came to a conclusion that I could spend hours looking at beautiful photos. The next step was to buy my first camera. Flowers, including those blooming in my parents' garden, were my beloved "models".

While surfing artistic forums on the Internet, I once noticed a truly gorgeous bunch of flowers. What was my surprise when I realized that it had been made out of polymer clay leaf by leaf. I had a strong desire to buy this beauty, but I could not find a crafter who would sculpt a bouquet for me. Then, I accidentally discovered that it was possible to acquire flower modelling skills using such kind of material. That became my dream!

The closest school where I could study flower creation according to a programme of the Japanese DECO Clay Craft Academy turned out to be in St. Petersburg, Russia. I took a two-week vacation at work without any hesitation and headed to my lovely instructor Yuliya, who later became my great friend. By a fortunate twist of fate, my cousin's apartment I stayed in was located only 15-minute walk away from the school. I considered that a good sign and was completely right! Already after the first lesson, I was ready to sculpt flowers day and night. I was sleeping for four hours and using every minute of my vacation to get new knowledge. When flying back to Riga, I clearly realized that my life will never be the same.



EXERCISES

A. Mentally travel to your childhood. What did you want to be when you grow up? Write down one or more professions. Talk to people around you and try to find like-minded persons. Discuss in a group whether

it is a good idea to choose such a path in life.

B. Make a list of activities you enjoy doing. It should be as long as possible! Mention everything - even the fact that you love sleeping.



CHAPTER 2

In addition to new skills, I brought home my flower "masterpieces", which took up half of a suitcase, and craft supplies. I was feeling happy like never before! My friends and acquaintances saw my bouquets and - wow! - started making orders. Thanks to the word of mouth, I also got requests from people I did not know. However, I was determined to move forward and decided to sell my products abroad.

In September 2010, I launched my first online shop "Marissa Fleur" on etsy.com, the most popular platform in the world, where one can sell and buy handmade works. At that time, there were very few crafters offering flowers made out of polymer clay. During just one year and much to my astonishment, I got around 100 orders from America, Scandinavia, South Korea, Australia and Mexico. They included both small items, such as

hairpins and brooches, and massive wedding products - bouquets for brides and their maids, floral arrangements for table decoration, flower gifts for guests.

As a beginner entrepreneur, I was happy to receive custom orders. Even though it was quite risky, I managed to build a communication process in a way that would guarantee customer satisfaction in the end. None of my products were rejected or criticized! I did not always like my clients' choice, but individual orders allowed me to better understand target audience's preferences and create items that would be embraced by many in the future. As a result of such approach, I created an impressive portfolio, which attracted more and more new buyers.

Alongside with my business, I was still working as an Assistant Director. My evenings, nights and weekends were dedicated to flowers, clients and

my etsy shop. I often replaced lunch with a visit to a post office to send parcels to my clients, left parties and gatherings early to fulfil orders on time. During sunny summer weekends, I could afford a stroll at the seaside only late in the evening.

In one year, I came to the conclusion that such schedule was too tough for me to handle any longer. There was an important decision to make. Should I stay in the office and only accept the number of orders that will not impact my night's sleep or become a full-time entrepreneur?

The beginning of 2012 was characterized by financial crisis aftermaths, unstable economy and other demotivating factors, which did not give me much confidence. However, support of family and friends, as well as a steady growth of clients helped me make a choice. I quit my day job! I still recall how surprising it was to wake up in the

morning and not hurry anywhere. Now I could read a book or watch TV in the evening instead of sculpting orders. I started a completely new life! I had time for so many things I could not do before. I often attended exhibitions and lectures and developed a deeper interest in the creative world.

I once heard that Alexander Vasiliev, a famous fashion historian, collector and TV host, would visit Riga with a lecture. I simply could not miss this event! I did not want to go there empty handed and I got an idea to give him one of my brooches as a gift regardless of having doubts. In just 1.5 month I saw Alexander wearing my brooch in a popular TV show "Modny prigovor" broadcasted on the Channel One. That was an incredible feeling! I was looking at the screen with tears of joy and ear-to-ear smile. Unbelievable!

EXERCISES

A. Go back to the list of activities you enjoy doing (see Chapter 1). Form a team of 4-6 persons and discuss your results. Select top 3 activities that can be commercialized. What sales channels would you use at the start?

B. When it comes to custom orders, you need to know all tiny details a client has in his or her head. Otherwise, you will waste time and end up with an unhappy customer and negative feedback. Imagine you are Marina and prepare a list of questions you would ask to a person who wishes to order a floral wedding arrangement for a table.



CHAPTER 3

My brooch's appearance on TV gained me new clients. Just like me some time ago, many of them wanted to learn how to sculpt beautiful flowers. I packed my suitcase and went to St. Petersburg again to continue education and get a desired instructor certificate from DECO Clay Craft Academy.

In October 2012, I rented a small but cozy studio with panoramic windows in an office building. I hesitated whether my classes would be popular enough to cover a rental fee and other expenses. However, I knew that maximum what I would lose in case of failure would be two months of rental charges. This thought made me feel calmer. Luckily, the studio did not require any repairs. My lovely parents helped me out with furniture. Tables and chairs arrived directly from my dad's office. Closet and sofa had been kept unused in their garage for a long time and also moved to me. Everything was ready for my future students!

After quitting my job in the office, I mainly interacted with customers in writing, as most of them resided abroad. I really missed real-life face-to-face communication. Now I could get plenty of it during classes! My first students were people who knew me well and trusted me: friends, acquaintances and clients who had previously bought flowers from me.

In a few months, I got a surprising phone call. A woman with a pleasant voice introduced herself as a correspondent of the First Baltic TV Channel and offered to film a story about my studio for the evening news. I was so astonished and thrilled that I could hardly pronounce: "I agree!"

Filming started already on the following day. My heart was beating incredibly fast and I struggled putting words in sentences. But everything worked out well and I saw myself on TV on the same day. It was hard to describe my feelings! I was confused and excited at the same time. I regained consciousness when my friends started calling me non-stop.

There was also a sad moment. That special evening programmers were making changes on my studio's website and it was impossible to google it. Some of my students who were particularly fascinated with my story were telling me later: "We were searching for you on the internet for the whole night!" The most persistent ladies were able to find me on the next day when website operated again.

Being on TV resulted in more working hours in the studio. At that point I was certain that my business will last for long.

EXERCISE

As you can see, Marina quickly spotted the demand for flower sculpting classes and added a new service to her portfolio. What other service(-s) or product(-s) could she offer at this stage? Brainstorm in teams of 4-6 persons.

CHAPTER 4

One more woman who played an important role in my life was Jevgenija Safraneka, a famous journalist in Latvia. Luckily, we had known each other since childhood. Thanks to her, my first master classes were published on www.brunch.lv portal and an article about my studio appeared on the pages of "Lyublyu" magazine. Editorial staff loved one of my photos so much that they decided to put it on a cover. When I heard this news, I was on top of the world! At that point, I simply could not imagine that it was just the beginning. Later on, information about my business was published in magazines "Mūsmājas", "Praktiskais latvietis" and "Amber Style" and shown in live morning broadcast on LTV7.

As a consequence, I had even more classes and administrative work in the studio. In addition to students who were arriving to me from all over Latvia, I had learners from other countries. Germany, England, Ireland and Moldova are just some examples. Meanwhile, I had clients striving for ready-made products. I had no option but to sculpt flowers in the evenings and at night. Again.

After my first involvement in a charity fair, which I truly enjoyed, I started taking part in various exhibitions. I had to urgently produce items for sale, wake up at 6 o'clock in the morning, pack things, install and dismantle stands. There were days when I was ready to drop with fatigue, but I loved this activity with my whole heart! Communication with people was giving me so many positive emotions: I was discovering audience's preferences, accepting orders and attracting new students.

I also expanded my assortment with jewellery created by my mom out of beads and natural stones. Many exhibition visitors wished to learn how to make similar items. Therefore, my studio started offering extra classes and I and my mom became colleagues. That was a great business decision! She could also perform a part of administrative tasks and I could avoid professional burnout.



EXERCISES

A. Form a team of 4-6 persons and discuss what each of you can make with his or her own hands. Then choose one person, so-called Handicrafter-entrepreneur, who could exhibit his or her items at Arts & Crafts fair and get a maximum profit.

B. Brainstorm and decide which items could also be showcased on a stand of the Handicrafter-entrepreneur and complement his or her offer. Draw a scheme of the stand to demonstrate what will be placed where.

CHAPTER 5

At some point, I got a feeling that our small studio is not sufficient for us any longer. Floral arrangements, jewellery and craft supplies not only occupied all cabinets and boxes, but were also placed along the whole perimeter of the room. Moreover, quite many people were attending our classes and I often had to put clients on a waiting list. It was the time to search for something new. And I found it! A studio in a building called "Pink Elephant" for its cheerful colour. It was lovely, but required renovation works. Such a challenge did not scare me off as I had always tried to save a share of my earnings for unforeseen expenses. The money I had was really handy. So, in just one month, we were able to throw a housewarming party.

There was one more step to take to satisfy the demand we had - to hire an instructor. I was lucky to find her among my students. Aija, who was fond of flower sculpting, was willing to continue education and start teaching in my studio. Since then, she has been an amazing colleague, who has been giving me a tremendous support and helping make my ideas a reality.

Once in a while, one could see children among our students. I did enjoy interacting with them, but was concerned with the fact that our programme had been mainly designed for adults. In addition, kids did not always feel comfortable when surrounded by grown ups and vice versa. We were determined to address this issue!

The solution was quite obvious. My mom also worked with the little ones at her jewellery classes and could easily find a common language with them. It was decided that she would conduct courses especially targeted at kids. But beforehand it was necessary to upgrade professional skills, also in St. Petersburg. I was raising my qualification there at the same time and we had a blast together! During the day, we were attending school while evenings were dedicated to homework. It was tiring, but we were feeling amazing! At the end of our trip, we spent two days visiting spectacular St. Petersburg museums to get some inspiration.

In November 2015, we were able to announce a new business line - sculpting for kids. Since then, so many cute figurines were made under my mom's guidance. Today her students create impressive projects for school events, exhibitions and contests.



EXERCISES

A. Think about your hobbies: can you turn any of them into business? Would you need additional education for that? Write down your reflections. Then, consecutively discuss them with 3 persons.

B. Would you need partners and/or employees to run a successful business? Who would they be? What do you expect from them? Present your dream team on an A4 sheet of paper.

CHAPTER 6

In 2016, I started a new chapter in my life... At the beginning of the year, I was already expecting a baby. At the same time, I could not leave my students behind. They needed classes in a format and volume they were accustomed to and I hired one more instructor, Olesya. I conducted the last class one week before giving birth and could have some rest.

While I was at home, Aija and Olesya were sending me photo reports about our students' achievements. During short breaks when my son was sleeping, I answered phone calls, ordered craft supplies, made schedules and published posts in social networks. When he was awake, I also had to juggle with soothers, diapers and rattles.

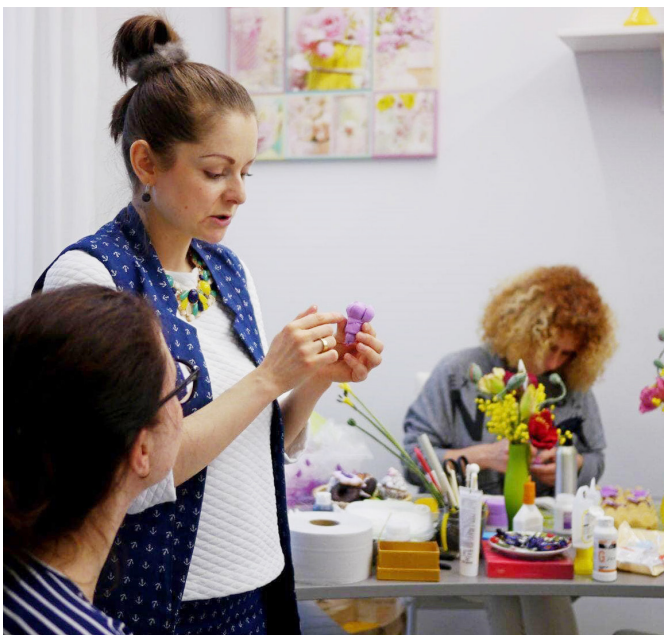
My son turned out to be an active and demanding infant. I and my husband did not have much time to relax. I was continuously searching for an elusive balance between work and motherhood. Instead I could hardly tell a difference between day and night. In four months, I decided to add diversity to my life and started conducting classes again. After three hours with my students, I was coming back home refreshed and inspired. In comparison to being a mom, work seemed as a vacation in a Swiss spa to me.

Since we had a bigger team now, we were even

able to organize offsite master classes in seven Latvian cities: Liepaja, Daugavpils, Valmiera, Sigulda, Saldus, Koknese and Talsi. It was a success! However, only few entrepreneurs can say that they never had failures.

Once we had an idea to provide classes to brides, who could create floral accessories, such as flowers for glasses, candle and napkin holders, for their own wedding. We were all working hard for a week to create samples in fashionable purple and pale green colours. Sadly and surprisingly for us, wives-to-be did not show much interest in our offer. We felt that we had wasted our time and energy. But suddenly we got requests from bridesmaids who wished to put such activity on a hen party's agenda. Everything worked out well, just not in the way we had expected.

On top of that, more and more students were getting instructor certificates and launching their businesses not only in Latvia, but also abroad: in the UK, Italy, Lithuania... All of them needed materials and tools. My company gained an official distributor status for ClayCraft by DECO's products in Europe. Soon after that, I realized the necessity to have our own internet shop. During two weeks, while my kid was sleeping, I created our first store www.myhobbyshop.eu. Meanwhile, my studio was approaching to its 5th Anniversary...



EXERCISES

A. What conclusions did you arrive to after reading Marina's case? For example: It is crucial to continuously monitor the environment in order to timely identify business opportunities and problematic areas.

B. Draw Marina's entrepreneurial path, mark the appearance of business ideas on it and

specify what served as a trigger to each of them. Also indicate her most important business decisions.

C. Many young entrepreneurs lack self-confidence when starting a business. What questions would you ask to such an experienced business lady as Marina?



Daugavpils



TASK 5

IDEA GENERATION TECHNIQUES

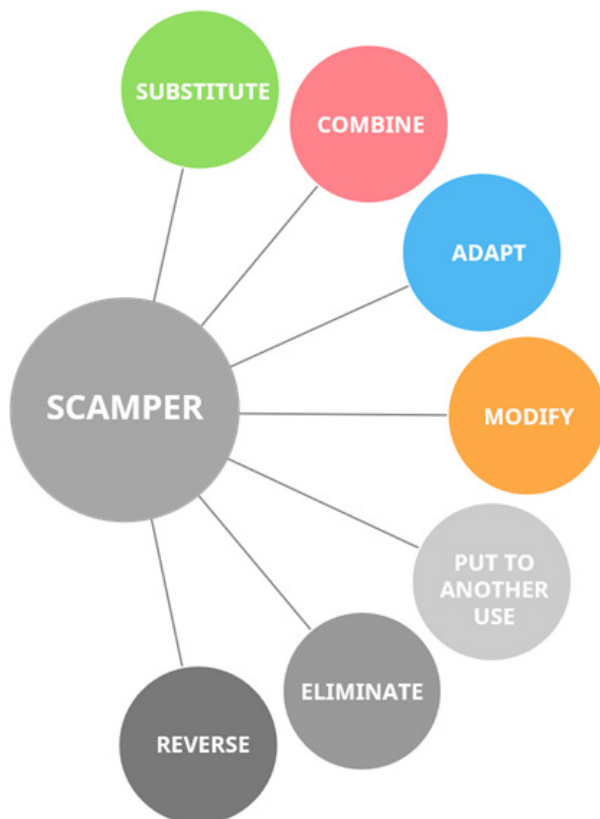
Read a brief information about the most popular idea generation techniques below. In teams of 4-6 persons, choose one technique, make detailed research on it and prepare a presentation with concrete examples, which would illustrate the essence of the technique to the audience. Be ready to answer questions.

1. First principles thinking

Breaking a situation down into core pieces and then putting them all back together in a more effective way. Deconstruct then reconstruct.

2. Scamper

Making adjustments to some parts of an existing business idea or process to reach a better solution.



3. Brainstorming

Generating the maximum number of business ideas, including fantastic ones, without criticizing anything or anyone. Choose the best of the received options.

4. Reverse brainstorming

Turning brainstorming upside down. Generate ideas that will have a negative impact on the process or make it impossible to achieve the goal.

5. Analogy thinking

Analyzing a successful business, identifying what makes it great and then applying the same principles to your business.

6. Mind mapping

Writing a problem down on a whiteboard and then surrounding it with words that indicate things you feel may be needed to solve the problem.

7. Story boarding

Placing pictures, written words or written ideas on a board and trying to create a story out of them.

TASK 6

LENTSIUS – ENVIRONMENTALLY FRIENDLY BRAND

Business field: fashion and design

Idea origin: personal artistic needs and values that encompass environmentally friendly behaviour

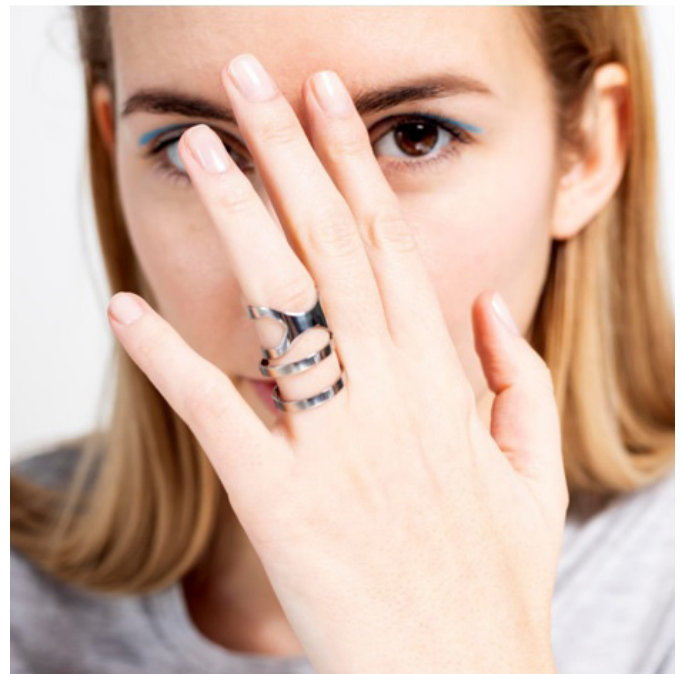
Country of company incorporation: Estonia

Lentsius brand was created by Kairi Lentsius, an Estonian designer. Kairi has a background in textile and fashion design studies. She has been running the Lentsius brand since 2013 and has also been working as a fashion design lecturer at Pallas University of Applied Sciences in Tartu.

Kairi wishes to offer a more environmentally friendly alternative to modern everyday jewellery and clothing to her clients. Therefore, she takes several daily actions and design decisions to

move towards a greener future. In order to create new products, she upcycles metal and wood industries' waste, as well as discarded military textiles like tents. Timeless and seasonless designs are the core of her aesthetics and almost all jewellery pieces are made out of only one material to create less waste and reduce processing steps.

Within her works, designer Kairi Lentsius loves to stay true to the principle "Less is more" and investigate new combinations of materials, technologies and shapes. All Lentsius' Scandinavian chic items are produced in Tartu. Kairi's jewellery collection is made in collaboration with her father Mart, who is a talented craftsman. Her clothing is sewn by Annika the tailor.



EXERCISES

A. Discuss the following questions in groups of 3-4 persons:

- What kind of knowledge is required for production of a more environmentally friendly alternative? Which school lessons would help you get that knowledge?
- What other environmentally friendly products should be developed as an alternative to existing ones? Which materials and skills would be needed for that?

B. Create a drawing of products and/or services that were not so good for the environment in the past, but later switched to a more environmentally friendly format. Pick your favourite, do some background research by googling and explain your discoveries to others.

TASK 7

OTHERS – AVOID HARMFUL CHEMICALS

Business field: health and hygiene

Idea origin: response to an emerging demand for environmentally friendly products

Country of company incorporation: Estonia

Others started under the name Münt in 2019 as a student company founded by Marilyn Berg and her school-mates. Today Others produces toothpaste tablets and follows a simple idea – if everyday products can be made without harmful chemicals and packaged more responsibly, they should.

Currently, around 1 billion plastic toothpaste tubes end up in landfills or oceans each year. It is no news but it is still mind-blowing. Coming up with a better alternative and grabbing a share of the plastic-heavy toothpaste market seemed like a logical place to start from. Toothpaste tablets just make sense – taking the idea of a toothpaste,

removing the harsh toxins and plastic tube, adding clean ingredients that are as effective, making it convenient and good-looking, and packaging it in a refillable glass jar. That is exactly what Marilyn and her class-mates did.

Following year they were in the product-market testing phase when they received a special prize at the green ideas competition and were invited to the business competition Ajujaht TOP100 ideas. There was an initial prototype of the product, but no solid business model. In 2021, Others took part and won the TV business Ajujaht (Brainstorm) – after which the company had a rapid growth and additional financing was raised.

Goal-oriented planning and willingness to work passionately even at night helped Others' team successfully pass various stages of the brainstorming business competition. Marilyn

considers contacts, business model and stage love as three most valuable bonuses received from Ajujaht. "Although all entrepreneurs know a lot about their businesses, they should definitely listen to advice of assigned mentors, whose task is to look at teams without rose-coloured glasses. And if there are obstacles or setbacks, I would recommend learning from them quickly rather than letting morale down. Sometimes lose, always win!"



EXERCISE

Do you have a business idea? If yes, great! Imagine you are invited to a TV show just like Marilyn. What would you definitely tell about your product or service once on stage? How would you explain its origin, i.e. how it was generated?

In case you do not have a business idea, talk to people around you and find someone who does. Perform the same activity together.

TASK 8

CREATE GREAT BUSINESS IDEA!

Study the profiles of 6 persons below. In a team of 4-6 people, choose one of the profiles and come up with a business idea for this person. Be ready to justify your idea.



OLGA

Olga is a 52-years-old middle-class woman. She has been working as an accountant for her whole life, but numbers were not really her passion. She did not even have an opportunity to understand what she truly enjoys, as she invested most of her energy in her family - two kids and a husband. Olga is an absolute champion in baking pies, ironing shirts and doing homework instead of her children. The time runs fast... This year her daughter and son moved out of the house and Olga finally has free time for herself. However, all she feels is emptiness and confusion.



ALEX

Alex is an attractive 35-year-old man and he is a workaholic. Every morning he puts on an expensive suit to go to an office, where he will be taking important decisions and performing complex tasks until late at night. On weekends he

goes to bars and clubs: Alex believes that this is the best way to relax and combat stress he gets at works. A real party animal! The businessman is popular among women, but he is not into a serious relationship at the moment. Even a cactus did not survive in his home! In the summer, he enjoys sailing a yacht together with friends.



PILLE

Pille is 27 years old and she has a Bachelor Degree in Estonian philology. The young woman is in love with art and creative work. She definitely knows how to entertain herself: she writes poetry, participates in amateur stand-up shows, visits modern art exhibitions and embroiders conceptual images and quotations on clothing. She was lucky to find a partner who shares her passions and is on the same wavelength as her. However, we all have difficulties in life... Numerous hobbies did not allow Pille to build an impressive career and her income is quite limited.

ULDIS

Most of his time Uldis, who has just turned 30, looks at a black screen with white characters on it. He is a software developer and is really strong at his job. He cannot imagine his life without a computer! His colleagues are also his best friends. While having drinks on Friday evening, they usually discuss how cool it would be to launch a successful start-up. When on his know, Uldis ponders whether it would be fun to



become a hacker. He does not care what to eat, where to live and how to look. In his leisure time, he shoots monsters in online games and reads IT forums.



TOOMAS

Toomas is a 40-year-old fitness trainer. Just a couple of years ago you could meet him in a sports club 24/7. But then everything has changed. His wife gave birth to a girl – a charming princess Jaana. Now Toomas is a

loving father, who dedicates half of his time to his family. He still remains a professional in his field. He gives private classes and records videos for YouTube. On some of them one can notice little Jaana. Toomas feels completely happy, but sometimes he misses his trips abroad to watch famous sports tournaments and boys' nights out.



FRIDA

Frida is a 19-year-old girl, who came to Riga as an exchange student from distant and beautiful Mexico. She studies Economics and will stay in the capital of Latvia for one year. She is extremely curious about Europe and would like to visit as many cities and countries as possible in the following 12 months. Frida is optimistic, communicative, loves dancing and cooking traditional dishes. She believes that Riga is amazing, but it is not easy to handle a cold weather for her. She also gets upset when locals seem too reserved to her and it is hard to build a connection with them.



Olga



Pille



Toomas



Alex



Uldis



Frida

TASK 9

SEARCH HIGH AND LOW FOR BUSINESS OPPORTUNITIES

Entrepreneurs must be able to use all bits of information to earn profit. In this task, you are invited to extract valuable details from an interview and make assumptions, which will allow you to come to viable business decisions.

EXERCISE

STEP 1: Watch an interview with one of the following women-entrepreneurs dependent on what business you prefer. Check her company's website. Perform this step on your own. Make notes you consider important.

Marilyn Berg

Founder and CEO of "Others", winner of the business idea competition "Ajujaht 2021"

Business: toothpaste tablets without harmful chemicals and packaging

Website: <https://joinothers.com/en/>

Link to an interview: www.youtube.com/watch?v=52CAyXADZWs&t=327s

Ingel Udeküll

Founder and CEO of "Ingel Drinks"

Business: body-friendly soft drinks without artificial ingredients

Website: <https://ingeldrinks.com/>

Link to an interview: www.youtube.com/watch?v=ZBGnd709owU&t=54s

Kati Orav

Founder and CEO of "Creativity Catcher"

Business: innovative education via visualisation

Website: <https://creativitycatcher.com/en/>

Link to an interview: www.youtube.com/watch?v=0TiT2QZpZtU&t=1455s

STEP 2: Find 3-4 persons in a group who watched the same interview. Team up with them. Try to jointly understand who the woman-entrepreneur is as a personality. Find answers to these questions:

- What does she truly value? / What is important for her?
- What motivates her?
- What do you think she needs?
- What does she do when she wants to relax?
- What inspires her?
- What might irritate her?
- Whose opinions are important for her?
- What problems might she have?

STEP 3: Based on the performed analysis, come up with 3 products and/or services the woman-entrepreneur would appreciate and buy from you.

II.

IDEA ASSESSMENT SECTION

TASK 1 CHECKLIST FOR BUSINESS IDEA ASSESSMENT

1. Idea is realistic and possible to implement.

It is certainly tempting to create a perpetual motion machine or a spaceship taking passengers to another galaxy. However, it is unlikely to turn these ideas into reality just because there are currently no available technologies. Of course, most of the time, you will come across more down-to-earth ideas, whose implementation will be prevented by prosaic obstacles, such as lack of raw materials, insufficient number of qualified staff or poor access to financing.



2. There is a demand for a product or service.

Your product or service should ideally solve a pressing problem of society and do it in a better way than your competitors. Ask yourself a question: what kind of pain does your business idea relieve? Outline precisely what potential clients will gain when buying from you, why your offer is valuable for them.



EXERCISE

It is the time to think out-of-the-box! In teams of 4-6 persons, come up with 3 business ideas that would be embraced by Latvian and Estonian inhabitants, but which are nearly impossible to implement at the moment.

EXERCISE

Let's reflect about bags a bit. What problems do the items below solve? What kind of value do they bring to customers?

- Average women's bag sold in an ordinary department store
- Luxury women's or men's bag for 3000 euros
- Unique handmade bag with an original text on it
- Fabric shopper bag for buying groceries

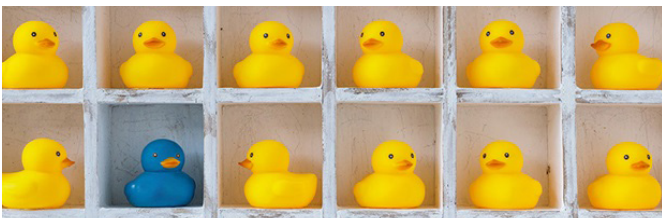
3. There is a clear understanding of a target audience.

An important statement to remember: there is no one-size-fits-all concept suitable for all markets and all consumers. At the same time, many entrepreneurs make mistakes when it comes to target audience definition. Even world-known players, such as McDonald's and Procter&Gamble, experienced problems during market acquisition stages, when a precise vision of a new region was needed. For example, McDonald's failed to understand that a glass of wine over lunch was a must for French people. The same story happened to Disneyland. Both giants started operations without offering alcohol, which resulted in significant losses. Novice entrepreneurs often believe that their product or service is desirable for everyone. They describe their target audience as follows: "Men and women who are 20 - 65 years old". Such approach is unacceptable.



4. Competitive advantages of an idea.

It is crucial to evaluate business idea competitiveness. Why are you better than your competitors? Why are you different from them? It is especially important to have answers to these questions if you plan to operate in a popular business segment, but expect to stand out because of some special features or idea presentation. You will not surprise anybody with a shop that looks similar to hundreds of shops existent in your city. You will not make a hit with products that have already flooded the market. What you need to have is a conceptual difference, something special, unique, which will impress and persuade consumers.



EXERCISES

A. In teams of 4-6 persons, choose a company with a business idea that inspires you. Who are those people buying its products or services? Be precise and specify their characteristics, such as gender, age category, occupation, income level, education, marital status and geographic location. What else do you know about this (these) target group(-s)? Are you aware of its (their) beliefs, priorities, attitudes, values, aspirations, motivations and behaviours?

B. Imagine that you are an experienced and famous business consultant. You are hired by Disneyland that plans to open an amusement park in the Baltics. Give advice on what is particularly important for the Latvians, Estonians and Lithuanians.

EXERCISE

In teams of 4-6 persons, select 3 competing stores operating in the same market segment. They can sell absolutely anything: clothing, books, sports gear, electronics, etc. You have a freedom of choice! Then visit the stores, compare them and define competitive advantages of each salespoint. Prepare your suggestions on what each store could do to strengthen its position on the market.

5. Market size

You may have an amazing business idea, but you will not earn any money if you have nobody to sell your product to. What shall you do? Search for new sales markets or come up with a different business idea.



EXERCISE

Latvian and Estonian entrepreneurs often come across difficulties caused by a low number of inhabitants in their countries. Obviously, businesses in large countries are exposed to greater development opportunities. What products or services, in your opinion, would be in high demand on larger markets, but would not succeed in Latvia or Estonia? Discuss in teams of 4-6 persons why.

6. Idea's potential and scaling opportunities

It is great to have an interesting business concept, but it is also important whether you will further be able to scale your company. For example, you may start with one shop and then grow into a chain with dozens and hundreds of stores, conquer foreign markets or start offering franchise. Such approach will let you easily find both clients and investors.



EXERCISES

A. Latvian and Estonian women who stay at home with their children often create various items with their own hands. They knit, sew, embroider, paint, sculpt... Then they sell their objects on online platforms for handmade products, to friends and at fairs. However, they still struggle with getting a substantial income. In teams of 4-6 persons, discuss their limitations. Why does it happen like this? Afterwards, choose 2 handicrafters and consider how he/she could scale his/her business.

B. If you were an entrepreneur, what foreign markets would you export to and why?

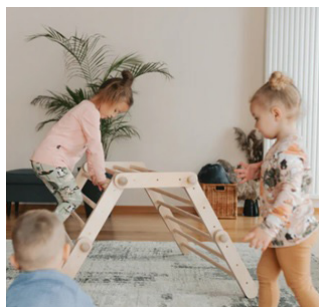
7. Prime cost and price ceiling

It is essential to calculate expenses from the start, i.e. at the moment when you are evaluating a business idea. You also need to define a price potential clients are ready to pay for your product or service. For instance, you will be able to sell a handmade cell phone case for a higher price than that mass-produced in China. The closer the prime cost is to the price ceiling, the more risks you are taking on.



8. Additional offer

It is not enough to sell the main product or service. You also need to offer some paid add-ons to it. A great example in this case is Gillette company. Even though its main product is a razor, the major part of its revenue is generated by blade refills.



EXERCISE

Set your price ceiling for the products/ services below, i.e. how much you would be willing to pay for them. Then research the market and define whether there are sellers who meet or even exceed your expectations. Are you ready to compromise on a price if you see clear benefits for yourself?

- Tablet
- Weekend in Venice
- Limited edition sneakers
- Box of chocolates (200 gr.)
- Book about top nature sites
- Ticket to Robbie Williams' concert

EXERCISE

Come up with additional offers for products below. Attention! It is the time to be humorous and generate all kinds of crazy ideas! For example, if the main product is a book, a paid add-on can be a headache pill.

- Pillow
- T-shirt
- Eggs
- Vitamins
- Kitten

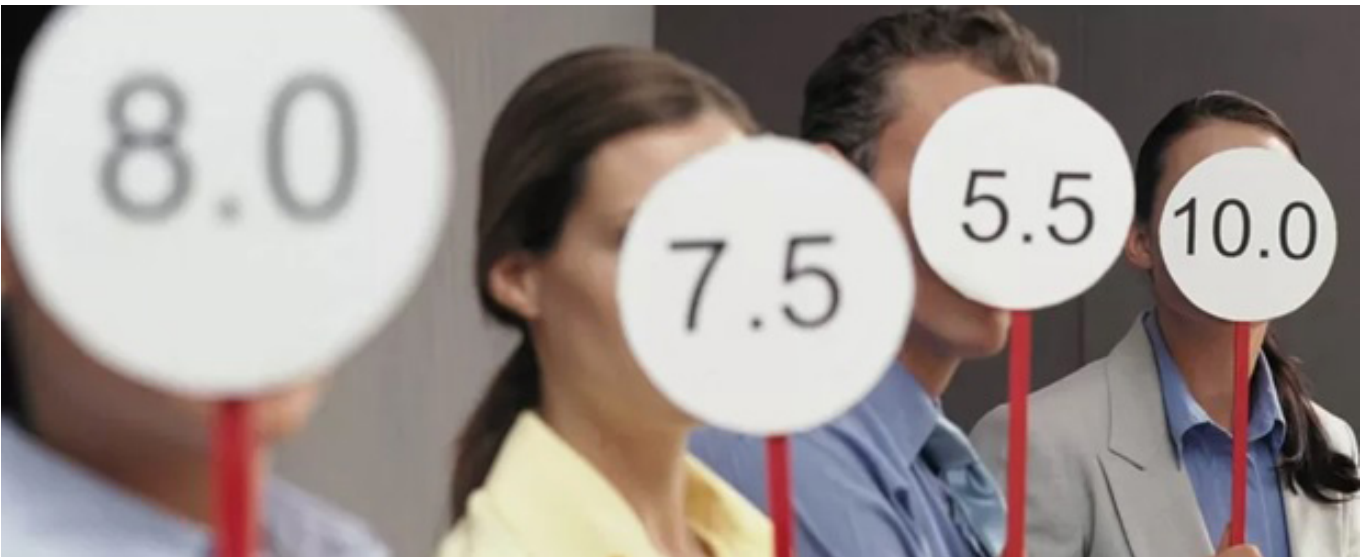
9. Disadvantages / negative factors of an idea

Be honest and unbiased during evaluation of business idea disadvantages. If an all-round assessment revealed several unfavourable factors or potential problems, you should possibly reject the idea. However, there is something worse than that - absence of any drawbacks whatsoever! You are already taking a risk when starting a business and the last things you want are unpleasant surprises. Prior knowledge of possible dangers is beneficial!



EXERCISE

You have probably noticed that a new business has been launched in your city recently. In teams of 4-6 persons, identify 3 newcomers and discuss whether their business ideas have any drawbacks. In your opinion, do they have a chance to succeed? Why or why not?



TASK 2

ABILITY TO GET FINANCING AS A PROOF OF BUSINESS IDEA VIABILITY

Find out about the financing options of Estonian EAS.

The purpose of the Enterprise and Innovation Foundation (EAS) is to:

- contribute to the development of Estonia as a country with the best and sustainable living and business environment;
- increase the competitiveness of entrepreneurs;
- increase the research, development and innovation capacity of entrepreneurs;
- create opportunities by improving access to capital and mitigating risks, by means of subsidies and services for the development of entrepreneurship and exports, if adequate supply of financial services by the private sector is not guaranteed;
- attract foreign direct investments to Estonia and promote participation with foreign entrepreneurs and cooperation with the Estonian economy;
- develop and support the Estonian start-up business sector.

The main focus of the organization is working with start-up entrepreneurs. The Enterprise and Innovation Foundation presents opportunities for developing the company and business model, entering new markets and increasing added value. In addition, it helps to develop various competencies, shares practical tips and helps in finding suitable partners for business development, supports ambitious projects and also introduces international funding opportunities.

What questions do you need to think about if you plan to apply to the Enterprise and Innovation Foundation for financial support?

- Think about what your company's development needs and bottlenecks are and whether the support will help you solve any bottlenecks.
- Familiarize yourself with the grant information and evaluation criteria and come to preliminary counseling if this is a prerequisite for receiving

the grant or if you want to receive more detailed information about the grant.

- Check which activities can be financed with a specific grant and make sure that you have the necessary self-financing to implement the project. Please note that the allowance is only paid out afterwards.
- Familiarize yourself with the documents required for the application and see if any preliminary activities need to be done to prepare the application, such as taking quotes.
- Compile the application, ask for additional information if necessary and ensure that all questions and cells in the application form and its appendices are filled out.

Study the information about financing opportunities available from ALTUM, Latvia and do the exercise below.

"Where do I get financing for my business? How can I attract funds for company launch and its further development?" are pressing questions for many entrepreneurs and especially beginners. For some this issue becomes a painful problem. At the same time, in Latvia entrepreneurs are welcome to apply to ALTUM, a state-owned development finance institution that supports businesses with the help of various financial instruments, such as loans and credit guarantees. There is one precondition: ALTUM's professionals must evaluate your business idea as successful. This is definitely a good sign if the institution gives you a green light - your idea must be worth something!

ALTUM puts a special emphasis on working with companies which just start a business. The reason behind that is simple: it is more difficult for such entrepreneurs to get a classical financing, for example, from a bank. Funding can be obtained even when a legal entity is not yet registered. In this case, money is provided under condition that an enterprise is able to begin activities within a reasonable time. ALTUM's specialists are always ready to assist with business plan development and preparation of necessary documents.

ALTUM is also open to more experienced entrepreneurs. Loans can be obtained if a company operates for a period of up to 5 years. During this term, a company can still seek for a stable position in the business world.

ALTUM's competences:

- Support for business start-ups and encouraging self-employment
- Support to stimulate entrepreneurship - business development and improvement of competitiveness, implementation of technologies and innovation
- Support for rural enterprises and regional development
- Facilitating export
- Development of venture capital industry
- Support for the start-up ecosystem

4 aspects ALTUM will pay attention to:

**#1
IDEA
VIABILITY**

**#2
TEAM**

**#3
PERSONAL
TRAITS**

**#4
INTERNATIONAL
PERSPECTIVE**

1. Business plan with realistic costs that proves idea viability. When working on documents, ALTUM invites to contact business incubators for help.

2. Strong team. Team members must have relevant skills in all areas of a business. External resources can also be attracted until a certain stage of company development.

3. Entrepreneur's profile, which includes his/her personal traits, knowledge, attitude and reputation.

4. International business perspective. Entrepreneurs must think globally and clearly define a market on the basis of which an income is calculated.

EXERCISE

In teams of 4-6 persons, imagine that you are about to apply to ALTUM for funding. Which requirements are the hardest for you to fulfill? Which are the easiest?

TASK 3

COMPANIES FINANCED BY ALTUM

Study information about 4 companies financed by ALTUM and do the exercise below.

MARUPE GYM



Marupe Gym is the first professional outdoor gym in a small city of Marupe near Riga. Not only does it offer everything a proper gym does, but it also has a physiotherapy equipment and even a boxing ring. Idea to launch such a business appeared during difficult Covid-19 times and was a response to tough restrictions imposed on sports providers.

Application submitted to ALTUM was approved and funding was received soon after. In May 2021, the gym opened its doors to the first visitors. While operating in harsh conditions, entrepreneurs used each and every opportunity to attract sports fans. They introduced long working hours, trainings with famous coaches for a donation, summer camps for children, etc. In addition, they took advantage of facilities located nearby, such as parking lots and toilets attributed to shopping centres.

ETTE TETE

The company produces practical and multifunctional wooden furniture for children under the brand Ette Tete. In 2016, the



entrepreneurs took their first steps in brand creation and product development. Then, they received two grants from the European Union's funds and were consistently moving forward with their business. In 2019, the company applied to ALTUM and obtained 400,000 euros for enhancement of production capacity, which included both premises repair and equipment purchase. At that time, the company had 20 employees.

For more information on Ette Tete, please see the Idea generation section, Task 2.

KARAMEĻU DARBNĪCA (CAMEL WORKSHOP) / "BAA BAA SWEETS" FOR EXPORT MARKETS



Karameļu darbnīca is one of the most flexible sweets manufacturers in Latvia, which offers both standard and customized products. The company was founded in Jelgava in 2014. Today it makes kids and adults happy with its wide assortment: caramels, marshmallows, jelly candies, sherbet, halva and sugar free sweets.

Natural raw materials and handwork are widely used. In 2018, the company won an award "Company of the year in Zemgale". Sweets can be purchased at the factory, in supermarkets and in various eco shops.

In 2015 and 2016, the enterprise received support from ALTUM as a small company to expand production capacity, buy equipment and ingredients. Out of the funds obtained in 2016, 30,000 euros were invested in the opening of a Caramel Workshop in Tallinn, Estonia. Afterwards, the company was able to request financing from a bank. However, it used ALTUM's loan guarantees to get 16,000 euros from Luminor Bank for the purchase of raw materials in the pre-Christmas period.

SELLER OF STRAW PELLETS

An entrepreneur, who wished to produce straw pellets, drew a business plan up, successfully received funding and purchased necessary equipment. Time to celebrate? Not really. So many things went in a way he did not expect at all and he was forced to terminate activities fast.

What were the mistakes? First of all, a manufacturing process had not been studied enough. The entrepreneur hoped that farmers



would bring straw to a factory and give it away for a nominal price. However, farm owners preferred just to grind the straw on the spot and not carry it anywhere, which would cause additional expenses for them.

Secondly, it was not thought out how customers would utilize straw pellets. It was planned to sell them for kindling. Later it turned out that the pellets leave a large ash residue and are not appreciated by potential clients.

Thirdly, the entrepreneur did not consider alternative markets and means of usage for his product.

These factors have greatly increased the need for extra investment, which led to a business failure.

EXERCISE

Choose one company that successfully continued operations after ALTUM's financing, conduct a research on it and make a list of strengths that allowed it to obtain funding. Do the exercise in teams of 4-6 persons.

TASK 4

EXPENSES, EXPENSES AND... EXPENSES

As stated in the checklist for business idea assessment (Task 1), it is crucial to calculate expenses from the very beginning to be able to realistically evaluate business profitability.

In order for an income forecast to be achievable, you must analyze and assess a situation in practice in real life. But before everything else, give an honest answer to a question: "When will I get a desired profit?" Probably, it will not happen in the first months and, in case your project is complex, not even in the first year.

Next, avoid the most common mistakes:

- Forecasts are based only on your own assumptions or experience.
- You did not ask potential clients directly about their needs.
- You did not make a research on how potential clients spend money nowadays (competitive environment).
- You did not compare prices in the industry.
- You did not take seasonality into account.

Expenses novice entrepreneurs often forget about:

- Staff expenses – salaries, taxes, training, insurance, etc. If an employee earns 700 EUR net per month, it will cost a company 1036 EUR (data for Latvia, 2023).
- Premises – rent, utility charges, repairs (also unplanned ones), cleaning, etc.
- Equipment – electricity, consumables, maintenance, running and unplanned repairs.
- Transport – petrol, insurance, taxes, maintenance, repairs.
- Administration expenses – office equipment, consumables (paper, toners, etc.), telecommunication costs
- Sales expenses – marketing and advertising
- Outsourcing – for example, accounting services.

Read about the most common mistakes of novice entrepreneurs in relation to income and expenses and do the exercise below.



Learn by example "Café in a small town centre - ways to fail"

Seasonality is not considered.

Smaller income will be observed in the winter.

Staff skills are not evaluated.

When using a cheaper labour force, you need to spend time and money on training them. It may be reasonable to hire more expensive, but professional employees.

The number of necessary employees is calculated incorrectly.

Do not expect that one person is able to work 12 hours per day, 6-7 days per week. In contrast, you may plan too many employees for the wintertime, when the revenue is smaller.

Not the best payroll scheme is selected.

Entrepreneurs often start with large unchanged salaries for their employees, while it is possible to offer a smaller basic wage and bonus payments that depend on achieved revenue. Do not forget to define a salary for yourself!

EXERCISE

In teams of 4-6 persons, precisely calculate monthly expenses for a coffee shop with 50 seats in Riga or Tallinn. Conduct any preliminary research you need. You may even want to talk to people who work in a café!

How many cups of coffee and cakes would you have to sell per month to cover the expenses?



TASK 5

TWO SIDES OF THE SAME COIN.

OPTIMISTS AGAINST SCEPTICS

Many business decisions and ideas have two facets, just like a coin. An idea may be innovative and exciting, but risky to implement; common, but generating great income; ground-breaking, but calling for enormous research and development work. You will soon make certain that situations

we come across in our personal life also have two sides if we look at them from different angles. Risks and potential obstacles should not put you off immediately. If you find ways to avoid or mitigate them and keep going, you will become an amazing entrepreneur!

EXERCISE

Choose an activity host who will read one-sentence situations. After a brief discussion in pairs following each situation, 3 persons have to name a reason(-s) why it is good and 3 – why it is bad.

TRIP TO PARIS

A. I am going to celebrate the New Year in Paris.

And this is good, because ...

But this is bad, because ...



B. During my trip, I will make friends with a nice French guide.

And this is good, because ...

But this is bad, because ...



C. A pickpocket will pull my wallet out on the subway.

And this is good, because ...

But this is bad, because ...



D. I will be so impressed with my visit to the Louvre that I will decide to become an art critic.

And this is good, because ...

But this is bad, because ...



E. I will have such an eventful journey that I will forget to buy souvenirs for my family.

And this is good, because ...

But this is bad, because ...



DOG AS A GIFT

A. Your brother has always been a dog lover, but your parents gave a corgi as a Birthday gift to you.

And this is good, because ...

But this is bad, because ...



B. Your pet was trained by a professional handler for half a year, but still did not enter the Top 3 at a dog competition.

And this is good, because ...

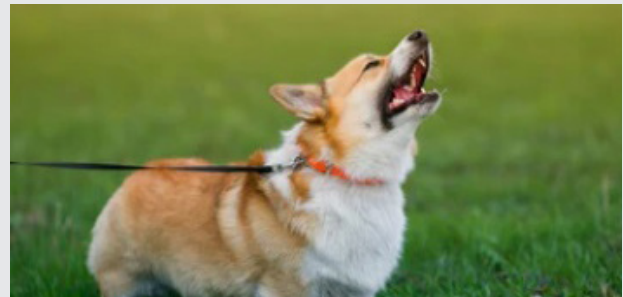
But this is bad, because ...



C. The corgi does not like one of your perfumes and always barks at your neighbour who wears the same fragrance.

And this is good, because ...

But this is bad, because ...



D. When you arrived home after a movie, the dog welcomed you at the door with a skeleton of your favourite shoes in its teeth.

And this is good, because ...

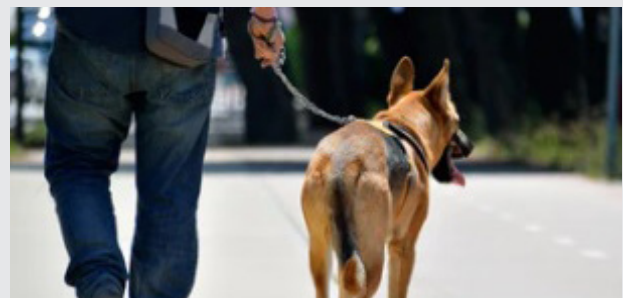
But this is bad, because ...



E. Your dog made friends with a German shepherd, whose owner looks like a criminal.

And this is good, because ...

But this is bad, because ...



TASK 6

Now you are aware of several idea assessment techniques! It is the time to brush up on your knowledge and move to further business idea development. That will be an exciting step!

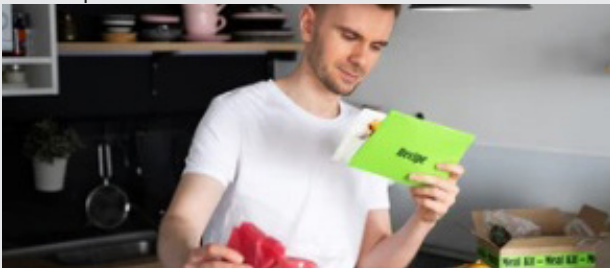
EXERCISES

A. In teams of 4-6 persons, select an idea you enjoy the most from those presented below. Jointly discuss its strengths and weaknesses while half of your team represents sceptics and half - optimists. Once done, go back to the checklist for idea assessment (Task 1) and evaluate the idea point by point.

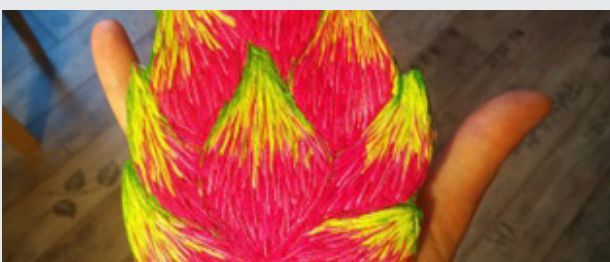
1. Petting zoo with exotic parrots



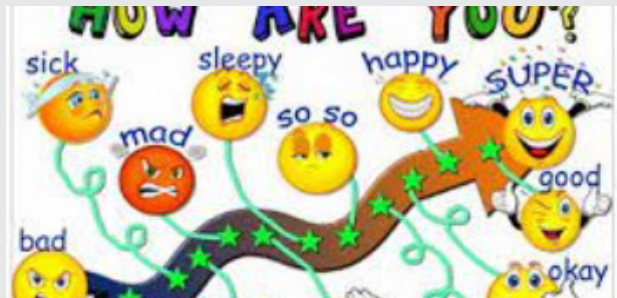
2. Regular delivery of groceries together with recipes from around the world



3. Embroideries that can be attached to clothes with the help of magnets



4. Online and printed game for learning English on the basis of associations



5. Wolf therapy sessions that combat stress



B. Keep working in the same team and with the same idea. Move forward to its development by providing answers to the questions below.

- How will a complete product/service line look like?
- How will you explain the value your product/service brings to a consumer? What will you emphasize?
- Which channels will you use for product/service promotion? Which approaches will you take advantage of? (If you are planning to attract bloggers/influencers, please describe their characteristics.)
- Where will you be selling your product/service?

TASK 7

BUSINESS IN PROGRESS

EXERCISE

Choose a company from 3 presented below and thoroughly study its website. Enhance your vision of its business by watching an interview with the enterprise's Founder and CEO. In teams of 4-6 persons, use all your knowledge gained in this Section and perform an assessment of an idea that laid the foundation for the company.

MARILIN BERG

Founder and CEO of "Others", winner of the business idea competition "Ajujaht 2021"

Business: toothpaste tablets without harmful chemicals and packaging

Website: <https://joinothers.com/en/>

Link to an interview: www.youtube.com/watch?v=52CAyXADZWs&t=327s

INGEL UDEKÜLL

Founder and CEO of "Ingel Drinks"

Business: body-friendly soft drinks without artificial ingredients

Website: <https://ingeldrinks.com/>

Link to an interview: www.youtube.com/watch?v=ZBGnd709owU&t=54s

KATI ORAV

Founder and CEO of "Creativity Catcher"

Business: innovative education via visualisation

Website: <https://creativitycatcher.com/en/>

Link to an interview: www.youtube.com/watch?v=0TiT2QZpZtU&t=1455s

III.

HACKATHON SECTION

TASK 1

QUESTIONS FOR DISCUSSION

In pairs, try to find answers to the questions below. In case you do not know anything, make an assumption, but do not google it or use other sources. Rely on your knowledge and intuition instead. Make notes of your final vision.

1. What is a hackathon in a nutshell?
2. Where does the word "hackathon" come from?
3. Why do people attend hackathons?
4. When speaking about hackathons, people often mention a mythical animal - unicorn. What is the reason behind that?
5. Would you like to participate in a hackathon? Why or why not?
6. Would you be able to participate in a hackathon? Why or why not?

TASK 2

HACKATHON IN A NUTSHELL

Study the text and do the exercises below.

Hackathon is a competitive event where teams have to develop a prototype of a product or service during a relatively short period of time - from several hours to one week. Its name comes from a combination of two words: hacker and marathon. Contrary to what many people think, today hackathons attract not only programmers. One can meet all kinds of ambitious professionals there: designers, analysts, marketing and financial experts, managers. All of them know: the voice of one cannot conquer alone. You need like-mindeders to win! Sometimes teams are created directly at the event. Some participants advertize their business ideas to the audience while others promote their skills and knowledge. Usually a strong team consists of 3-5 persons.



The first hackathon was conducted in 1999 in Canada. Soon after they became extremely popular in Silicon Valley. Since the duration of hackathons was quite limited, participants often took sleeping bags with them and did not leave a venue until the very end. Such an attitude paid off! Non-stop work, cooperation with diverse people and a dose of adrenaline led to unexpected solutions that did not exist on the market.

Hackathon concept quickly expanded far beyond the IT field. Nowadays, hackathons are conducted in several domains, including advertising and marketing, medicine, urban planning, social projects, culture, charity, production and others. They can also be organized on an internal scale - in a school or company. Reasons why people participate in this activity vary, too. Below are some of them.

- To get noticed
- To find investors
- To get a challenging and creative job
- To meet passionate and inspired people - real professionals in their field
- To test their limits
- To win a prize
- To have a lot of fun when emotions run high



A PROTOTYPE IS AN EARLY SAMPLE, MODEL OR RELEASE OF A PRODUCT BUILT TO TEST A CONCEPT OR PROCESS.

Many hackathon participants dream of eventually creating a unicorn - a privately held start-up valued at over 1 billion US dollars. The term was first popularized in 2013 by venture capitalist Aileen Lee, choosing the mythical animal to represent the statistical rarity of such successful companies.

EXERCISES

A. Go back to your answers provided under Task 1. How many of them did you get right or were close the correct answer? Analyze your knowledge. What can be done to speed up your self-development process?

B. Discuss with your peers what inspired or surprised you the most in the hackathon description. Are you motivated to participate in such kind of event now?

TASK 3

A REMARKABLE HACKATHON TO CREATE

Read two short abstracts about hackathons and do the exercises below.

In 2018, Latvia and Belarus conducted a joint hackathon that started in Minsk and took place on a train heading to Riga. The aim of the event was to study and bring closer start-up and business ecosystems of two countries. Especially for this purpose, organizers had an extra carriage hitched on to a train, which accommodated participants and their mentors. At the railway platform in Riga, they were greeted by the Minister of Economic Affairs of Latvia. The participants engaged in master classes and mentoring sessions, learned how to create a business model, identify demand and find investors. They visited an innovation cluster of Riga Technical University, coworking space "People Work" and bank "Swedbank".

It does not mean that you cannot have fun even if money is at stake! That has been a belief of Comedy Hack Day organizers from the USA for ten years. The event, which is a hybrid of a hackathon and open microphone, gathers together two active internet communities - comedians and programmers. There is a disclaimer, though. Comedians should embrace technologies and programmers are expected to deal with a laughable environment. After an intense two-day work, teams present mobile app prototypes in a way typical for a stand-up show. One of the winning projects was an app that helped split a restaurant bill for a group of people based on income inequality caused by gender and racial discrimination.



EXERCISES

A. In teams of 4-6 persons, come up with 3 unusual hackathon formats. What topics/ fields would you dedicate them to? Just as an example, you could organize a hackathon on a boat floating along the Nile river and devote it to well-being of crocodiles in EU zoos.

B. In teams of 4-6 persons, make a research on hackathons that took place in Latvia or Estonia during past two years. Identify successful and/ or winning ideas. Choose one you like the most and make a presentation about it in front of the audience. You want the listeners to be as excited about it as you are.

TASK 4

SAVE A NOVICE ENTREPRENEUR FROM A BURN-OUT

Read the text and do the exercise below.

Anna is a young entrepreneur who owns an interior design agency. She truly loves her job, but she had to work really hard for the last 6 months to win her share of the market. She was spending 12 hours in the office every day to deliver a better service than her competitors. Anna has recently noticed that her energy levels are getting lower and lower and she has lost an ability to enjoy life. This looks like a burn-out.



EXERCISE

Step 1: In teams of 4-6 persons, brainstorm on what products or services you could offer to Anna to solve her problem and make her life better. Be creative and think out-of-the-box. Afterwards, present your ideas to the audience. But we have some intrigue here! Your teacher also has an answer option. Let's check if any of you will get the same result.

Step 2: Now you know that your teacher would sell a 30-day challenge "Slow down, enjoy life" to Anna. It is a paper-based game that consists of 30 surprise cards with activities you could do to relax and have fun. Everyday you pull a new card out of a box and follow instructions.

What should you do with this knowledge? Let's move forward and try your hand in prototyping. In teams of 4-6 persons, create two cards for such a game on large sheets



of paper, preferably A1 format. On one side of a card, write an instruction for a day; on the other - create a relevant and catchy illustration. Present them to the audience.

TASK 5

PROBLEM IS A KEY

Read the text and do the exercise below.

People tend to avoid problems, but in a business environment a problem means an opportunity and often serves as a trigger for a launch of a successful entrepreneurial venture. That is why it is crucial to notice problems around you and be able to offer a solution to them in the form of a product or service. A personal problem will do, too. As you know, many entrepreneurs started a business because they had not found an offer that would have satisfied their needs. So they

spotted a free niche on the market, identified a sufficient interest from consumers and created the offer themselves. You can do the same!

For your information, below are some problems frequently named by young people.

- Stress at school / mental health issues
- Poor time management skills / inability to organize time effectively
- Greasy hair
- Misunderstandings in family relationships
- Boring and repetitive free time

EXERCISE

Step 1: Think of a problem you face now, experienced before or observe(-d) in a society. Write it down on a sheet of paper. Choose one person and discuss the problem with him or her. Does he or she think that it is important? Does your talk partner look at it in the same way as you do? Do many people come across this issue?

Step 2: In this activity, everybody stands up and starts walking around the room talking to different people. Take your sheet of paper, choose any person and tell him or her about the problem you have spotted. The person will assess its importance on a scale from 1 to 5, 1 being completely unimportant and 5 - extremely important. Write the number on the paper.

Then, listen to a problem chosen by your interlocutor and evaluate its significance. After the conversation, exchange your sheets of paper. Now you need to approach another



person and tell him or her about the problem you have just heard about. Repeat the same procedure as described above until you talk to at least 5 persons.

Step 3: Once you are done, calculate the total score assigned to a problem you have considered last. Submit the paper to an activity host / teacher who will later present you a top of problems.

TASK 6

FROM A PROBLEM TO A BUSINESS IDEA, FROM A BUSINESS IDEA TO A STUDENT COMPANY

Read the text and do the exercise below.

You are on your way to creation of a student company. "What is it?" - you may ask. This is a group of people who gathered together because they are inspired about the same idea and preferably have complementary skills. Thanks to joint efforts, members of a student company are expected to figure out how to turn an idea into a successful business by the end of the training course. Just imagine - it will even be possible to establish a real enterprise and start making money afterwards!

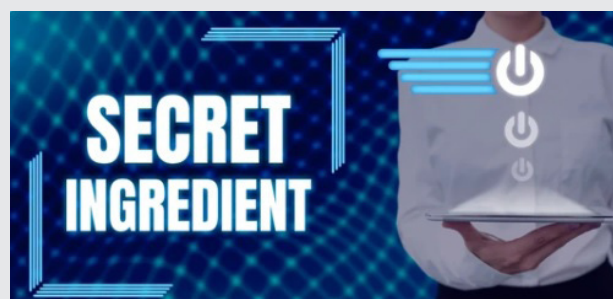
Finding your place in a student company is a crucial step! Since that moment, you will commit yourself to one business idea and work side by side with other members when performing further tasks. There are two ways to join a student company. The first one: you may decide to become a leader, promote your idea to the audience and recruit partners from a pool of persons interested in your vision. The second one: select somebody else's idea and advertize your skills and knowledge to this person to get on a team. But before that, one last exercise to do in a random team.

EXERCISE

In random teams of 4-6 persons, choose one problem from the top. Jointly come up with a business idea that would solve the problem while being competitive on the market. Are you excited about it? If not, look further. Once your team have identified an amazing business idea, decide who will be the leader and present it to the audience. In cooperation, prepare a presentation for your product or service. It should include the information below and be supported by visuals created on an A1 sheet of paper. The presentation should not take longer than 3 minutes! Keep an eye on timing!

Presentation key points:

1. **Company name**
2. **Offer:** What is your product or service about?
3. **Target audience:** Whom do you help? Who will buy your product?
4. **Solution to a problem:** Why are you doing what you are doing? How will you improve lives of your clients?
5. **Secret ingredient:** Why are you different from others? Why is your product special?



Tips for a successful presentation:

- Come up with a catchy first phrase.
- Be persuasive. You need to spark listeners' interest in your idea.
- Avoid rambling. You do not want to have unfocused or unclear sentences in your presentation or get off-track.
- Do not speak in a monotone way. Keep your energy level high, confident and enthusiastic.
- Modulate your voice to keep the audience interested, keep your facial expressions friendly.
- Practice. The best improvisation is prepared improvisation.

TASK 7

DREAM TEAM

Read the text and do the exercise below.

Balanced team is a must to push a business idea forward. A successful team comprises people with complementary competences, knowledge and experience. For example, it may include a manager, marketing specialists, expert in finance, analyst, programmer and designer. In other words, it is crucial to split different roles and tasks within a team according to profiles of its members.

To be specific, one person can organize business processes and establish connections with the right people. Another one can present your project to investors and media in an attractive manner. One more team member can do all the



work related to production. Someone else can generate a lot of innovative ideas when needed while another person will conduct a market research. An IT guy or girl will build a strong presence on the Internet. Power is in diversity!

EXERCISE

Fill in a self-assessment questionnaire below and reflect about the following:

- What is your superpower?
- What are you good at?
- What do you enjoy doing?
- Which tasks could you perform to bring value to a team?

SELF-ASSESSMENT QUESTIONNAIRE

1. Assess your skills and competencies on a scale from 1 to 5

(1 - the lowest score, 5 - the highest).

Sense of initiative

1 2 3 4 5

Creativity and ability to think out-of-the-box

1 2 3 4 5

Analytical skills

1 2 3 4 5

Persistence

1 2 3 4 5

Ability to continuously learn

1 2 3 4 5

Time management skills

1 2 3 4 5

Stress resistance

1 2 3 4 5

Negotiation skills

1 2 3 4 5

Leadership

1 2 3 4 5

Decision-making skills

1 2 3 4 5

Organizational skills

1 2 3 4 5

Flexibility

1 2 3 4 5

Problem-solving skills

1 2 3 4 5

Communication skills

1 2 3 4 5

2. Assess your interest in the following fields on a scale from 1 to 5

(1 - the lowest score, 5 - the highest).

General management

1 2 3 4 5

Sales

1 2 3 4 5

Finance, accounting

1 2 3 4 5

Information technologies

1 2 3 4 5

Marketing and advertising

1 2 3 4 5

Law

1 2 3 4 5

Human resources management

1 2 3 4 5

Production

1 2 3 4 5

Make brief notes regarding each answer. Once done, think how you will advertize yourself to a team leader to gain a seat in a student company. You will have 3 minutes for that. You can apply to more than one company to be on the safe side. Team leaders will analyze offers they get and

make a final decision on whom to accept. If you are a team leader, still assess yourself with the help of the questionnaire. Then think what kind of competencies, skills and knowledge you are searching for.

TASK 8

TELL THE WORLD ABOUT YOUR STUDENT COMPANY

EXERCISE

Now you are part of a student company! Congratulations! As a starting point for your potential business, jointly provide answers for the template below. It covers one of the most

important things to understand about a new entrepreneurial venture. Reflect, generate ideas, discuss, reason your opinion, have fun! Off we go!

TELL US ABOUT YOUR COMPANY...

1. Name of a student company.

Ideally, the name should be catchy and easy-to-remember and, if you wish so, reflect what you do.

Your answer starts here...

2. Company's slogan.

How would you express the essence of your business in a short phrase? Below are some slogans for inspiration.

Nike - Just Do It. Apple - Think Different. L'Oreal - Because You're Worth It. M&Ms - Melts in Your Mouth, Not in Your Hands. IKEA - Let's Make Your Home Special. Toyota - Let's Go Places.

Your answer starts here...

3. Description of your product or service.

What will you sell to consumers?

Your answer starts here...

4. Problem you solve or added value you bring to consumers.

Why will consumers buy your product/service? How will it make their lives better?

Your answer starts here...

5. Your target group(-s).

Who will be those people willing to buy your product/service the most? Please be precise and specify their characteristics, such as gender, age category, occupation, income level, education, marital status and geographic location. What else do you know about your target group(-s)? Are you aware of its (their) beliefs, priorities, attitudes, values, aspirations, motivations and behaviours?

Your answer starts here...

6. Description of team members.

Think about skills and knowledge of each team member. What could be a role of every person? For example, if a team member is good at drawing, she could make illustrations for marketing materials. Who is the team's captain for now? This can be changed later so that all of you could practice leadership.

Your answer starts here...

7. Description of the team as a single organism.

Describe your team as a whole. What superpowers do you have on board? What competencies and capabilities should be pulled together to make the most out of your cooperation?

Your answer starts here...

8. Photo of your team.

Make a lovely photo of your team during the event. We will put it on our website. Do not make a regular group photo. Be creative and do something unusual in front of the camera! Why don't you depict some dance moves or yoga asanas (just as an example)?

IV.

CAPACITY BUILDING: PROTOTYPING SECTION

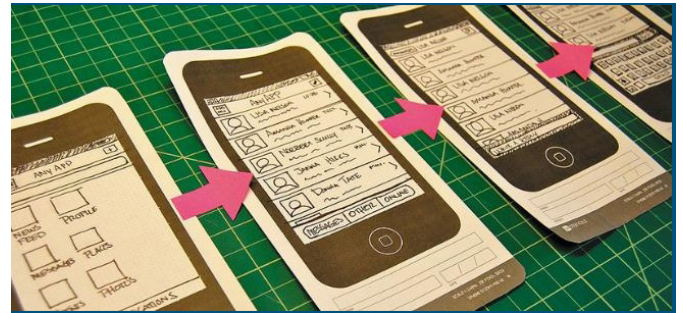
TASK 1

WAYS TO AVOID COSTLY MISTAKES

Read the information about prototyping and do the exercises below.

In entrepreneurship, a prototype is a preliminary version or model of a product or service that is created to test and validate its design, functionality and feasibility before it is fully developed and launched in the market.

Prototyping is a process of creating these preliminary versions or models. It involves developing a scaled-down or simplified version of a product or service, which can range from a rough sketch or drawing to a more detailed model or simulation. It is an essential activity in business, as it allows entrepreneurs to test and refine their ideas and concepts early on. Thanks to prototyping, entrepreneurs can identify any flaws, limitations or areas for improvement in their product or service and make necessary adjustments. Feedback from potential customers, which is an integral part of prototyping, provides valuable insights and helps make informed decisions about further business direction. Therefore, risks are diminished and chances for success are increased.



Prototyping stages include ideation, design and prototype creation, testing, iteration and implementation of a product or service.

Stage 1. Ideation

This is the initial stage where entrepreneurs come up with ideas for a product or service that they want to develop. The more clear vision they have, the better. A great starting point is a mood board creation, which is a physical or digital collage that arranges images, materials, text and other design elements related to the idea.



EXERCISE

In your student company, create a mood board. Gather images, colours and textures that inspire you and represent the type of product or service you wish to create. Use

these visuals to capture the essence of your idea. Such approach will help you imagine and refine your concept as you move into the next phase.

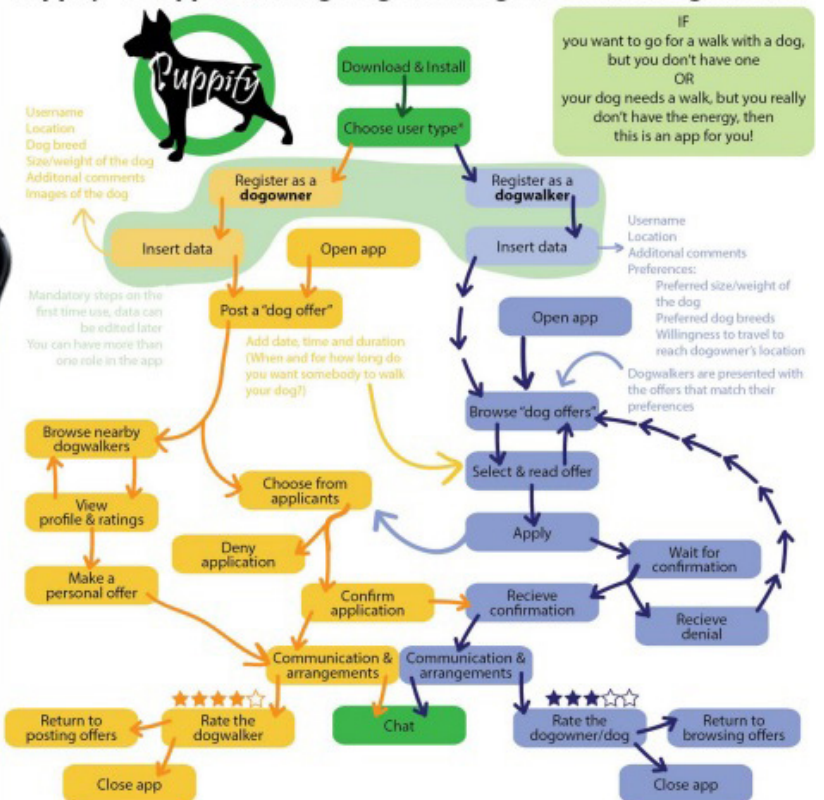
Stage 2. Design and prototype creation

In this stage, entrepreneurs make a quick and simple design of a product or service and early prototype. However, the result is not the final one, as it will need modifications and enhancement according to a further testing and customer feedback. If you plan to offer a physical product, you may want to make sketches, drawings or

3D models to demonstrate how it will look like. If you consider launching a digital service, such as a mobile app, you are welcome to visualize its features with a help of a mind map that step-by-step shows its functioning. As for a traditional service, depict and describe experiences end users will go through when interacting with your company.



Puppify - an app that brings together dogowners and dogwalkers!



Example of a mindmap. Arrows detail possible user experiences.

*This mindmap explains the functionality of an app for two different types of users. Does your product (or your application, service, game etc.) have many different potential users? Do they all follow the same path while using your product?

EXERCISES

A. In your student company, create a design for your product or service by choosing the most suitable approach from those described above. You may use digital drawing tools and online software, as well as physical materials, such as paper, cardboard, clay and foam. This can help you see the design in a more tangible way and make necessary adjustments before moving on to user testing.

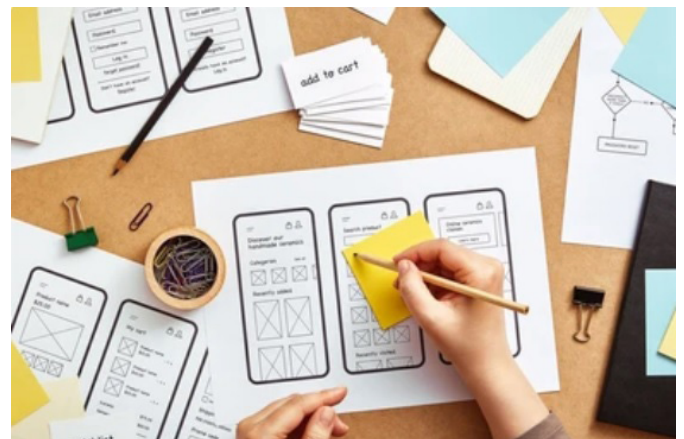
B. In your student company, design a logo that would reflect the essence of your concept in the best possible way and could be used on packaging and marketing materials. Choose the most appropriate colours, fonts and images.



C. Individually, make a research on the Internet and define and analyze at least 5 free website constructors that would allow you to build a simple page for your company. Then share your findings with other team members, who have performed the same task. Jointly choose one constructor you would use in the future.

Stage 3. User testing

If you want to develop a product or service that truly meets the needs of customers, extensive user research is fundamentally important. Prototype testing involves sharing it with a range of target group representatives and gathering feedback. This stage helps validate ideas, identify and fix problematic areas, test usability and save money by reducing the risk of rework. Testing can be moderated or unmoderated, remote or in-person, quantitative or qualitative.



EXERCISES

A. Submit your prototype to another student company for evaluation and feedback. In your student company, make a list of 5-10 characteristics that must be assessed on a scale from 1 to 5 with 5 being the highest score and 1 - the lowest. Additionally, ask 5 open-ended questions that require answers in a free format.

B. It is crucial to involve your target group(-s) in prototype testing. Would it be easy or hard for you to reach its representatives? In your student company, prepare a plan on how to find them and motivate to participate in the evaluation process.

Stage 4. Iteration

Based on feedback received during testing, entrepreneurs make necessary improvements to a prototype. This includes changing size or shape of a product, adjusting colours or materials used, making alterations to a user interface of a digital service, adding new features or modifying existing ones to better meet the needs of users. The process is repeated until the final prototype is created.



EXERCISE

In your student company, analyze the feedback you have got on your prototype. Compile a list of adjustments that must be

made to your product or service before launch. Yay, you are almost there!

Stage 5. Implementation of a product or service

The final product or service will be developed according to the last prototype model and tested thoroughly. For example, if your product is designed for an outdoor use, test it in different weather conditions, such as rain or wind. If your idea is a new type of backpack, take it on a hike to see how it performs. Once all amendments are incorporated, it is the time to get ready for a business launch and generate buzz and excitement around your offer!



V.

CAPACITY BUILDING: MARKETING AND SALES SECTION

TASK 1

MARKETING: WHAT IS IT ABOUT?

Read the introduction into marketing and do the exercises below.

There is no single definition of marketing. Business trainers, industry experts, specialized magazines and textbooks have their own ways of explaining it. Philip Kotler, who pushed for marketing to become a discipline back in the 1960s and known as its father and the author of over 80 books, states that marketing is “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit.” Some other definitions are as follows:

- Marketing refers to activities a company undertakes to promote the selling of a product or service.

- Marketing is the practice of creating interest in a product or service and convincing potential customers to buy it.
- Marketing refers to any actions a company takes to attract an audience to the company’s product or services through high-quality messaging. Marketing aims to deliver standalone value for prospects, i.e. potential clients, and consumers through content, with the long-term goal of demonstrating product value, strengthening brand loyalty and ultimately increasing sales.
- Marketing is not just about advertising or selling. It is a key management discipline that ensures producers of goods and services can interpret consumer desires and match or exceed them.

Cartoonists also have a vision of marketing. Here is an example:



EXERCISES

A. Based on your life experience, what would you rather agree with - the textual definitions above or the comic strip? Back up your answer with at least 3 arguments.

B. Now that you have had the introduction into marketing, in teams of 4-6 persons make a list of responsibilities a Marketing Specialist may perform at work. Do not google the answer - you will find it out soon anyway from your instructor. Rely on your analytical abilities and imagination, as well as the power of brainstorming.

TASK 2 RESPONSIBILITIES OF A MARKETING SPECIALIST

Below you will see typical duties of a Marketing Specialist. Depending on a company's size, industry and structure, he or she may perform all or just some of them. Study the responsibilities carefully and do the exercises underneath.

- Develop a marketing strategy
- Analyze markets, forecast market situations
- Analyze customer needs and requirements
- Define the right pricing
- Analyze and make recommendations on how to improve / amend a product
- Change a product's branding / positioning
- Plan a product assortment, manage sales
- Develop a set of activities on how to differentiate from competitors
- Introduce loyalty programs / bonus systems
- Plan and run advertising campaigns
- Influence public opinion



EXERCISES

A. Team up with the same persons you worked in Task 1. Go back to the list of Marketing Specialist's responsibilities you compiled together and count how many of them you got right. Now all team members will have 5 minutes to analyze individually whether they do not understand the essence of any duties. One after another, share your gaps with the group and let others give you necessary explanations.

B. Take 10 minutes of individual time to reflect which responsibilities you consider the most interesting and why. Share what you would love doing with the team, provide reasoning for that and let others do the same.

C. Take 10 minutes of individual time to reflect which duties appear the most complicated to you and you would have a hard time performing. Share your vision with the team and listen to others. Analyze whether your opinion has changed after you heard all arguments.

TASK 3

MARKETING MIX OR 4 PS

Read the text and do the exercise below.

The term "marketing mix" is a foundation model for businesses, historically centred around 4 Ps: product, price, promotion and place. The concept was popularized in the 1950s and based on a study, in which business executives were equated to "artists" or "mixers of ingredients". Today, decades later, the model is still being widely used by companies to develop feasible marketing strategies and plans. The four key elements must be thoughtfully considered and wisely implemented in order to successfully market a product or service.





Product

The item or service being sold must satisfy a consumer's need or desire.



Price

An item should be sold at the correct price for consumer expectations, neither too low nor too high.



Promotion

The public needs to be informed about the product and its features in order to understand how it fills their needs or desires.



Place

The location where the product can be purchased is important for optimizing sales.

At first thought, the task appears easy. You just need to create a product that a particular group of people want, put it on sale at some place those people visit regularly, price it at a level which matches the value they feel they get out of it and inform the target audience about your offer.

However, if you get just one element wrong, it can spell disaster! You could be left promoting a car with an amazing fuel economy in a country

where fuel is very cheap, or publishing a textbook after the start of the new school year, or selling an item at a price that is too high - or too low - to attract the people you are targeting.

Moreover, any marketing strategy - even a very effective one - should be revised from time to time. The marketing mix you create is not intended to be static. It needs to be adjusted and refined as your product grows and your customer base changes.

EXERCISE

In your student company, describe the marketing mix (4 Ps) for your product or service. What are its features? How much will you charge for it? How and where will you promote your offer? Where will customers be able to buy it, both online and offline?

Be as specific as possible and do not forget about competitors! How will you outperform them?

TASK 4

POWER OF ADVERTISING

Study the information, enjoy the breath-taking examples and do the exercise below.

Promotion is a crucial part for any business, as it allows to attract new clients and make existing return for more, which is directly connected to sales. We all know that advertising can be boring, annoying and something we really want to avoid, for example, while watching videos on YouTube.

Meanwhile, certain ads may be pieces of art that surprise, inspire and influence people decades after their release. It is no wonder that the most impressive creations take part in competitions and are nominated as the greatest commercials of all time. Below are two ways to promote a system that helps you park a car. Which one is more impactful?



There are more amazing ads that will remain in memory for long:

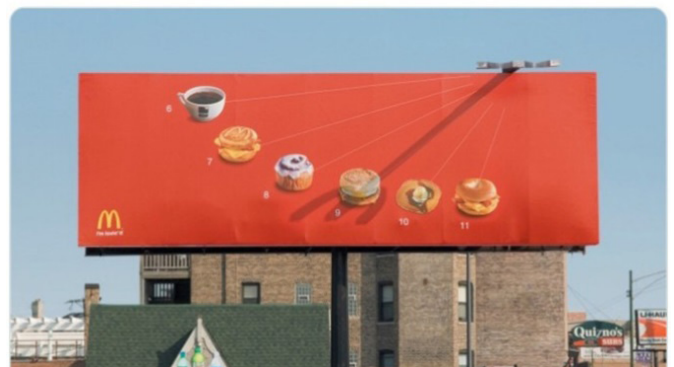
Dental clinic involves us in a little game and lets us decide for ourselves what is important. Well, obviously, the teeth.



WHY IS DENTISTRY IMPORTANT?

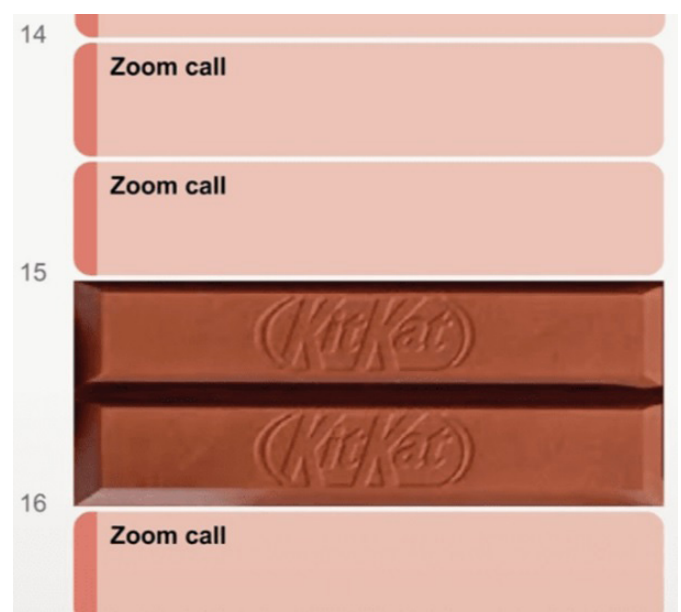
Because even he though he's missing an eyebrow, the first thing you notice is his smile.

McDonald's managed to creatively integrate its ads into an urban space and link its product range to the time of day and temperature outside. (The temperature is expressed in Fahrenheit degrees, which equals to 39 degrees on the Celsius scale.)



Who would have known that a hamburger bun resembles a bald head so much?

KitKat producer adapted to a new reality shaped by Covid-19.





EXERCISE

In your student company, create powerful ads that will grab the attention of viewers for:

a minivan



a fast car



a hair care company with a wide selection of hair dyes



a zoo



a sharp knife



You are welcome to describe them in words or draw on a flipchart. Remember: you need out-of-the box, mind-blowing, "wow" and even shocking ideas! Afterwards, you will see how this task was approached by professional advertisers, who did a really good job.

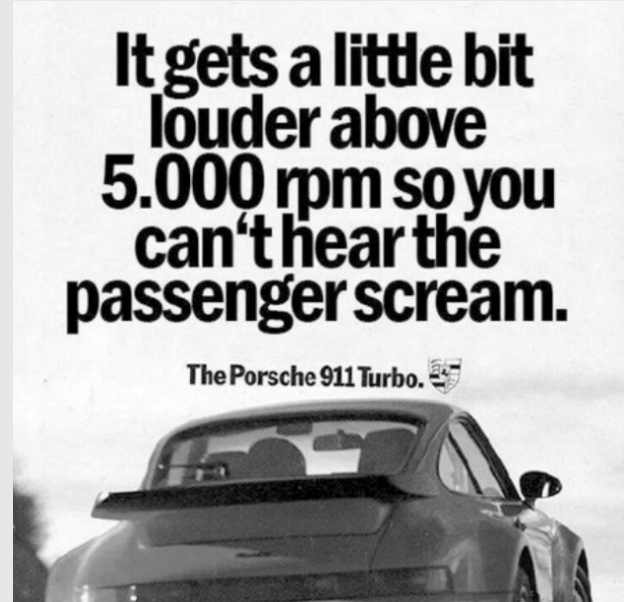


Solutions of professional advertisers

a minivan



a fast car



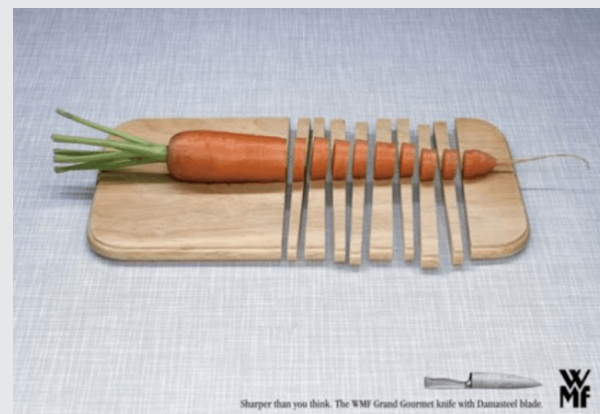
a hair care company with a wide selection of hair dyes



a zoo



a sharp knife



TASK 5

SALES FUNNEL

Study the information about the Sales Funnel and do the exercises below.

Selling can be hard. Let's be clear here: in most cases, clients will not rush to you just because you offer a great product or service. Sales Funnel shows a journey potential customers go through before finally making a purchase or taking another action, such as telling others about your company. It is widely referred to as a funnel due to the nature of the process: a large number of people enter it, but only a few reach the final stage. As potential clients move to the next level, it usually means that their commitment to buy from you is growing.



Sales Funnel concept helps you understand what potential customers think and do at each stage of the purchasing journey and when and why they fall out of the funnel. What is important, it also enables you to choose the right marketing activities and channels at all levels.



STAGE 1: AWARENESS

At this stage, people build awareness of your business and learn what it offers. It is crucial for your brand to be known when your potential clients are looking for a product or service you sell. For example, if you were a bakery, would prospective customers think of you when craving for a fresh croissant?

Marketing activities:

- Social media presence
- Media mentions
- In-bound search (*targeting keywords customers are already searching for and optimizing pages on your site with these terms*)
- Guerrilla marketing, including generation of viral content (*using surprise and/or unconventional methods to promote a product, which are often low- to no-cost and applied locally*)
- Online and offline ads
- Reviews
- Industry reports

Example 1: Article about a 24-hour automated pizzeria with a patented oven, which allows you to get your pizza in just 3 minutes. Information is published by “Dienas bizness”, a reputable Latvian portal focused on entrepreneurship. Baltic editions are often happy to announce the launch of new businesses with a fresh concept free of charge. Just send them a press release.

**dienas
bizness**

DB HUB KONFERENCES ROKASGRĀMATAS



ABONĒT

[Ekonomika](#) [Nekustamais īpašums](#) [Finanses](#) [Mazais Bizness](#) [Tehnoloģijas](#) [Dzīvesstils](#) [Viedokļi](#) [Video](#)



Jaunākais izdevums



ABONĒT

No septembra vidus Rīgā ir atvērta pirmā automatizētā diennakts picērija, informē “The Pizza Mood” idejas autors un realizētājs Andris Pētersons.

“Pirmajā automatizētajā picērijā apvienojam visas modernā rīdzinieka vēlmes, proti, iespēju baudīt restorāna cienīgu, uz vietas gatavotu, augstas kvalitātes picu, vienlaikus netērējot daudz laika ēdiena pasūtīšanas un piegādes procesam. Mēs izmantojam viedo tehnoloģiju sniegtās iespējas, tai skaitā patentētu picas pagatavošanas krāsni. Apmaksas brīdī picērijas automāts ievieto izvēlēto picu krāsnī. Kad tā ir gatava, pica tiek ievietota kartona kastē un izsniegta klientam. Viss process kopā aizņem trīs minūtes,” stāsta A. Pētersons.



Example 2: Humorous outdoor ad of an orthodontic clinic during Covid-19 pandemic. It is likely to attract a lot of attention and become viral.



Example 3: Hidden advertising of online English classes. The article provides general recommendations on how to improve language skills at home, while one point leads you to the information publisher – English as a second language school. Such an approach looks more trustworthy to potential clients as compared to regular pushy promotion.

STUDY TIPS

10 TOP TIPS FOR LEARNING ENGLISH AT HOME



WIL



1. Surround yourself with English

You don't need to be in an English-speaking country to surround yourself with English. Find ways to make English part of your everyday life at home, like writing your shopping list, reading the newspaper, listening to the radio, writing a diary in English, or listening to English on your cellphone while traveling to work.

2. Make English friends

Even if you don't live in an English-speaking country, there are probably many foreigners living nearby. Find ways to meet native English-speakers: going to foreign bars and restaurants, joining sport and social clubs, or arranging language exchanges. You could even volunteer as a guide at a local tourist attraction to meet English-speakers from all over the world.



STAGE 2: CONSIDERATION

During consideration stage, potential customers are actively looking for a solution to their problem. They may be seeing what options are available to them, comparing products from several different companies or doing research. For example, a shopper may need to replace an old laptop and is searching for a new device within a certain budget. Now it is the time to make your product or service shine over the competition. Information about your business can be generated both by you and third parties.

Marketing activities:

Done by 3rd parties

- Media reviews
- Private persons' reviews
- Expert/media picks
- Case studies

Done by you

- Social media posts
- Articles/blogs on product benefits
- Videos
- Newsletters

Example: Expert review of an innovative auto-follow drone produced by the Latvian start-up "AirDog". The article is published on Engadget, a blog for the latest technology news with daily coverage of gadgets and consumer electronics.



engadget Sections Login

AirDog's action sports drone followed me through the desert

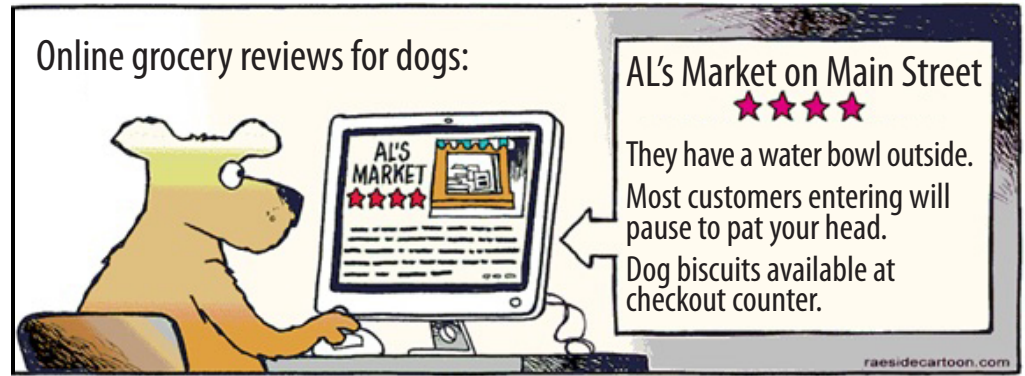
 **J. Trew**
@itstrew
January 6, 2015
6:25 PM



In this article: airdog, CES, ces2015, drone, follow, gadgetry, gadgets, gear, gopro, hands-on, TL17DRNFLW, UAV, video



Third parties' reviews are considered more credible by consumers. Do anything possible to get them: provide discounts to your clients, include them in giveaways or even assign a premium buyer status to them. Special offers will work too!



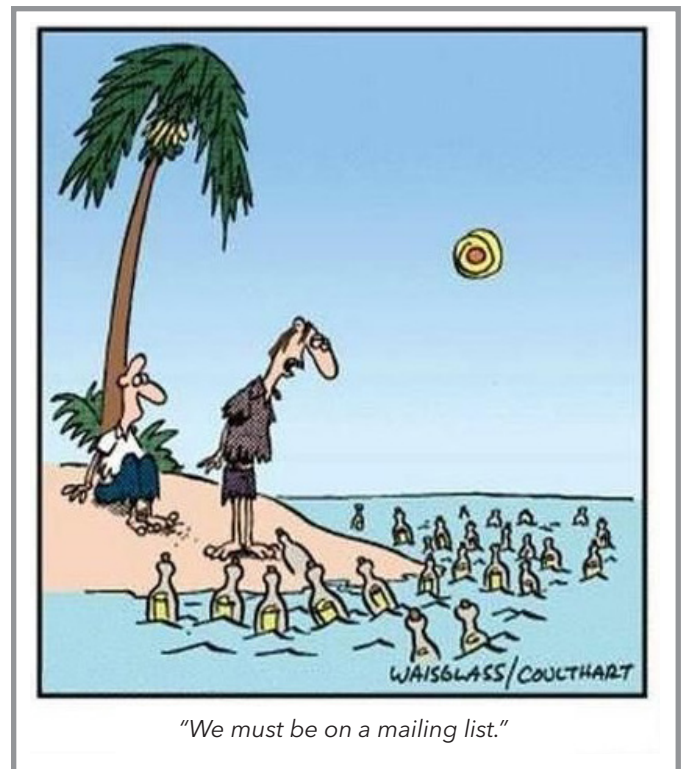
STAGE 3: INTENT

At the intent stage, prospective clients are showing signals that they are getting ready to buy. They could ask a question to your customer support or just put a product in their cart. However, this does not mean that they will go right to check-out. They might forget about your offering for a while or move back to the consideration phase.

Marketing activities:

- Targeted campaigns
- E-mail drip campaigns (*Drip marketing refers to a chain of emails sent to an audience automatically, based on actions they take or changes in their status. Content is generally prewritten and sent on a preset schedule. For example, a campaign can be targeted at someone who signed up for a webcast, registered on a website, abandoned a shopping cart, engaged with customer service or did not place an order for a while.*)
- Re-marketing (*Re-marketing is serving ads to users who have visited a website or a specific web page and who have or have not taken a particular action.*)
- Free trials
- Money-back guarantee

Create your email list as soon as possible and use analytical instruments to understand the behaviour of your customers! Analytical tools are usually integrated into email marketing platforms, such as "Mailchimp".



Example 1: Targeted email from an online clothing shop to a potential customer, who put a product in a cart.

Jelena, your desired items Inbox x


GIGLIO.COM

WOMEN MEN KIDS OUTLET DESIGNERS

Hello Jelena,
have you **forgot** something?


Unfortunately, your purchase has not been completed. If you've had difficulties during your order process or you need our assistance, we are at your disposal.

Unfortunately, due to the large number of transactions that we receive, we cannot hold active your cart for more than 48 hours. So, **if you wouldn't miss the items you desire**, we suggest to complete the order process as soon as possible!

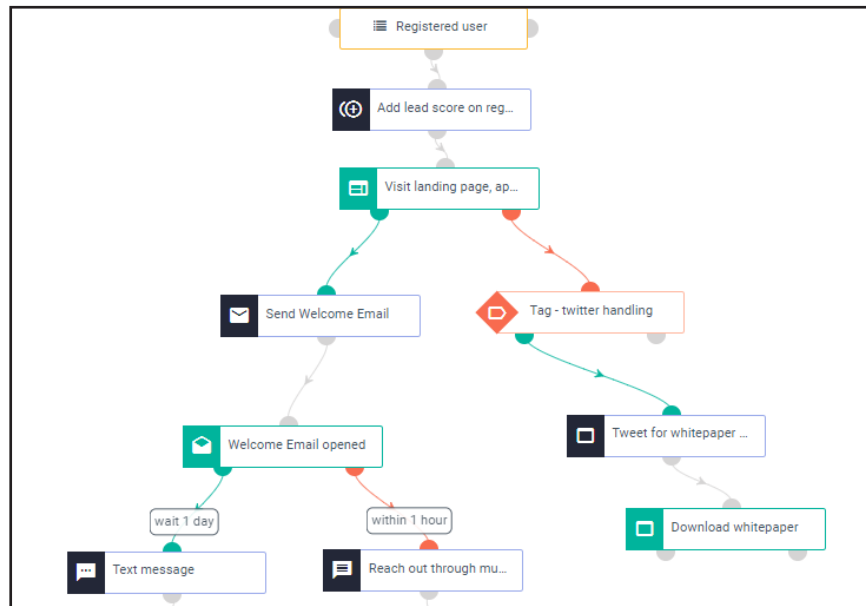


Complete the order ▶

Your cart



Example 2: Possible structure of drip marketing campaigns.



Example 3: Free 1-month trial offering on a website of "Shutterstock" image bank.

Get 10 free images now

- Try the Shutterstock 10 images/month plan for free.
- Pay nothing if you cancel within the first month.
- After that, only USD29/month for the rest of the year.
- Use code **PICK10FREE** at checkout.

Free 1-month trial.

After the first month:

10 images/month - annual plan €2.90 per image

Start your free trial

STAGE 4: PURCHASE

At this point, a potential customer made a decision to go with your product. Your priority is to make a purchase process as easy as possible - both online and offline - and deliver a pleasant shopping experience. For example, if a prospective client is not comfortable with a method of payment, he or she can still fall out of the sales funnel. This is also the stage when you try to retain new clients by making an offer that will make them return.



Example 1: A Latvian company operates two lovely shoe shops in Riga located 15-minute walk away from each other. Sometimes customers have a desired model or size in the other shop and are willing to go there. However, the company management has a safer option to offer! They know that anything can happen while a customer is walking to the second sales point: he or she may focus on something else, spend money in a different store or bump into a gorgeous pair of shoes sold by competitors. So they have personnel who will swiftly bring needed products from one shop to the other by bike, scooter or simply running.



Example 2: Targeted email with a special offer to an existing client sent by a clothing brand.

We miss you! For you, 15% off our new Fall Winter collection > Inbox x



Miss You

Come back to see us on Twinset.com: we will be delighted to welcome you back with 15%* off your purchases from our new collection. The ideal opportunity to update your Fall Winter looks with our signature Twinset style.

Shop Now

STAGE 5: LOYALTY

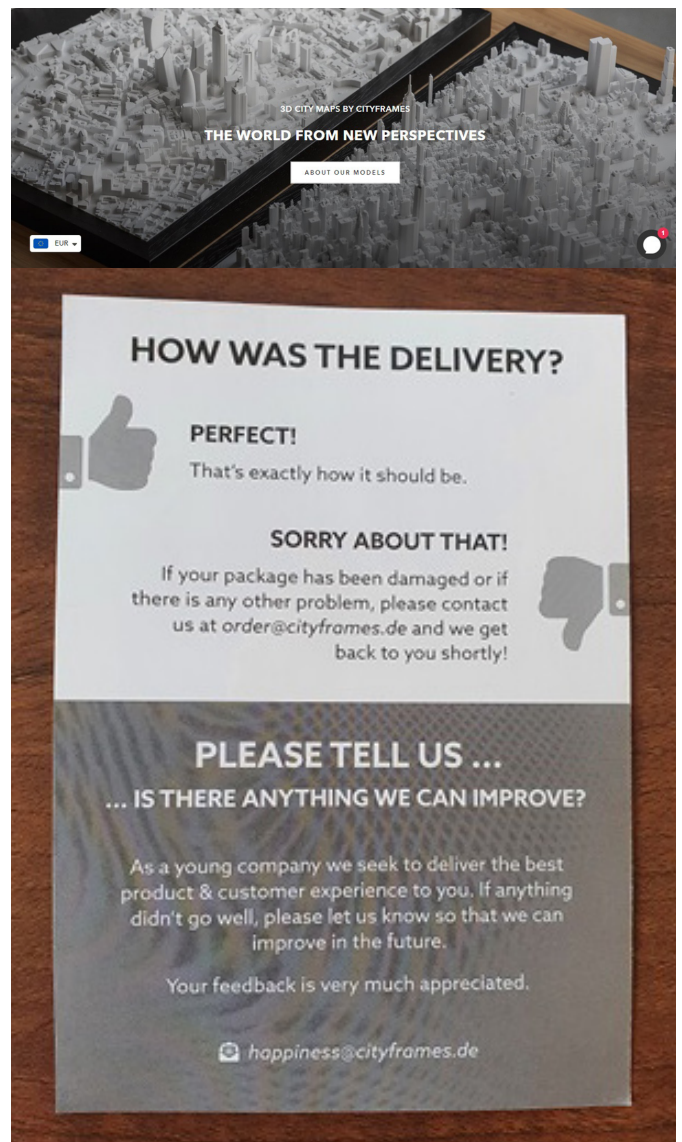
Customer loyalty focuses on turning a customer into a repeat buyer. Retention is a key component of an effective sales strategy, because it reduces the cost of finding new prospects. As long as customers are satisfied with your products or services and still need your offer, they may keep buying.

Marketing activities:

- Customer feedback evaluation and acting upon it
- Reward programmes for loyal customers
- Upsell campaigns
- Re-engagement email campaigns



Example: Leaflet inviting customers to leave feedback and provide recommendations on possible improvements included in each package of CityFrames, an innovative start-up that produces precise 3D city models.



STAGE 6: ADVOCACY

Successful retention strategies will keep customers more satisfied and may convert them into brand advocates. Customer satisfaction is also what drives word-of-mouth advertising. Rather than increasing your marketing budget for the Awareness stage of the funnel to generate new clients, it is more effective if your existing customers recommend your business to others.

Marketing activities:

- “Member gets a member” campaigns
- Discounts for referring new customers
- Facilitation of reviews

“Our highest priority is satisfying our customers... except when it is hard... or unprofitable... or we’re busy.”



“Customer satisfaction can be easy!”

TASK 6 SELL IT NOW!



*“My family?...
Hell no,
those are my
clients!”*

EXERCISE

In student companies, choose one product your group likes the most out of 4 presented below. Now you need to sell it! Create a list of marketing activities you would undertake and channels you would use at each stage of the sales funnel. Try to be as precise as possible!

For example, if you would promote a product in blogs of famous influencers at the Awareness phase, specify who exactly they would be. What message would you send to potential customers? What product benefits would you emphasize?

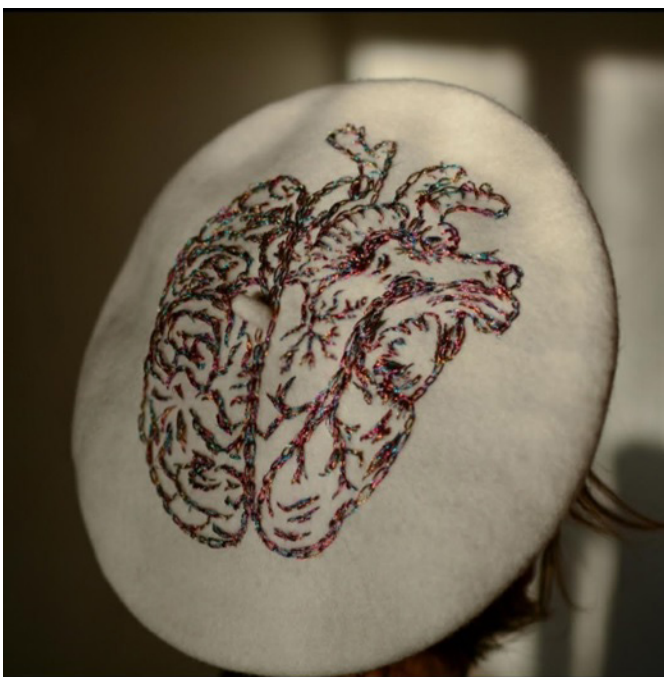
3D sneaker puzzle



Zero-waste envelopes made out of old magazines



Embroidered brain vs. heart beret



Tiny flat vases that can be put on a table or attached to a wall



VI.

CAPACITY BUILDING: PITCHING SECTION

TASK 1

ANATOMY OF A 3-MINUTE PITCH

Pitching is about presenting your business idea, product or service to an audience in order to convince them to invest in or support your venture. It allows you to share your vision and persuade potential investors, partners, customers or members of an entrepreneurial community to take action. It is particularly popular among startups and organizations willing to finance them.

In a pitch, you have a limited amount of time - usually not longer than 3 minutes! - to capture audience's attention and convey key benefits of your idea. You may use visual aids, such as slides or a demo, to help illustrate your statements and make your pitch more engaging.

Pitching can be nerve-wracking, but it is an essential skill to master. Preparation and practice will let you deliver a compelling pitch, which will enable you to achieve your goals and advance your business idea, product or service.



ANATOMY OF THE 3 MIN PITCH

1. "The hook" / Problem
2. Target customers
3. Solution / Product
4. Competition
5. Business model
6. Current status
7. Goals / What's next
8. Team
9. "The ask"

1. "The hook" / Problem

Start with a problem your product or service solves for target customers and do it in a fascinating manner! Remember that people are people: your listeners may get distracted, think about a recent fight at home or write a work email on their phone during your presentation. So grasp their attention from the beginning and make them super interested in what you are saying! You need a "hook" for that purpose.



There are several ways to hook your audience:

Surprise them

- + Unexpected fact
- + Controversial statement
- + "Did you know that ..."

Entertain them

- + Tell a story
- + Start with a joke

Relate on a personal level

- + Tell something from your own perspective
- + Show empathy for their perspective

2. Target customers

Describe people who will be buying from you. Briefly outline their characteristics, such as gender, age, occupation, education and income level, as well as needs, expectations, beliefs and values.

3. Solution / Product

Show them what you have got! Focus on your clients: explain how you will make their lives

better, what they will gain if they choose your product or what they will lose if they do not. You may consider mentioning a "secret ingredient", i.e. why your product is special and different from others.

4. Competition

Name companies you are or will be competing with in an industry. It is not the best idea to say that you do not have any! Most likely, it means that you just have not done your homework well. Elaborate on how you fit into a larger industry landscape.



5. Business model

You should definitely share how you are or will be making money. If you are planning to launch a mobile app, will you charge a subscription fee to users or have paid premium accounts? If you are developing a marketplace, will you take a fee from every transaction between a buyer and seller?

6. Current status

Tell what was done to this point. You may have validated your idea, created the final prototype, recruited valuable professionals or gained your first profit.

7. Goals / What's next

If you wish to become a successful entrepreneur, concrete plans for the future is a must. For example, you may want to attract financing in 3 months and launch a massive advertising campaign in 5 months. In your pitch, you can use a phrase that you "aim to reach a target X in Y months / years". Many companies use roadmaps or other visual formats to show the journey and what is coming up.

8. Team

Early-stage investors consider a team the most important criterion when deciding whether to provide financing or not. If your team is passionate and value-driven, you are likely to get a favourable answer from them. A team is viewed as value-driven if its members appreciate working together, are constantly improving themselves, their team, environment and tools and strive to live according to an appropriate set of values.

In your pitch, show that you have complimentary skills and experience and prove that you worked with each other and can get through difficulties. At the same time, stay humane and fun. Include a photo where you are together in a presentation!

9. "The ask"

Do not miss an opportunity to get something out of your pitch! You can ask for funding, connections, talent, feedback and advice. Do not be shy: it is totally OK to do so!



EXERCISES

A. Before you can pitch your idea, you need to prepare thoroughly. Just imagine that you have a unique opportunity to speak in front of a famous investor who will visit the Baltics just for a couple of days!

Individually, write down what you would say under each of 9 points described above. Do not forget that you have very little time for your presentation. So be as precise and concise as possible! Members of your student company will perform the same task.



Once everyone is done, discuss what each of you has written point by point. Choose the best version or jointly come to an alternative solution. Compile the answers into a single script.

B. In your student company, divide 9 pitch topics among all members. Then, each person will be responsible for textual and visual information on assigned slides. Discuss results, provide and accept feedback on potential improvements and jointly compile a presentation or, in other words, a pitch deck.

C. Individually, review and analyze a pitch deck of "Hobby Finder", a promising IT startup that brings together people searching for a quality and enriching leisure time and those willing to introduce them to a hobby of their own. Slides are presented below.



Hobby Finder

Latvia



1

PRODUCT

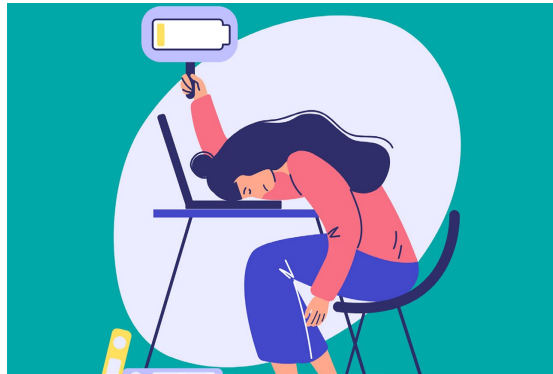
Hobby Finder – a platform that brings together people searching for a quality and enriching leisure time and those willing to introduce them to a hobby of their own.



2

PROBLEM

- Nowadays, many people suffer from stress, anxiety and fatigue caused by pressure and overload of responsibilities.
- + Quality of living and work-life balance are topical issues in Europe and the USA!



3

SOLUTION: HEAL THROUGH A HOBBY!

Doing what you love just 1 hour a day significantly increases satisfaction levels, relieves tension and has a positive impact on mental health.

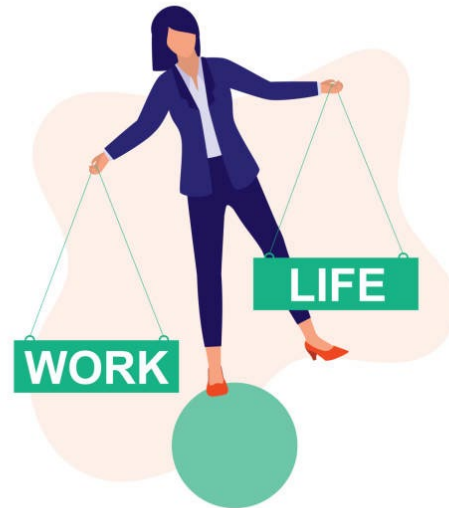


4

TARGET CUSTOMERS

Middle- and upper-class professionals

- 30-50 years old
- higher education
- successful in their career
- wish to spend time effectively



5

Why now?

Covid-19 outbreak and its consequences, as well as instable political and economic environment add up to regular stress and anxiety.

The market screams for our product!



6

HOBBIES

A variety of hobbies is overwhelming! *

* Starting with the common ones and ending with the most mind-blowing (for example, searching for hidden meanings in medieval paintings)



7

Competition

Indirect competitors are organizers of master-classes, courses and training programmes.



Udemy

BUT!

- Their services are **only partially** similar.

“Hobby Finder” offers a unique outlook on numerous hobbies during **one-of-a-kind hobby immersion sessions**.

8

Business model

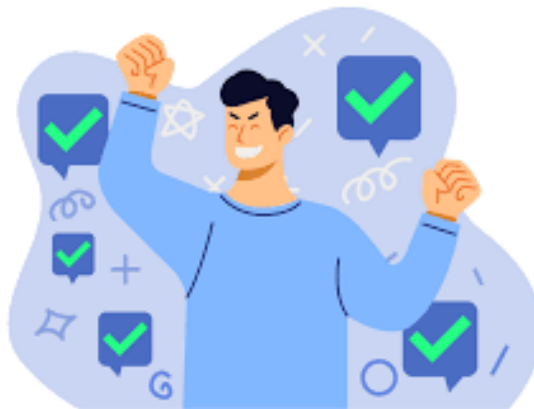
- Fee for every transaction between a “hobby guide” and his/her client
- Fee for premium accounts
- B2B advertising (contracts with providers of learning courses)



9

Traction / Status

- Idea was validated. The most lucrative market segment identified!
- A pool of “hobby guides” who will create a content on the platform was attracted.



10

What is next



11

Team



Inga Petersone, CEO
7 years in Management
*Passionate about
antique postcards*



Anna Smirnova, CFO
5 years in Finance
Crazy about Zumba



**Jaana Andersone,
Sales & Marketing**
10 years in Marketing
In love with geocaching



Arturs Ozolins, CTO
5 years in Programming
Addicted to horse riding

12

Ask

- Funding of 20 000 EUR for prototype development
- Feedback from anyone on anything related to our startup



13

Discuss presentation strengths and weaknesses with other members of your student company. Jointly amend the pitch deck to make it more powerful.

TASK 2

HOW YOU SPEAK MATTERS

Read the information and do the exercises below.

When you are delivering a pitch, you need to speak confidently and persuasively. It is not just what you say, it is also how you do it. Sometimes a pitch is a stage performance! Here are some tips that will make you successful:

- Avoid rambling. You do not want to have unfocused or unclear sentences in your pitch, or get off-track.
- Do not speak in a monotone way. Keep your energy level high and be enthusiastic.
- Modulate your voice to keep a listener interested, keep your facial expressions friendly.
- Make eye contact with your audience and use body language to emphasize key points.
- Emotions work.
- Use pauses for effect.

EXERCISES

A. Record a video of yourself delivering the pitch for your student company. Watch it to identify areas for improvement. Take note of moments when you stumble or hesitate or use an inappropriate body language. Then work on these parts specifically. Rehearsal is a prerogative to a successful presentation. Keep practicing until you are satisfied with your performance.



B. Choose one person from your student company who will deliver a pitch for your product or service in front of a classroom. While he or she is on stage, other company members make notes of presentation strong and weak points. The audience will act as investors who enjoy asking tricky and tough questions.



Study module on youth entrepreneurship support



European Union
European Regional
Development Fund



MORE ABOUT THE PROJECT:
WWW.GIRLPOWER.SPACE | [f /GIRLPOWERCENTRALBALTIC](https://www.facebook.com/GIRLPOWERCENTRALBALTIC)