



ERASMUS+ KA2 Strategic Partnership  
2017-1-HU01-KA202-035953  
Business MENTOR training and CERTification

---

# Training materials

## Nascent entrepreneurs

MENTORCERT project  
Work Package 3

Porto, 2019

---

This project has been funded with support from the European Commission.  
The European Commission support for the production of this publication does not constitute endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



# Content

Content.....	2
1. Introduction and learning objectives .....	3
2. Sector Overview - Nascent entrepreneurs .....	5
3. Strategic planning .....	14
3.1. Long case.....	14
3.2. Short case .....	20
4. Value Creation models .....	22
4.1. Long case.....	22
4.2. Short case .....	30
5. Understanding the ecosystem.....	32
5.1. Long case.....	32
5.2. Short case .....	38
6. Future .....	40
6.1. Long case.....	40
6.2. Short case .....	47
7. Additional materials.....	49



# 1. Introduction and learning objectives

These training materials have been prepared for the MentorCert Project. They aim to help business mentors or potential business mentors acquire knowledge and skills associated with the development of knowledge in specific business sectors. They are to be used as a resource to underpin the development of (1) project related e-learning materials (2) Face to face training.

## Aim of the materials

The aim of the materials is to support business mentors and potential business mentors to achieve the 'hard' skills identified in the MentorCert skills card and outlined in the table below

Learning outcome
To understand options available to identify the scale and scope of the sector
To be able to identify relevant value creation models and apply at least one in a relevant sector context
To understand options available to map the sector eco-system and to apply at least one
Hypothesize about the future of the sector

## Structure of the training materials

The training materials are ordered in the following way:

- A brief introduction to the Nascent entrepreneurs
- Examples of techniques that can be applied in the sector to achieve the learning outcomes (including case studies)
- Short case studies to be used in face to face teaching and learning
- Further references and resources

The training materials contain eight case studies to encourage work-related learning.

Long cases (to be used in the on-line training materials)

(1) Company: Babymeal CO

Title: A strategy to deal with a nascent business in the Babymeals' industry

Method Used: SWOT



- (2) Company: Alliance of Bakers, Coop  
Title: Facing Value Creation through innovation in the world of bakery  
Method Used: NICE - Explore and understand how an organisation conducts business and delivers value to its stakeholders
- (3) Company: Local Country Lodge Company  
Title: Mapping Stakeholders of a Local Country Lodge Company  
Method Used: Stakeholders Mapping
- (4) Company: iNewFood Project (New Age Food Production for humans)  
Title: Fetching and seizing new food trends  
Method Used: BMG - Business Model (Alexander Osterwalder and Yves Pigneur)

Short cases (to be used in face-to-face training)

- (5) Company: NORTH BEER, Ltd – Producing a local craft beer  
Title: A strategy to deal with a Nascent Enterprise where stakeholders have only a brewing expertise
- (6) Company: BUGS ENERGY BAR PROJECT  
Title: A Bugs Energy Bar company - Producing Energy Bars out of Bugs
- (7) Company: PHARMA ORAL FILM – Producing a film to dispense pharmaceutical products  
Title: Understanding the entrepreneurial Ecosystem of a Nascent Enterprise in the Pharma Oral Film dispensing sector: a PhD Adventure
- (8) Company: Greenery Winery Co, Ltd  
Title: An age-old business reinvented

## Time and materials needed

These materials should be used in combination with other resources developed during the MentorCert Project and the TRUST ME project:

- A methodology handbook introducing a selection of thirty two tools and techniques that can be used to identify the scale and scope of the sector, value creation, eco-system mapping and hypothesise about the future of the sector
- A TRUST ME Handbook for trainers

To complete the full e-learning module should take about fifteen hours in total (eight for the methodology module and seven for the FinTech module). It will take about 4 hours to complete the face to face element of the training.

## 2. Sector Overview - Nascent entrepreneurs

### I. Brief overview of the horizontal issues

Entrepreneurship can be understood as the art of making it happen with creativity and motivation. It consists of the pleasure of realizing with synergism and innovation any personal or organizational project, in permanent challenge to the opportunities and risks. It is to take proactive behaviour in the face of issues that need to be resolved. Entrepreneurship is the awakening of the individual to the full use of his rational and intuitive potentialities. It is the search for self-knowledge in the process of permanent learning, in an attitude of openness to new experiences and new paradigms (Baggio & Baggio, 2015).

However, entrepreneurship is not a monolithic concept, rather it is a dynamic process and it has several interdependent dimensions. Hence, in order to have holistic understanding about the concept. Entrepreneurial activities are defined in terms of organizational life-cycle approach (nascent, new venture, established venture) the types of activity (high growth, innovation, internationalization) and the sector of the activity (total early stage entrepreneurial activity TEA, social entrepreneurial activity SEA, employee entrepreneurial activity EEA). It also provides insights on ambitious entrepreneurial activity (both from the stand point of an owner-managed venture and of an entrepreneurial employee) - Figure 1.

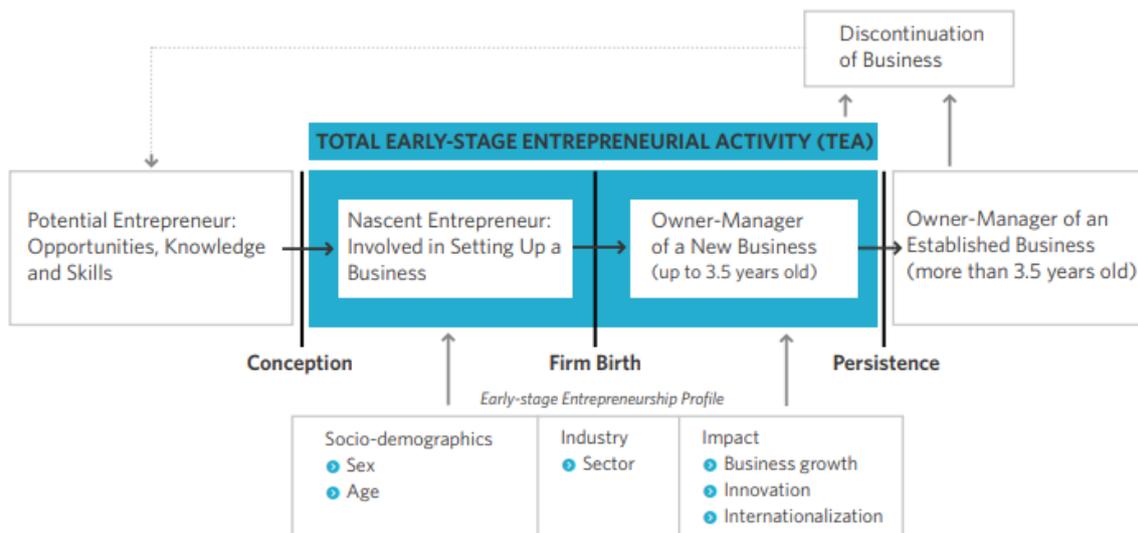


Figure 1 – The entrepreneurship process and operational definitions.



**ERASMUS+ KA2 Strategic Partnership  
2017-1-HU01-KA202-035953  
Business MENTOR training and CERTification**

---

According to Amorós and Bosma (2014) a nascent entrepreneur is defined as a person who is now trying to start a new business, who expects to be the owner or part owner of the new firm, who has been active in trying to start the new firm in the past 12 months and whose start-up did not yet have a positive monthly cash flow that covers expenses and the owner-manager salaries for more than three months.

It requires successful undertaking of a broad range of managing activities (e.g., the development of a marketable product or service, financing, finding rooms for the new business, acquisition of materials and inventories, marketing, and the generation of the first sales) (Samuelsson & Davidsson, 2009).

Socio-cultural factors such as norms, values, social networks, social perceptions and the degree of cultural acceptance of, and support for are important for Nascent Entrepreneurship. Communities traditionally associated with business and trade have leveraged networks and natural webs of interdependence, in building informal ecosystems that provide credit support, infrastructure, socialization and risk management. Encouraging Nascent Entrepreneurship involves widening the social base of capital, which in turn also means enlarging networks and including access to new entrepreneurs from communities that are not traditionally associated with business (Vagesh, Sunena, & Udhaya, 2017).

Formal and informal associations play a key role in nurturing Entrepreneurship. The task of ensuring greater social acceptability for Nascent Entrepreneurship also requires dissemination of best practices, documenting unsuccessful ideas as well as other entrepreneurial experiences at all levels. Reward and recognition at various levels, from local to global, also help in promoting Nascent Entrepreneurship (Vagesh et al., 2017).

The statistic shows the nascent entrepreneurship rate in European countries in 2017. The nascent entrepreneurship rate refers to the percentage of population who are currently a nascent entrepreneur, i.e., actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months. In 2017, about 3.4 percent of the respondents from Germany were involved with setting up a business – Figure 2 (GEM, n.d).



ERASMUS+ KA2 Strategic Partnership  
2017-1-HU01-KA202-035953  
Business MENTOR training and CERTification

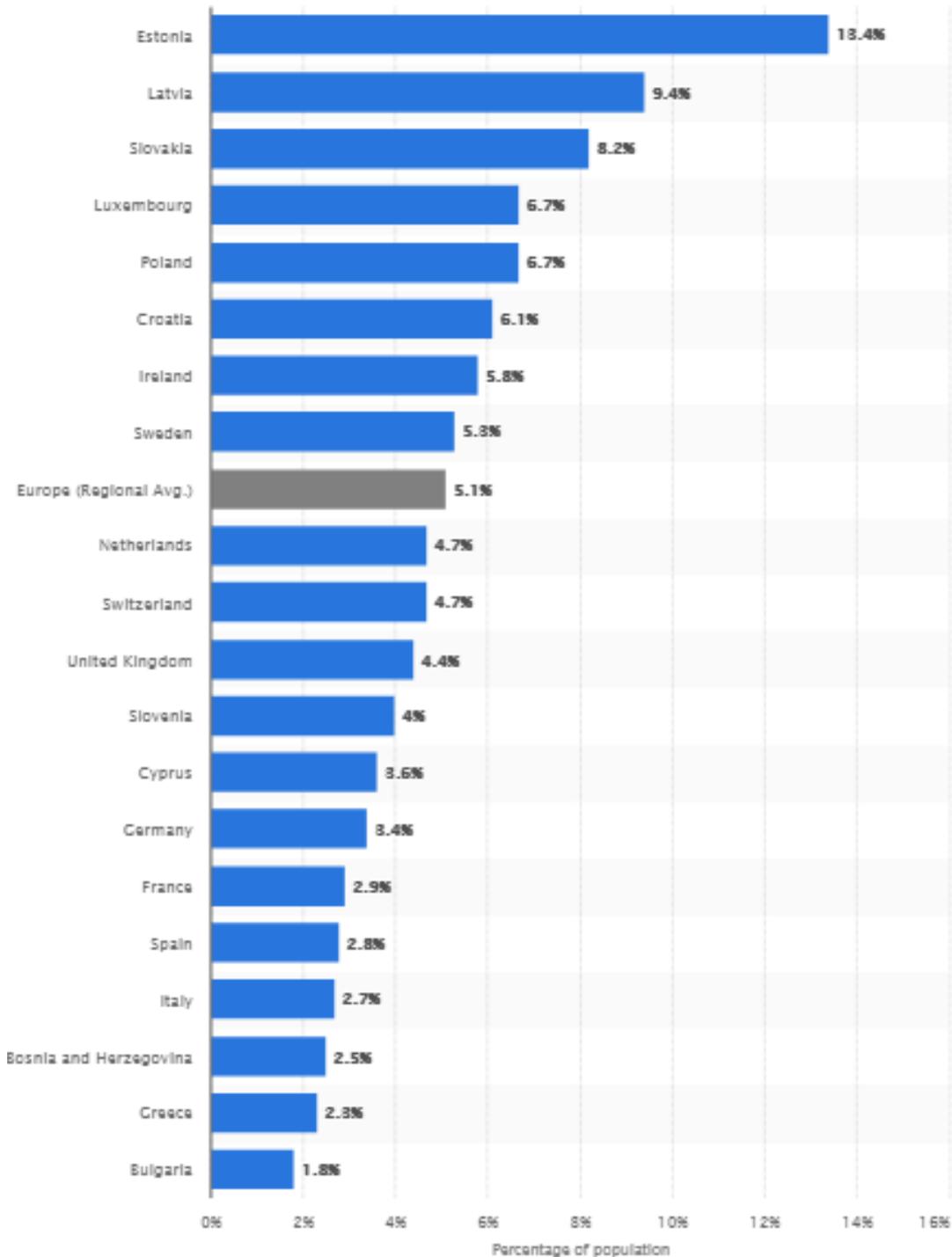


Figure 2 - Percentage of population involved in setting up a new business in Europe in 2017, by country.



## II. Analysis

Entrepreneurship has played important roles for an economic growth and development of nations (Van Stel, Carree, & Thurik, 2005). Entrepreneurship contributes employment creation, productivity, growth, and innovation (Van Praag & Versloot, 2007). Shane and Venkataraman (2000) defined entrepreneurship as the process by which individuals pursue opportunities without regard to resources currently under control including the discovery, evaluation and exploitation of opportunities (Tripopsakul, 2017).

Necessity entrepreneurship is focused primarily on needs; whereas opportunity entrepreneurship is mainly operating based on voluntary engagement or unique market opportunity. The following table represents the major motivating factors regarding to pull (necessity) and push (opportunity) entrepreneurs (Ivanova et al., 2017).

Opportunity Driven Entrepreneur	Necessity Driven Entrepreneur
Market opportunity	Unemployment
High economic profit	Lower education
Social recognition	Language barrier
Personal development	Dissatisfying labour market
Independence and autonomy	Family pressure
Rejecting stereotypical feminine identities	Lower income

### PROBLEMS AND OUTCOMES IN NASCENT ENTREPRENEURSHIP:

1. People setting up a business may face numerous unexpected obstacles and difficulties, and these may take longer to resolve than expected.
2. New ventures can be resource-hungry and sometimes acquiring these resources may prove more difficult, expensive, or time-consuming than originally planned.
3. Information may be difficult to obtain, prove unreliable, lack in specificity, or turn out to be irrelevant. Governmental regulations may delay the process. A new competitor may capture the targeted customers. Furthermore, one may dislike particular aspects of venturing, for example book-keeping or selling.
4. The market may prove to be less interested in one's product or service than was initially hoped for, which can make it difficult to keep up initial levels of enthusiasm. All these difficulties accrue to uncertainty regarding the market, the business environment, and one's own capabilities. These can be compounded by conflict arising among the business partners.
5. Personal or family problems may intervene making the list of potential setbacks, and obstacles endless. Nascent entrepreneurs (NE) try to solve these issues, mitigate their impact, or work around them. For instance, being rejected for a bank loan may be



problematic for those who have no other financing options but is less of a problem for someone who has not offered the bank any collateral yet, or who has a family member who has expressed willingness to invest. Whether something is experienced as a problem is determined by one's aims and expectations, response options, and response actions as much as by objective features.

6. Inventories of objective occurrences of issues would obscure underlying heterogeneity in whether an objective issue was actually experienced as problematic or not. Therefore, when studying problems the research has to focus on subjective assessments of whether problems were encountered
7. Lack of self- confidence.

#### ENTREPRENEURIAL FRAMEWORK CONDITIONS:

Finance: The availability of financial resources, equity, and debt for small and medium enterprises (SMEs) including grants and subsidies.

Government policies: The extent to which taxes or regulations are either size-neutral or encourage SMEs.

Government programs: The presence and quality of direct programs to assist new and growing firms at all levels of government (national, regional, and municipal).

Entrepreneurial education and training: The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels (primary, secondary, and post-school).

R&D transfer: The extent to which national research and development will lead to new commercial opportunities and is available to SMEs.

Commercial and professional infrastructure: The presence of property rights and commercial, accounting, and other legal services and institutions that support or promote SMEs.

Entry regulation: It contains two components - (1) Market Dynamics: the level of change in markets from year to year, and (2) Market Openness: the extent to which new firms are free to enter the existing markets.

Physical infrastructure and services: Ease of access to physical resources i.e. communication, utilities, transportation, land or space, at a price that does not discriminate against SMEs.

Cultural and social norms: The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase the personal wealth and income.

Conceptual Framework: The conceptual framework includes several individual and demographic factors (gender, age, geographic location). These individual attributes facilitate entrepreneurship activities.



### III. Best practices of answering to the challenges

The mandate of public policy is the improvement of the economic performance of a place, i.e., policymakers are requested to make the most out of scarce local resources and factors (Audretsch 2015).

Therefore, adequate strategies have to be implemented in order to facilitate value creation and enable market participants to effectively contribute to regional economic wealth and prosperity. Since the level of entrepreneurship as well as the propensity of entrepreneurial interaction among regional entities constitute important cornerstones of regional development strategies, entrepreneurship and innovation policies are increasingly considered as essential instruments in shaping a region's competitiveness to achieve superior economic performance (Audretsch and Walshok 2013).

The formation and management of entrepreneurship and innovation networks as well as respective ecosystems increasingly gain complexity due to three reasons: an increasing number of involved entities; an increasing density in terms of collaborations; a wider geographical distribution. In the course of addressing these challenges, public policy needs to provide an effective framework for innovation which offers opportunities for knowledge-based entrepreneurship (Karlsson and Warda 2014).

Governments worldwide have adopted various direct and indirect policy measures to create conducive environments for (nascent) entrepreneurs which should facilitate the exploitation of entrepreneurial opportunities and the creation of new ventures. However, respective initiatives have recently aroused serious criticism by renowned scholars like Shane (2009) or Brown and Mason (2014) who argue that the majority of entrepreneurial firms are micro firms with limited growth potential generating only few jobs, thus little wealth. They call for a recalibration of entrepreneurship policies which should deliberately promote technology based, high-growth companies, i.e., create incentives for innovative high technology firms instead of the "typical" start-up companies.

In its strive for becoming an innovation leader in Europe and the world, Germany has launched several policy initiatives in both the public and the private sector to leverage existing local factors and resources and increase the number of entrepreneurial opportunities exploited by (nascent) entrepreneurs in knowledge intensive, high-technology sectors. With the Leading-Edge Cluster Competition and the Excellence Initiative, policymakers aimed at encouraging entrepreneurial action by creating fertile environments for (nascent) entrepreneurs and lowering entry barriers associated with the creation of entrepreneurial firms. Especially the Leading-Edge Cluster Competition thereby tried to create a positive climate for technology-based innovation and high-growth start-ups. By fostering public-private sector interactions, both political programs succeeded in achieving synergistic outcomes resulting in a multitude of innovative business start-ups and spin-offs able to compete globally.



Thus, nascent entrepreneurs were enabled to absorb knowledge spill overs and transform new ideas and knowledge into innovative marketable products and services. The sole focus on high-technology, high-growth entrepreneurship is a necessary, yet not sufficient approach for fostering nascent entrepreneurship comprehensively.

Welter et al. (2016) call for a reconsidered perspective on public policy interventions that should embrace the heterogeneity of entrepreneurship. As we mentioned earlier, Kuratko (2016) argues that a more diverse approach to effective public policy and entrepreneurship is needed to balance the different types of entrepreneurial ventures which coexist within entrepreneurial ecosystems. Thus, public policy should rather enlarge and improve the total pool of ventures instead of limiting its focus exclusively on high-growth firms (Morris et al. 2015).

Accordingly, different, more effective strategies should be adopted for the different types of ventures which help address imbalances within regions and strengthen local competitiveness to finally augment regional economic vitality. Future research on entrepreneurship and associated policies should consequently incorporate the highlighted multifaceted view on (nascent) entrepreneurship, thus provide a holistic view on the effects of public policies on entrepreneurial activities.

More studies are needed which evaluate the impact and effectivity of public policy interventions aimed at increasing regional wealth. As public money is a scarce resource, further guidelines and strategies for policymakers have to be developed to fulfil Audretsch's (2015: 126) mandate of the strategic management of places as he states that "places are competing against other places, some of which have a coherent and compelling strategy to enhance economic performance. Surely, these places will have better development prospects than places lacking such a strategy."

#### IV. Lessons for the curriculum development

Entrepreneurship and entrepreneurial competencies has been extensively studied (Mitchelmore & Rowley, 2010). Entrepreneurial behaviour is the result of a motivation to achieve a goal and the competencies necessary to achieve it. Following, according with Robles and Zárrega-Rodríguez (2015) a summary of the literature review, illustrating the 20 competencies that are considered important and influential for achieving entrepreneurship effectiveness:

1. Risk assumption - Ability to tolerate ambiguity and uncertain situations and make sound decisions in this situation, while being able to control own emotions;
2. Autonomy/ self-determination - Capacity for making independent decisions based on a clear understanding of the possibilities and the responsibility that it entails;



3. Search and analysis of information - Ability to find and share useful business information for problem-solving using the full potential of the company;
4. Quality of work - Ability to work intensively and tenaciously to achieve the objectives, seeking continuous improvement;
5. Communication - Ability to listen, ask questions, express ideas and concepts effectively;
6. Self-confidence - Ability to address new challenges with an attitude of confidence in their own possibilities, decisions or views;
7. Develop social networks/ generation of support networks - Ability to create and maintain a network of contacts with agents that are or will be useful in achieving the goals;
8. Dynamism - Ability to work hard and continuously in changing situations, with many different partners;
9. Change management - Ability to adapt to different contexts, situations, people and media quickly and appropriately;
10. Initiative - Willingness to take action, create opportunities and improve outcomes without an external requirement;
11. Innovation - Ability to produce an original, unexpected and appropriate (timely, useful) new work according to the needs of the context;
12. Integrity - Ability to act in accordance with what is said or considered important;
13. Leadership - Ability to guide the action of human groups in a certain direction by creating an atmosphere of energy and commitment, setting goals, following up these goals and giving feedback that integrates the views of others;
14. Self-control - Ability to regulate themselves and know their own limitations;
15. Results orientation - Ability to promote, guide and select behaviour in order to achieve the goals;
16. Social mobility - Ability to raise or lower position in the scale of economic well-being;
17. Negotiation - Ability to lead or control a discussion creating an environment for collaboration and making lasting commitments to strengthen the relationship;
18. Troubleshooting - Ability to flexibly assume boundary situations and overcome them and ability to handle contradictions;
19. Responsibility - Ability to maintain consistency between actions, behaviours and words, taking responsibility for their own mistakes;
20. Teamwork - Ability to actively participate in the achievement of a common goal, subordinating personal interests to team objectives.



## V. References

- Amorós, J. E., & Bosma, N. (2014). Global Entrepreneurship Monitor 2013 Global Report Fifteen Years of Assessing Entrepreneurship Across The Globe: Global Entrepreneurship Monitor
- Baggio, A. F., & Baggio, D. K. (2015). Empreendedorismo: Conceitos e definições. 2015, 1(1), 14. doi:10.18256/2359-3539/reit-imed.v1n1p25-38
- GEM. (n.d). Percentage of population involved in setting up a new business in Europe in 2017, by country. Retrieved from <https://www.statista.com/statistics/315397/nascent-entrepreneurship-rate-in-europe/>
- Mitchelmore, S., & Rowley, J. (2010). Entrepreneurial competencies: a literature review and development agenda. *International Journal of Entrepreneurial Behavior & Research*, 16(2), 92-111. doi:10.1108/13552551011026995
- Robles, L., & Zárraga-Rodríguez, M. (2015). Key Competencies for Entrepreneurship. *Procedia Economics and Finance*, 23, 828-832. doi: [https://doi.org/10.1016/S2212-5671\(15\)00389-5](https://doi.org/10.1016/S2212-5671(15)00389-5)
- Samuelsson, M., & Davidsson, P. (2009). Does venture opportunity variation matter? Investigating systematic process differences between innovative and imitative new ventures. *Small Business Economics*, 33(2), 229-255. doi:10.1007/s11187-007-9093-7
- Tripopsakul, S. (2017). Factors Influencing Opportunity Driven Nascent Entrepreneurs in Europe and Asia. *European Research Studies Journal*, 0(3A), 774-782.
- Vagesh, M., Sunena, T., & Udhaya, k. D. (2017). Nascent Entrepreneur-Challenges and Issues. *Journal of Business and Management*, 19(10), 01-04. doi:10.9790/487X-1910020104



## 3. Strategic planning

### 3.1. Long case

Company: Babymeal CO

Title: A strategy to deal with a nascent business in the Babymeals' industry

Method Used: SWOT

#### A1. Company and case

##### A1.1 Introduction

The Babymeal CO aims to be a start-up company located in the middle of major cities. Today it is still a business project and therefore there are some uncertainties about the path to follow.

Babymeal CO's core business consists in preparing and delivering health baby meals to parents that do not have enough time to prepare it and/or do not have enough knowledge of what kind of ingredients and cooking processes are the most suitable and healthy to their babies. Babymeal CO delivers meals in and around major cities.

Babymeal CO main market advantages are:

- Meals preparation process according to new nutrition tables updates and scientific publications;
- Quality of the ingredients which are biological, fresh and based on short distribution chains;
- Committed and specialized staff (for instance nutritionist, paediatrics);
- Responsiveness to market needs;
- Positive culture and results orientation.

##### A1.2 The Case and the Problem

How can we brace the Babymeal CO business model with a strength and adaptative culture to face new rivalry products in the next two years? Which actions should be defined and implemented in the next 12 months to guarantee that Babymeal CO is prepared to thrive in this specific food industry? Since the entrepreneurs have limited financial resources, they will only have resources to pay for operational costs for one year. It might be important to find investors to Babymeal CO for the three initial years of business.

Babymeal CO's team is composed of three young ladies with an entrepreneur spirit that have more technical and practical approach than skills in management and sales.



**ERASMUS+ KA2 Strategic Partnership  
2017-1-HU01-KA202-035953  
Business MENTOR training and CERTification**

---

Although an unexperienced team in business, they have a solid experience in the nutrition field which is the most important knowledge for the first stage of this project: products recipes in accordance with a scientific knowledge and testing of products in the market. All members of Babymeal CO are graduated in paediatric nutrition. In this case the mentor was requested to do a group mentoring, instead of a one-to-one session.

A2. Leader: personality, attitude, communication, etc.

*Anna* is the natural leader. She naturally assumes leadership because as she is very communicative and has a social ability that makes others focus on her speeches during meeting and events. She is also a person that knows the most about the nutrition field and where it could benefit the baby food industry. On the other side, her knowledge and social ability can make her a bit egotistic and intransigent. It would be interesting if Anna could develop her behaviour more often specially because she must interact with several kinds of stakeholders and business partners. She is 26 years old.

*Josephine* is a person who never seeks for social recognition! She is always studying and trying to find the best and more innovative recipes, matching it with scientific publications. She loves this project because she sees in it a lot of potential to develop her own ideas. It is difficult for her to accept changes that are not aligned to her vision and from time to time this caused relationship problems inside the team. Josephine is 24 years old.

*Andrea* is the happy and energized member. She is a very proactive and positive person that makes her colleagues go forward when they bump into each other. She really believes in the Babymeal CO Project and her energy really affects all around her. She thinks Babymeal CO has a completely new and innovative food solutions for babies because of the studies and data she reads and the feedback she receives from parents and friends. People that meet her love hearing about her thoughts and ideas and they usually ask her for advices and new food solutions. Andrea is 26 years old.

Andrea and Anna are starting to have some relation issues because of their different ideas about the future and charisma during market and public speeches. Josephine, on the other side, is not interested in having social prominence.

A2.1 How to get acquainted with the leader and how to „manage“ him (communication, treatment, etc.) properly, in an effective way

As a result of the above description of personalities and attitudes, Babymeal CO has got a leadership challenge that could compromise its viability if not well managed internally. To have a successful mentoring intervention the Mentor should use its ability to be empathic, listen to this team of entrepreneurs (understanding, for instance, the real expectancies and goals of the team) and be a truly listener of Anna, Josephine and



Andrea. The Mentor should earn their trust and be able to build a team solution with a fruitful approach.

Different skills will be requested from the Mentor as in this case he will have to deal with a group and manage three personalities. He will have to support the group to find among them a leader recognised by all.

The three lady entrepreneurs will have to find clear function for each of them with real added value for the project. Overlapping activities will have to be avoided and, if existing, clearly assumed by each of them.

It will be the role of the Mentor to help the group to reach the performing stage of a team using, for instance Elbeik, S., Thomas, M. (1988) *"Project Skills"* and Belbin, M., (1992) *"Team Roles at Work"*. According to Elbeik, in developing a fully functioning team, it is crucial that its leader understands the four distinct stages that most groups experience and work through on their way to becoming a fully integrated team: (i) forming; (ii) storming; (iii) norming; and (iv) performing. It will be the role of the mentor to conduct them through this path.

### A3. Content of explanation of the case:

The maternity leave is usually of five months and after that period the babies' parents start working again. It is in this precise moment that the parents have more difficulties when preparing or finding meals that are healthy. They also do not usually have enough time to prepare those meals or do not have enough knowledge of what kind of ingredients and cooking processes are the most suitable and healthy to their babies' meals. This introduces into the market a great business opportunity for Babymeal CO.

Simultaneously, parents are used to buy meals for their babies in fast stores and consumer markets because of the shortage of time. Even if the products are not completely healthy, parents buy them anyway in super or hypermarkets because they are subject to aggressive marketing campaigns. Recent studies show that parents are receptive to healthier products, but they do not have enough knowledge to decide about the ones that are good or bad. Despite super or hypermarkets offer the possibility of customers rating the quality of the products, they do not have enough knowledge to decide, so most of the times, decisions are based on the goals of the marketing campaigns that usually encourages purchase through the catchiest attributes of the product and not its healthier attributes. The proximity is also a big challenge for Babymeal CO because the super and hypermarkets have an enormous geographic coverage.

Currently, Babymeal CO has one major task which is to guarantee that the products are fully tested and certified. Almost every product has been tested, but it must be done to



all of them in a very short period to go forward into the certification phase. Moreover, the team also needs to study the market and its demographical and economic factors so they can define the marketing strategy and price decision.

A3.1 How to apply the chosen method: Presenting how the given method can be applied to that company, to that given situation

For this case, the SWOT method will be the guide the mentor will use, after dealing with the awareness of the team of the stage they are in (see above), during the facilitation process. It will help the team to work through the case in its different perspectives and organize the status of the project therefore helping to foresee future steps.

SWOT analysis is a well-known and worldwide used strategic management tool that has been designed for supporting its user in making a better understanding of those external and internal factors that positively or negatively influence the actual status of an organisation or the achievement of an objective.

Even though a well-organized group discussion could benefit the analysis and allow the development of ideas and evidences support during a natural evolution process, it is important to remember that the Babymeal CO's team has different personalities and attitudes, and these might jeopardise the project if not well managed, thus the importance of acknowledging the four stages of a team development.

The mentor will work with the team in sessions allowing free brainstorming refraining actively to manifest or impose his views.

A first session in the SWOT analysis can look like this:



<b>The SWOT analysis</b>	
<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Products quality</li> <li>• Holistic understanding and knowledge of the team</li> <li>• Team’s commitment to the project (self-investment, for example)</li> <li>• Product design and packaging (catchy for parents and babies)</li> </ul>	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• The promoters (team) has different personalities and attitudes about the business</li> <li>• Enough capital to start the business is not available</li> <li>• New entrants with low reputation might gain market-share and/or influence clients with different trends</li> <li>• High bargaining power of suppliers during initial business launch</li> </ul>
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Parents’ lack of time due to demanding working schedules in cities</li> <li>• Educational knowledge based on biological food is increasing in cities</li> <li>• Partnerships with public agents in proof-of-concept and results dissemination (probably a short or medium-term goal)</li> <li>• Government support (might be a long-term goal)</li> </ul>	<p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Low entrant barriers to medium and big agro-food industries</li> <li>• Self-establishment of supply chains by medium or big agro-food industries</li> <li>• Bargaining power of other competitors in the supply chains</li> <li>• Fluctuation of products distribution cost (self-vehicle and/or subcontracted distributors)</li> </ul>

Table 1: Questions and preoccupations to consider, analyse and decide before the strategic planning is defined

Since the SWOT analysis can be used as a very powerful management tool in the strategic planning phase, it is important to think of how the external and internal factors could positively or negatively influence the actual status of the Babymeal CO Project. The Mentor will help then the team reach strategic decisions to address the actual stage of the Babymeal CO Project.



#### A4. Conclusions reached and actions taken

After finalizing the SWOT analysis and discussion between the mentor and the entrepreneurs some preoccupations and discussions took place.

The following initial action plan was written, at this early stage, in the last meeting:

- 1) Product completion: the product(s) should be tested, certified and completed (includes the design and packaging);
- 2) Target-marketing definition: it is not enough to decide whether the product is good or not. Babymeal CO should look at the market and target it according to clients' segments;
- 3) Defining a market testing approach, for instance, showing and gathering clients and/or partners' feedback about the products: quality; design; packaging; recipes; other feedback or information;
- 4) State a marketing plan that boosts sales in the first 2 years. The goals are: i) test the market preference; ii) sell products and analyse the impact of the business into the business plan; iii) prove and adapt the marketing plan;
- 5) Write a business plan.



## 3.2. Short case

Company: NORTH BEER, Ltd – Producing a local craft beer

Title: A strategy to deal with a Nascent Enterprise where stakeholders have only a brewing expertise

### A1. Company and case

#### A1.1 Company

The North Beer Company is a small-scale brewery business project that has a team of knowledgeable entrepreneurs both in beer science and technology, foreseeing to have its premises in the Oporto city centre, with both an industrial small-scale facility and a local beer bar exclusively focused on a good range of owned crafted beers.

Peter is leading this project and focusing on locally brewed craft beers, targeted at downtown clients and the boom of tourists that are visiting the city.

The North Beer Company's main market advantages are:

- Expertise in beer science and technology
- Committed team
- Embedded local culture
- Consistent product quality
- Traditional brew recipes

The company will have an initial capacity to produce 1.500 litre per week. The space planned for the bar has 80 m<sup>2</sup> able to seat 40 persons and a terrace that can seat up to 20 persons.

#### A1.2 The Case

Peter, the key founder and project leader, is a chemical engineer with a specialized training in beer and a master's degree in Brewing Science and Technology by University of Copenhagen (Denmark). He has already secured the necessary funds to the investment needed. The premises belong to him and are located in Oporto's downtown.

The business project is focused on producing good beer and open a specialized craft beer bar that matches a marketing trend in the beer drinking culture. Traditional or artisanal beer is becoming popular in the region.

The beer market in the country is dominated by two major strong industrial players.

The founder and team members are very much oriented toward production and have a good knowledge and experience in beer brewing. But having a bar as its only channel to sell the beer could be seem as a limited option.



A2. Leader: personality, attitude, communication, etc.

Peter, being technically an expert, because he is very secure in the production of beer, his self-confidence does not allow space for other team members to take ownership of the project, rather to do exactly what he demands.

With a strong technical profile his communication skills are rather poor. He has already once been accused by a team mate of being autocratic.

A3. Ask the participants (Mentors) to:

- a) (raise one problem for face-to-face in the material without any solution)
  - What are the perspectives / scenarios of the business development that Peter is expecting of his entrepreneurial project?
- b) (ask them to raise other problems for the face-to-face)
  - What are the constraints that you imagine will come up within your business development strategy?
  - Is beer-only enough for Peter's business development? What are the complements to the value offer of beer to enhance the business? Parings with beer?
- c) (ask them to think over which methods can be applied)
  - What method, with the founder's collaboration, would best suit the identification of a strategy for the business?
  - Do you think a SWOTS could help you think about the business development and help it grow?
- d) (ask them how they would treat with that leader style)
  - How would you help the founder, while not losing his entrepreneurial impetus, to develop communication skills and teamwork leadership?
  - How would you involve the founder / leader to develop the selected method?
  - Who would you recommend to the founder to participate in the implementation of the chosen method?
  - What areas of expertise would be recommended to participate in this project?



## 4. Value Creation models

### 4.1. Long case

Company: Alliance of Bakers, Coop

Title: Facing Value Creation through innovation in the world of bakery

Method Used: NICE - Explore and understand how an organisation conducts business and delivers value to its stakeholders

#### B1. Company and case

##### B1.1 Introduction

The "art" of breadmaking has existed for more than 4.000 years, although not always in the way we know it today, but always aiming to produce a basic popular food: bread. Bread is defined as the product obtained by kneading, fermenting and baking under appropriate conditions wheat, rye, triticale or maize, on their own or in the form of a blend, according to the types established by law, potable water and leavening or yeast, and it is also possible to use salt and other ingredients, including additives, as well as technological auxiliaries, under legally established conditions.

In recent years, there has been a decrease in bread consumption, associated with new food habits and concerns, which, accompanied by the increasing generalization of large Hypermarkets, specially in southern Europe, has led to pressures on the companies in the bakery sector.

Faced with this trend, Mr. Smith, an Artisanal Bakery owner, decided to get together a group of 9 old colleagues that, as himself, had been students of the National Bakery School, the oldest bakery school in the world, founded in 1894 and today integrated in the London South Bank University.

All these colleagues are today owners of UK baking companies across the country who make bread, sliced and wrapped, bakery snacks and other bread products operating 33 bakeries on total.

##### B1.2 The Case and the Problem

After a first informal meeting among themselves, the 9 owners of UK baking companies, led by Mr. Smith, decided to create the "Alliance of Bakers" that will represent their interests allowing not only the maintenance of their individuality as artisanal bakers as well as giving them an interesting scale to face big groups operating in the market. Innovation through R&D will also be a strong added value of this alliance.

All of them felt the lack of critical mass to face both increasing trends of the pressure of big groups and the need to innovate to face new market trends.



Mr. Smith decided then to get back to their old university and, with their help, find a mentor that could help them to explore and understand how the new "*Alliance of Bakers*" could conduct business and deliver value to its stakeholders.

B2. Leader: personality, attitude, communication, etc.

Mr. Smith is a self-made man that in his youth had the vision to pay for his training, working and studying at the same time. He is now 40 years old and his business has reached a stability he is uncomfortable with.

He has a very business-oriented attitude, pragmatic and has the ability congregate positive stakeholders around himself.

He constituted an installation commission lead by him with three other colleagues, out of the 9.

Although having his idea of the "*Alliance of Bakers*" completely established in his head, he has given the benefit of doubt to the creation of this nascent enterprise resorting to a mentor.

The mentor will have, therefore, to explore this opportunity Mr. Smith is giving him, dealing carefully with it so as to be a real added value to the future project, fulfilling completely his role.

B3. Content of explanation of the case

Bread is a staple food for most of the world's population. In recent decades the consumption of bread has fluctuated, resulting from factors such as changes in eating habits and choice of other substitutes. For the majority, consumers remain "tied" to bread but respond positively to the launch of new products or "re-launch" of traditional ones.

The objective of the "*Alliance of Bakers*" is to be a valuable and effective organization that will represent the interests of its 9 members, UK baking companies who make bread, sliced and wrapped, bakery snacks and other bread products.

The "*Alliance of Bakers*" will offer professional services to its members and other clients building a true partnership with all its stakeholders through leadership, health and safety counselling, training and leadership services, with a lobbying role in technical issues and others like promoting the consumption of bread through a strong public-relations work. They expect to work with the best placed organizations in the sector to make a difference on any issue: for example, for industry-wide UK issues, such as labour law, work with the Confederation of British Industry (CBI); for issues related to the food industry, such as nutrition labelling, work with the Food and Drinks Federation (FDF).

Having contacted their old University, the installation commission gathered some important data to help them.



The total bread and pastry consumption is estimated at about 39 million tonnes in the 27 EU countries. Bread consumption in Western Europe is stable, although it varies widely across countries. Germans and Austrians eat more bread with an annual consumption of about 80 kg/person, while UK and Ireland are at the bottom of the list with an annual consumption of less than 50 kg/person.

Across all European countries the market share of *Industrial Bakers* versus *Artisan Bakers* is approximately 50/50, but again there are large differences amongst countries. Bread production is relatively stable in most countries, but there are some countries that are still showing a long-term trend of a slow decline, 1-2% per year. Thus, the structure of the market varies across Europe. For example, the industrial sector represents 80% of the production in the United Kingdom, 40% in Germany, 35% in France, around 81% in the Netherlands and 19% in Spain. In total, there are more than 1,000 artisan bakeries in Europe, where the largest market share is in countries such as Bulgaria, Portugal, the Netherlands and the United Kingdom, followed by Finland. In Turkey and Greece, the market share is very low, around 1% to 3%.

Some common trends in markets across Europe include high raw material costs and price increases, rising transport and energy costs and lower margins for the bakers, increasing the bake-off in supermarkets and the use of frozen pasta. As regards to product innovation and development, health trends will continue with important contributors such as integral flours, alternative flours like insect-flours, fibre and omega-3. There will be a steady decrease in bread consumption with increase of alternative foods and bakery-type products. Consumers are interested in natural, eco-friendly convenience products and it can be seen a clear trend in the growth of out-of-home consumption meaning less time spent in home food preparation and consumption.

The perception and awareness of a healthy life has increased, resulting in an increase in the consumption of breads with whole grains, breads with added functional ingredients and breads with mixed grains of cereals, this being the direction and the future promising for the baking industry. Many functional breads are available in the market, for example, calcium enriched bread, with dietary fibre, inulin, b-glucans and oligosaccharides, omega-3 and green tea extract. Other requirements of consumers are to obtain breads with lower caloric value, more fibre, less salt and less addition of unnatural additives. The ideal bread in the consumer's view should have a low glycaemic index, be an important source of protein, contain tolerable dietary fibre, vitamins, magnesium and antioxidants. Another interesting aspect is the commercialization of functional foods that accompany the consumer's life stages, referring to products formulated in such a way as to meet the nutritional needs required for example by a child or a woman. These baking foods are still very recent, but their future is quite promising, and growth is expected for this type of product, focused essentially on the circulatory system, bone health and gastro



intestinal. It may be necessary to use new ingredients for the development of breads with textures and appearances similar to white breads in order to compete with their popularity. To do this, more research is needed on the influence of new ingredients and the nutritional value of the final product.

B3.1 How to apply the chosen method: Presenting how the given method can be applied to that company, to that given situation

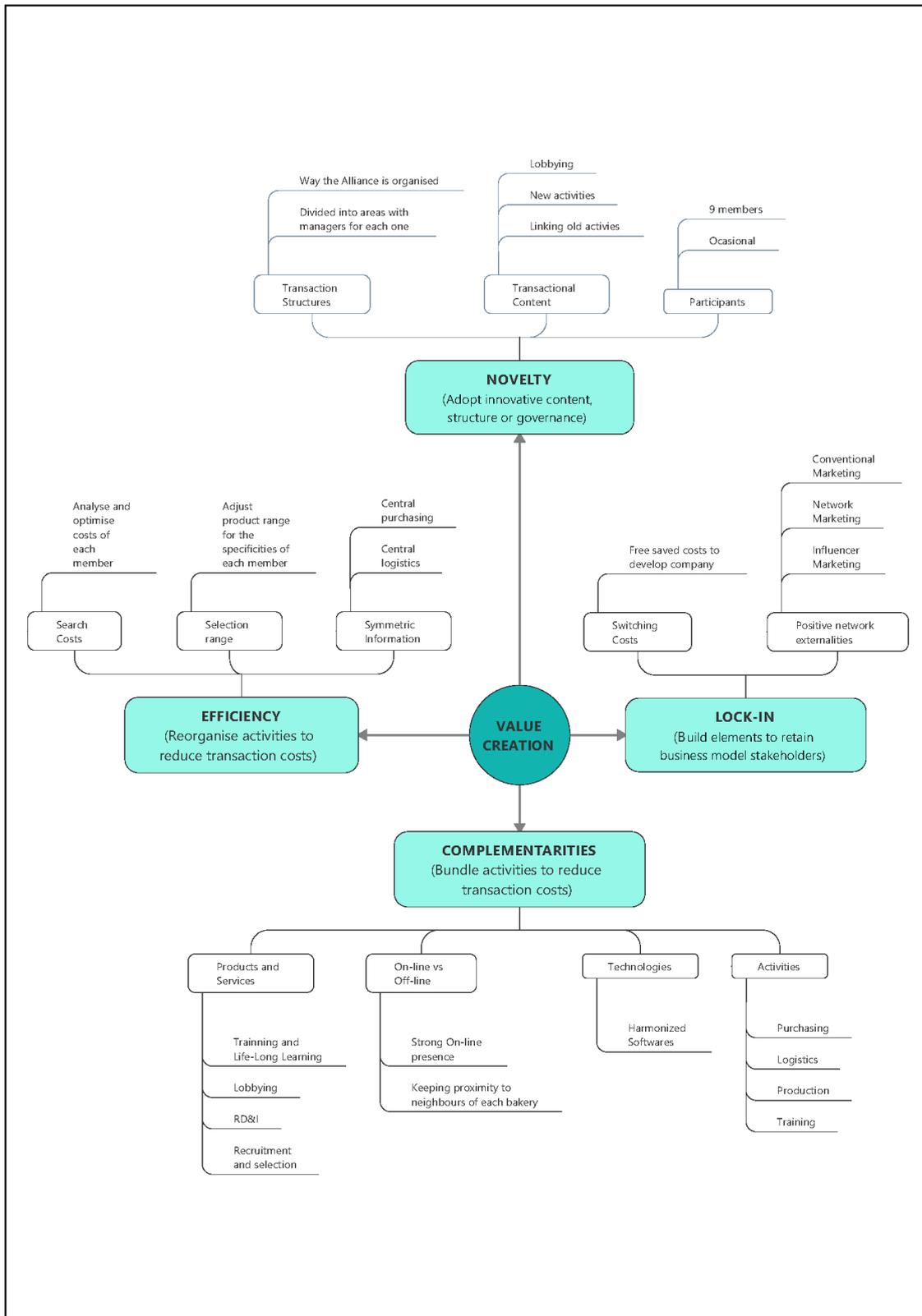
After an initial discussion between Mr. Smith, the installation commission and the Mentor, they all agreed to use the method NICE (*Novelty, lock-In, Complementarities and Efficiency*) to explore and understand how the new organisation will conduct business and deliver value to its stakeholders. Whilst a focus may be placed on its' use in established businesses, this method is equally applicable to innovators of entirely new business models and to business leaders who need to adapt their business model incrementally with the objective of achieving innovation new to their organisation.

The Mentor then presented the method to the commission (see Annex of the present document) and all started to work on it.

After a long morning of debate, they reached to the following NICE results:



**ERASMUS+ KA2 Strategic Partnership**  
**2017-1-HU01-KA202-035953**  
**Business MENTOR training and CERTification**





After this first exercise, several working sessions and the collection of relevant information the following conclusions were reached:

### I - Organization

The Alliance will be based in offices near to most of the companies of its 9 members but the nearer to London, the country's decision centre. The management will consist of 3 people, lead by Mr. Smith, who manage the different offices specifically dedicated to the main functions of the organization (described below).

### II - Key Functions of the Alliance of Bakers:

#### *1. Representation:*

The Alliance is the representative of the interests of its 9 members, UK baking companies that make bread, sliced and wrapped bakery snacks and other bread products, including different forms, baked bread in the shop or bread already partially baked and frozen. It is agreed that most of the increase in market share has occurred at the expense of small handmade bakers who are increasingly appearing in other types of stores, including smaller convenience stores and so-called patio or garage stores. Many artisan bakers have now diversified and wagered on catering and takeaway, and some are now also providing handmade bread supermarkets.

The major product categories are: Sliced & Wrapped, Special, Traditional, Sandwich Rolls and Bread, Wraps, Pittas, Morning Croissants, Muffins, Pancakes, Scones, Potato Cakes, Donuts, Waffles.

The Alliance will represent the interests of its members by:

- Building its profile as a dynamic, versatile, professional and excellent organization;
- Generically promoting its members' products, with creativity and using the positive and very powerful nutritional benefits of nation's staple food;
- A sophisticated management program of issues risen by its members to promote the desired change, defending against unwanted harmful factors and correctly position the Alliance as to all issues it will be faced with;
- As communication concerns its commercial activity will project in the media important information to convey on issues that affect the food industry, consumer activity and the positive aspects of bread.

The main issues the Alliance will deal with include:

- Reduction of salt in bread and corresponding education of consumers;
- Sugar Reduction (in morning goods)
- Important partner in EU Food Regulations;
- Nutrition Labelling;
- Control of contaminants
- Food residues / WRAP / Refood processes



## 2. Value added services

- Information and counselling on a wide range of issues affecting the industry;
- Representation of the members' interests with the Government and regulatory bodies;
- Interaction with members and other representatives of the food industry for the exchange of information;
- Promotion of member's products and the nutritional benefits of bread as the nation's staple food;
- Value-added services, including:
  - Treatment of main statistical data of the industry, including bread production, sales, market trends, occupational health and accident statistics;
  - Updates on technical and legislative issues, health and safety issues, industry research and special reports
  - Health and safety initiatives, including guidance on safety memoranda, covering both the specifics of the bakery industry and the more general guidance;
  - Support-office supporting members in all necessary matters relating to quality certification.
  - Carry out several demarches on public relations and communication activities.

## 3. Training

- A large work base of this association will lie in carrying out training actions to increase the skills of its members and respective employees in the area of production, quality assurance and safety in bakery products, linking

## 4. Marketing & Promotion

- It will have a marketing support-office supporting members in all necessary matters concerning the internationalization of members' products.
- Support will also be provided for increasing knowledge, access to up-to-date information, for example through the association's website and social networks, with private access to members in the area of market trends.
- The association organizes events to support the dissemination of the products and their commercialization and developing campaigns such as a campaign on "*Better with Bread*" through which the association will encourage an increase in bread consumption.



B3.2 How to get acquainted with the leader and how to „manage“ him (communication, treatment, etc.) properly, in an effective way

The Mentor, to “manage” properly and in an effective way both Mr. Smith and the other 3 members of the installation commission, decided to produce a mind map of each of them to explore expectations, brakes and motivation so as to be better equipped to play his role.

This was done in individual and collective session, always sharing amongst them conclusions. (with the granted permission of each of them)



## 4.2. Short case

Company: BUGS ENERGY BAR PROJECT

Title: A Bugs Energy Bar company - Producing Energy Bars out of Bugs

### B1. Company and case

#### B1.1 The Company

The consumption of bugs as a food is growing fast around the world and therefore it is bringing an enormous opportunity into food industry businesses. It is becoming a normal part of everyday's diet of countless cultures, from Mexico to North America and Europe, from Asia to Africa, Australia and Thailand. It is changing the eating habits, enhancing health performance and contributing to a better environment sustainability. Although there are countless cultures around the world eating bugs as an ancestral and safe food, it is still a taboo-like subject. Dealing with cultures, habits and health, lays on trust.

BEB – Bugs Energy Bars Project (BEB) was built with the purpose of seizing the opportunity based on an existing gap: food/health need + lack of eco and sustainable products + consumer products tendencies.

BEB studies and collects ideas about consumer products, produces and aims at selling worldwide new products made of edible insects. Its main products are energy bars with edible insects that are created in artificial microhabitats and then by extracting its dry parts, will produce the raw material for energy bars (insect flour). This insect flour can also be sold to other Agrofood businesses, pending future legal and economic decisions. For instance, in Agrofood insect flour can be added into bread, pizza, meals and other consumer products. During the transformation process there are other ingredients used when producing energy bars, but the key raw material is always bugs.

Although there are several kinds of bugs consumed worldwide, the chosen ones consider the countries' consumer needs and the applicable legislation.

#### B1.2 The Case

In BEB there are many doubts about the products they want to sell because of economic and market issues. They are focused in energy bars that have a very high percentage of protein, but they believe that the insect flour can also be an exceptional raw material for Agrofood industry. This industry is growing fast with new consumer opportunities.

The project has the national market as its primary one but they also want boost sales worldwide. It is an exciting idea, but it could also be a very dangerous one.



If, on the one hand, there are not known competitors in their country, on the other hand, the barriers of entry of new competitors are very low therefore representing a significant risk for this business.

B2. Leader: personality, attitude, communication, etc.

This company has two founders and shareholders. Jose, the Chief Operating Officer (COO), is focused in production (engineering, quality and techniques growth) and the Chief Sales Officer (CSO), Rodrigo, who is the one who develops the brand and guarantee the products delivery into the national and international markets. Rodrigo is a natural networker, salesman and has a business development profile. Even though Rodrigo is very dynamic he is not a nimble person because he is convinced to be a great expert in the bugs field. Sometimes he rejects meetings with possible clients and partners because they are not experts in the bug field as him. Sometimes he becomes so proud about himself and BEB's achievement that he says it should be the market coming to him and not the contrary.

Aware of his responsibility to move the business forward, Rodrigo asked the Mentor to help him.

B3. Ask the participants (Mentors) to:

- e) (raise one problem for face-to-face in the material without any solution)
  - In view of the personality of the leader, how would you address Rodrigo's need to consolidate his understanding of the potential of the value of segment markets for their products?
- f) (ask them to raise other problems for the face-to-face)
  - What kind of product(s) should be sold (energy bars, insect flour ou both?)
  - What strategy should be followed to start selling products?
  - Which obstacles you imagine that will show-up during the market entrance (product quality and/or proof of concept; sales approach; ...)?
- g) (ask them to think over which methods can be applied)
  - What method could help Rodrigo to analyse and think about the best decisions in market implementation?
- h) (ask them how they would treat with that leader style)
  - How can the Mentor help Rodrigo to have a positive and forward attitude, to have a better understanding of market and cultures?
  - Without blocking Rodrigo's personal and social skills, what other skills should he improve to boost external relations and eventually teamwork?
  - Who would you recommend participating in the implementation of the chosen method?



## 5. Understanding the ecosystem

### 5.1. Long case

Company: Local Country Lodge Company

Title: Mapping Stakeholders of a Local Country Lodge Company

Method Used: Stakeholders Mapping

#### C1. Company and case

##### C1.1 Introduction

This case study explores and demonstrates the role of mapping a socioeconomic ecosystem, understanding the potential of exploiting relations and identifying ways to differentiate, compete and collaborate in a specific market.

It was prepared to illustrate how the Stakeholders Mapping Method can be used as a powerful tool to understand, test and apply knowledge according to the hard skill "*Understanding the Ecosystem*" highlighting results obtained by the usage of such a tool. Combining the Stakeholders Mapping Method with the Hard Skill "*Understanding the Ecosystem*" we can answer powerful questions like "How can I collaborate with other stakeholders to improve my business?" or "What are the stakeholders that I should approach to solve common problems?".

##### C1.2 The Case and the Problem

*West Country Lodge (WCL)* is a nascent business project focused on providing a lodgement experience in a country context and a local cultural environment, close to key touristic areas in the North of Portugal. The WCL is at no more than 1-hour travel's distance from: the city of Porto and its World Heritage area; the West Coast of Europe with Atlantic beaches and a rich coast line life; the city of Guimarães and its World Heritage area, and also the Douro Valley with its own social, environmental and unique wine culture, also recognized as a World Heritage by United Nations.

The lodge has 6 detached houses in a rural spot, offering the luxurious landscape of a Valley, benefitting from some modern facilities like a swimming pool. It also offers an easy access to local rural resources like a market garden and wide range of experiences in the neighbourhoods.



The West Country Lodge (WCL), Ltd, a local country lodge company, is a business project focused on offering quality lodgement in a rural context based in a set of six detached houses sharing common facilities.

Values of the Business Offer Experience:

- Nature, Countryside, Rural, Comfort, Calm
- Hub for a wide range of experiences

Target:

- Families
- External markets like France, Nederland, UK and Spain.

Description of the Lodge:

- 2 Houses x 4 rooms
- 3 Houses x 2 rooms
- 1 House x 3 rooms

Business perspectives:

Challenges of the business project were well identified by the entrepreneur as follows:

- To raise awareness about the touristic potential of the region
- To address relevant market segments:
  - By emigration links: France.
  - By vicinity UK, Nederland, Belgium, Spain
- Focus on tourism in the countryside: values associated
- Allow coordinated offer of experiences
- Improve added value on high season: July and August.
- Improve customers for the shoulder's seasons: May, June and September.

What are the possible options to follow, considering that in order to tackle those challenges a larger commitment of other regional stakeholders are needed?

- Consider partnerships?
- Consider alliances?
- Who are the key partnerships that could be aligned with the same challenges?

C2. Leader: personality, attitude, communication, etc.

Bruno is an able communicator and easily establishes collaborations with different persons and organizations. He has a strong technical background and experience in management tourism businesses.

He is not particularly knowledgeable of the local context, but he is very keen on establishing business communications. Living in a in a major nearby city (280 km away from the lodge) so there may be some cultural and social barriers he will have to overcome, as city dwellers behave differently from country dwellers. Being this kind of



business completely new at the countryside where the lodges are built, people of the place – crucial to provide services to guest-clients – will deal with it with distrust. This distrust will have to be overcome by the leader of the project. It will be the role of the Mentor to help him to deal with these barriers.

C3 Content of explanation of the case:

The market assessment that was developed by the entrepreneurship team clearly demonstrates that the high season, where full occupation could be expected, are the months of August and July. The shoulder periods of May/June and September/October are identified with very low ability to attract tourists in the targeted markets.

The entrepreneur is facing the problem of expecting the return of the investment based only in a quite low occupation of 20% its total lodging annual capacity.

C3.1 How to apply the chosen method: Presenting how the given method can be applied to that company, to that given situation

Let's recommend starting with a mapping of relevant stakeholders? This proposal was then accepted.

Following the stakeholders mapping method the mentor worked with the entrepreneur and his team in:

- Identifying appropriate stakeholders
- Specifying the nature of the stakeholders interest
- Measuring the stakeholder interest
- Predicting future stakeholder behaviour
- Evaluating the impact of stakeholder behaviour

Ecosystem:

- Regional Touristic Authorities
- Service Suppliers
- Costumers
- Touristic Service Companies
- Cluster of Lodgement Companies in the Region

The Stakeholders Mapping Method offered a simple way of visualising stakeholders and their likely interest using a simple table (see below).

The approach lists stakeholders along one axis of the table and the potential impact level on aspects of business strategy on the other axis.



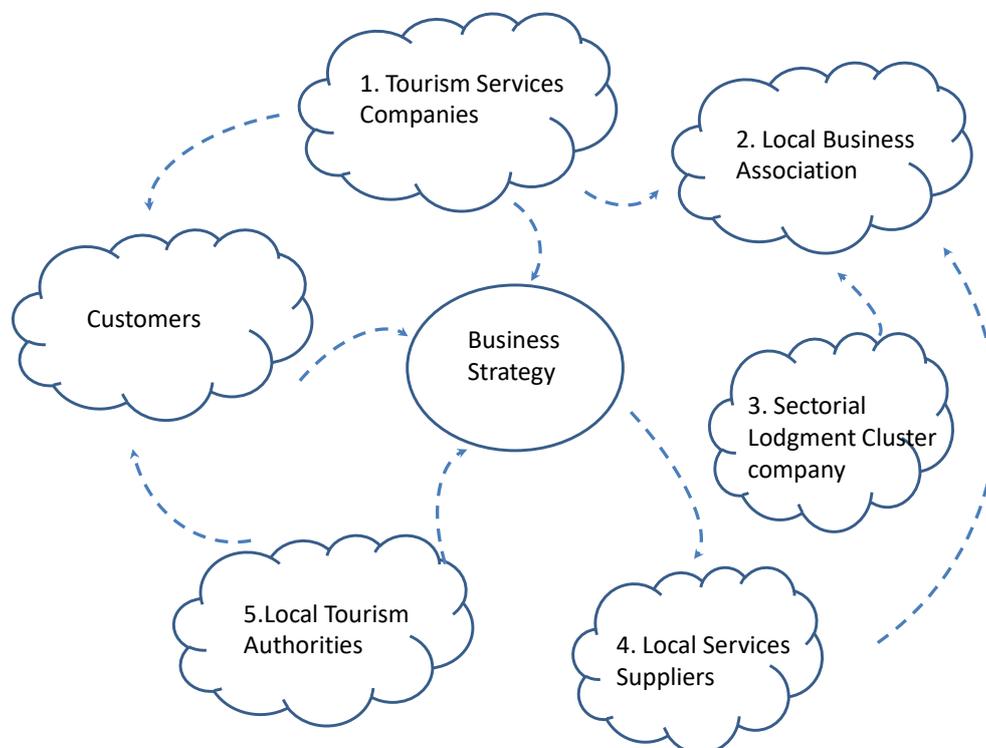
Table 1: Stakeholder Interest

Interest type	Stakeholder				
	1	2	3	4	5
A. Enlarging touristic offer	V	IV	V	II	V
B. Increasing occupation rates	III	IV	V	V	V
C. Increasing tourist spending per day	V	V	III	II	V
D. Improving information to tourists	V	III	V	I	V

Interest levels (i) Very low, (ii) low, (iii) Neutral, (iv) high, (v) very high

Visualisation can be used to provide a more nuanced view of individual power and interest that remain hidden in some forms of representation (e.g. organisational charts). Some groups or individuals within them may exert deep (extensive) or shallow (limited) influence in terms of their network of others that may be proxies for their interest. For example an individual with weak influence on the business may have a deep or strong influence on another individual or group that may have a strong influence on the business. These types of influences are difficult to visualise in a table whereas a picture or map can be a useful tool (Figure 1)

Figure 1 The visualization of the Stakeholders Mapping





The way to track the relationships and influences would normally be through qualitative research techniques such as interviewing people to find out who knows who in what context and the strength of the influence they exert. The Mentor, questioning Bruno, lead him to choose the most appropriate people to be interviewed.

C3.2 How to get acquainted with the leader and how to „manage“ him (communication, treatment, etc.) properly, in an effective way

To help the entrepreneur to identify options that could be relevant to tackle the key business questions, an approach to the different stakeholders mapped was designed based on short meetings, looking forward to results based on the communication capacities the empathy Bruno is able to demonstrate.

In a second step the outcomes from the different positions of the stakeholders in the meetings, common interest options were selected and the most relevant for the business objectives were identified.

Bruno was helped to design a set of proposals for actions based in alliances or partnerships. The Mentor helped him, through appropriate questioning how to distinguish alliances from partnerships.

The proposals for actions were then validated with the interviewed stakeholders to raise awareness and commitment.

C.4 Conclusion

Following the stakeholders mapping and the proposals for action validated in the business context, Bruno decided to lead a business venture in the area of public communication targeted at the tourism sector in the region.

His main objective is to fill the shoulder's months of his lodgment with tourist he may be able to capture due to interesting activities and catchy offers off the pick season.

To do so, he thought of producing a publication publicizing in a proactive way these activities and offers.

The publication envisaged is a web-based tool about the region: *Amarante Turistic Infogateway*.



It will consist of:

- Site
- Blog
- Social Media networks (Facebook; Instagram; Twitter, etc)

Targeted at:

- Actual and potential tourist in Portuguese, Spanish, English and French languages.

Contents:

- Articles about the region focusing on key dimensions like:
  - Culture,
  - Tradition,
  - Nature,
  - Gastronomy.
- Crossroad articles about the region and its easiness to exploit the North of Portugal: Porto, Douro Valley, Guimaraes, Etc
- Publishing other offers like: Lodgement, Circuits, Events, Restaurants, Touristic Services, Etc.

Business Model:

This tool will have to be to have the ability to attract paid news, advertisement, sharing costs as to ensure the collaboration of a part-time journalist to be its editor and news feeder.

Business success will thus be is increasingly built on coopetition, cooperation and collaboration and the development of communities of practice, knowledge sharing and trust developing, often a key element in ensuring the sustainability of the business.



## 5.2. Short case

Company: PHARMA ORAL FILM – Producing a film to dispense pharmaceutical products  
Title: Understanding the entrepreneurial Ecosystem of a Nascent Enterprise in the Pharma Oral Film dispensing sector: a PhD Adventure

### C1. Company and case

#### C1.1 The Company: Pharma Oral Film, a PhD adventure

A business project was drafted as an outcome of the results of the work developed by Tony Roberts in his PhD Thesis. The Key product is an oral film to dispense pharmaceutical products through mouth, in a controlled and steady way.

The technology Tony developed attracted the attention of small investors that saw a potential of its application with a platform effect. This could allow its commercialization for different products and different potential clients.

The viability of application of this technology on different products of key pharmaceutical products has still to be validated and further work is needed for each potential customer.

A clear focus on the development of a start-up out of this nascent enterprise has to be established as to transform a very good idea into a profitable business.

#### C1.2 The Case and the Problem:

Being a recent PhD graduated researcher, Tony is not so confident about the business potential of his technology. He participated in pre-accelerating and in technology screening programs.

Through these programs and the generated visibility that came along, a Business Angles Club approached him, proposing to start a company with an initial 200 k€. Tony wants also to be a potential founder of his project, but he has limited funds to support the overall investment, being afraid to lose the overall control of it.

### C2. Leader: personality, attitude, communication, etc.

Leader: The project leader and potential business owner is a pharmaceutical with a PhD in Biotechnology very much knowledge driven.

Tony has good scientific communication skills, developed throughout his doctorate and the presentation of his papers in congresses, as well as entrepreneurial communications



skills developed in presentation programs to potential investors. It was in these programs that he attracted the attention of some entrepreneurs who are willing to invest in his technology.

Although a confident and a very empathetic person, as well as results oriented, Tony has a risk-taking problem hindering his decision to take the next step into creating a monetized product.

To create a further difficulty, a previous Professor offered him the possibility to apply to a research position in an international research center that will offer him a steady paying, comfortable and interesting job with a 5 years' contract.

He has, nevertheless, an investor highly interested in his project and he must decide what to do, although recognizing that he has to be available to evaluate all the alternatives.

C3. Ask the participants (Mentors) to:

- a) raise one problem for face-to-face in the material without any solution
  - What are the opportunities to finance a start-up in this business area?
  
- b) ask them to raise other problems for the face-to-face
  - What are the players in the entrepreneurial ecosystem available to lead forward the idea into a start-up?
  - What are the market key-players that could be your first customers?
  - Would they, if with a positive response, lead you into embracing the initiation of a start-up?
  - Has Tony developed a check and balances analysis?
  
- c) ask them to think over which methods can be applied
  - What method can be applied with the leader along with the potential business angels' collaboration, to understand the entrepreneurial ecosystem and help Tony to better evaluate his personal options?
  
- d) ask them how they would treat with that leader style
  - For an adequate evaluation of alternatives by Tony, what would you propose him as a process for accessing the best entrepreneurial ecosystems for his technology/product, exposing him to the adequate one?



## 6. Future

### 6.1. Long case

Company: iNewFood Project (New Age Food Production for humans)

Title: Fetching and seizing new food trends

Method Used: BMG - Business Model (Alexander Osterwalder and Yves Pigneur)

#### D1. Company and case

##### D1.1 Introduction

The present case study is fictional but based on a real nascent enterprise project. It was prepared to illustrate how the Business Model (BMG) Method can be used as a powerful tool to understand, test and apply knowledge according to the hard skill "Futures" highlighting results obtained by the usage of such a tool. Combining the Method BMG with the Hard Skill "Futures" we can answer powerful questions like *"is our product well tested and the business well-structured before launching it into the market?"* and/or *"is there a real market opportunity/need in which our product can succeed?"*.

##### D1.2 The Case and the Problem

iNewFood is a nascent enterprise project that is propelled to fill a worldwide gap that exists in the food industry. This happens because food industry is still not seizing some business opportunities that are less attractive in some continents. This gap is based on (i) today's food offer vs. better human health; (ii) lack of eco and sustainable products; (iii) consumer products' preferences and food trends; (iv) the laws' stage for human food production gives opportunities to specific market industries. iNewFood aims to produce food based on insects' raw materials and this scope of activity makes this nascent business very catchy but also very risky.

Moreover, there are many doubts about the feasibility of the business because it is going to be launched firstly in Europe and then in countries from other continents, when products are strengthened in the market. The team youth is also a preoccupation because it brings energy and action to the project but then again iNewFood will need to brace the business with ancestral knowledge and investigation since there are countless cultures around the world eating insects (for instance, bugs). Dealing with a global market that has its specific cultures, habits and health lays on trust and it is a very fragile subject that requires time and other resources.



The team of entrepreneurs that started this project is a couple that decided to get together and create a company to produce unique products that are a good solution for today's food industry gap (explained above). Carlos and Joana met six years ago when they started together their graduation course. These entrepreneurs graduated in Food Engineering studies two years ago and have been working apart since then in some jobs to get financial resources to launch the iNewFood Project. They know that a good business launch is a very difficult step because it requires more than savings. However, they prefer to make slow investments and pursue their goal with their own money, rather than waiting for the best business and/or market opportunity. Carlos is the Product Developer.

D2. Leader: personality, attitude, communication, etc.

Carlos is the person who is leading the Project. He is developing and testing products, making partnerships with agencies, universities and institutions that are related with edible insects. Carlos uses well his instinctive social and communication skills to develop connections and build contacts around edible insects' network. He is the one who makes presentations and speeches about the iNewFood Project and the audiences usually like him very much. He plays the role of CEO in this project but is also the responsible for the production and product-testing.

Joana, on the other hand, has a more technical profile and stays behind the scene. She does not express strong feelings about the iNewFood Project, maybe because she is a less eloquent person. Yet, she is methodical and focused person that brings reflection to the Project. Joana is a more tough person to persuade because she is very analytic. This could be an important matter to consider in the future because the business should be focused in a market and not only in the product. Joana could be considered a CTO, but she lacks time to do it. She is a full-time worker in a non-competitor industry to gather financial resources for iNewFood Project.

Both Carlos and Joana do not have sales experience, but Carlos might develop those skills if trained in real situations.

D3. Content of explanation of the case:

The laws of human food production still block sales of products based on edible insects. This situation made iNewFood Project to be questioned again and, during this reflection, some doubts appeared. The team started to think in other market opportunities like producing insects' raw materials not just for humans but for animals to. The major concern in this animal food production is not only the big investments and resources required, but also placing iNewFood into the big industries markets' radars. It would also



change the initial market focus (human food). They feel they do not have enough knowledge and data to support this decision.

Independently of uncertainties and beliefs of the entrepreneurs, they did not suspend their investments in the product development and testing.

The iNewFood team decided that Carlos is the most suitable person to go to the market and evaluate real business opportunities for human and animal food. For instance, they talked about developing new partnerships, ventures or other alliances that could leverage profits and losses.

Carlos needs a mentor to help him decide about the Go/No Go and the next steps of the iNewFood Project.

D3.1 How to apply the chosen method: Presenting how the given method can be applied to that company, to that given situation

After an initial discussion between Carlos and the Mentor they both agreed to use the Business Model (BMG) to address the issue. The Mentor presented the method to Carlos (see Annex of the present document) and both agreed that the best way to use it would be to involve both Carlos and Joana in a practical approach.

Business Model is a strategic management and lean start-up template for developing new or documenting existing business models. It is visual chart (canvas) with elements that describe a business and how its components work together, internally (inside the project/company) and externally (within the market). Since executives, entrepreneurs and investors all recognize the importance of having a good business model, this method will help to describe the rationale of how an organization creates, delivers, and captures value within a specific framework. This method is very important for this case because it will also validate the iNewFood products in the market and evaluate their real success potential.

By using this method, the iNewFood's team will have a comprehensive and visual management tool that is applied to its early-stage business. It has elements that describe a business and how its components work together, and it facilitates brainstorming, analysis and focusing into the most strategic issues and challenges according to a framework. BMG method comprises nine correlated business components ("blocks") of iNewFood Project and should answer their related questions:

**INEWFOOD**



1. Customer segments (*customers grouped by needs, relationship, interests, profit and distribution channels*)

### CUSTOMER SEGMENTS

- Restaurants and bakeries that are focused in Eco, Sustainable and Bio pathways
- Sportsmen and Sportswomen
- Animal feed Industry

2. Channels (how the organization's value proposition reaches the customer).

### CHANNELS

- Website with sales platform
- Personal meetings
- Skype meetings

3. Customer relationships (how the organization earns and retains customers).

### CUSTOMER RELATIONSHIPS

- Writing and providing articles
- Publishing information and news in the website and social media

4. Value propositions (products and services: something useful for the customers, that the organization can deliver):

### VALUE PROPOSITION

- Insects' Raw Materials for human food
- Energy Bars (with insects' raw material)
- Insects' Raw Materials for animal food (still just an idea)

5. Revenue streams (revenues generated by different groups of customers; classified by value proposition type).

### REVENUE STREAMS

- Sales of Insect Raw Material (packages of 1, 2 and 5 kg)
- Sales of Energy Bars in the website



6. Key activities (what the organization must do to create value for the customers).

### KEY ACTIVITIES

- Product development
- Studying laws
- Building partnerships
- Business model
- Business plan

7. Key resources (what's needed to create the value that the organization offers to customers: machines, ideas, people, money, etc.).

### KEY RESOURCES

- Small industrial equipments (for insects' primary materials preparation)

8. Partners (who works with the organization for creating value for the customers: strategic allies, suppliers, co-operators).

### KEY PARTNERS

- Law and Compliance Offices
- Animal feed industries
- Restaurants (testing clients openness to products and preparation of recipes)
- Laboratories for primary materials and final products (ex: energy bars) tests

9. Cost structure (money spent by the organization for key resources, key activities and partners).

### COST STRUCTURE

- Warehouse rental
- Industrial licensing
- Commercial travel (meetings)
- Product design and packaging for energy bars

It is important to remember that the usage of the method BMG will provide a trustful and solid analysis to support the decisions for the future of iNewFood Project. However, it is



## ERASMUS+ KA2 Strategic Partnership 2017-1-HU01-KA202-035953 Business MENTOR training and CERTification

also crucial that the team checks this information by going to the market and validating its effectiveness with potential clients, partners and other players that can “approve” / “reject” the evolution of the Project. This is also called “Customer Development Approach” a complement to the effectiveness of business.

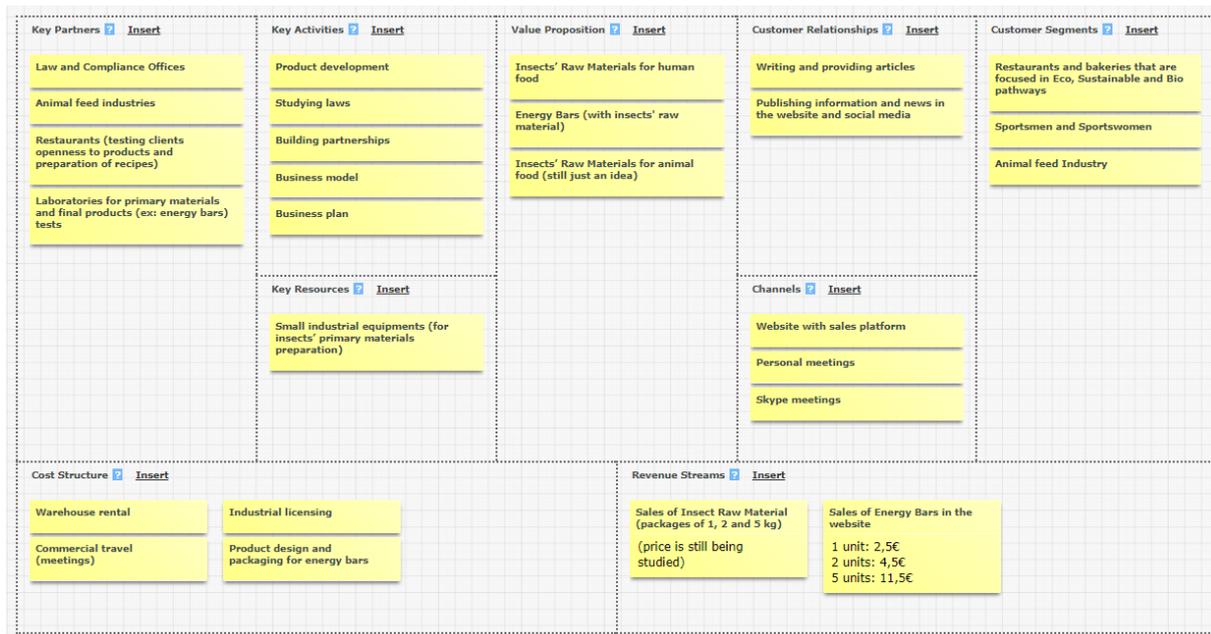


Figure 1: iNewFood Business Model (Canvas)

[www.canvanizer.com](http://www.canvanizer.com)

After building the Business Model of iNewFood some actions were decided:

- 1) Prepare a presentation of the first products to sell to customer segments;
- 2) Approach some first stage businesses (restaurants and bakeries) to present the product and assess their openness;
- 3) Register these first stage businesses opinions and study adjustment to be made in the iNewFood products;
- 4) Re-assess the strategy and approach to the market (customer segments), design the marketing plan and define the next action to start selling the products.

D3.2 How to get acquainted with the leader and how to „manage” him (communication, treatment, etc.) properly, in an effective way

Carlos is a humble professional that seeks for knowledge and growth in every opportunity. Even though this is a positive personal characteristic, the mentor should be aware that he is also a person that has been, for some time, striving for the success of



iNewFoof that might make his temper instable. He might also be tired and therefore less receptive to recommendations.

At the same time, Carlos wants very much to succeed and so if the mentor helps him finding effective ways of prospering, he should accept those with an open-mindedness.

Is might be very interesting to manage this case with Carlos by reflecting about the nine "blocks" answers of BMG and guiding him back again to his own questions and doubts of the market. It is in the market that the questions can be better answered because this a "Future" business.

On doing so, the Mentor will use the GROW model, helping the mentee to think things by himself and drive towards improved performance leading him with questions on his GOAL; the REALITY; the OPTIONS; and the WAY FORWARD.



## 6.2. Short case

Company: Greenery Winery Co, Ltd  
Title: An age-old business reinvented

### D1. Company and Case

#### D1.1 The Company

Greenery Winery Co, Ltd is a nascent enterprise resulting from the inheritance of a big farm in the northwest of Portugal by two brothers. It will be focused in producing a special type of wine "Vinho Verde" (Green Wine) typical of the region.

In "good old days" the farm reached a production of 50.000 liters directed just to local markets as production was 100% artisanal and labour intensive.

Nowadays, this variety of wine is already exported but needs modern technologies which the old wine house, although with excellent conditions, is not properly equipped to do so. It also lacks a bottling line. The name and the logos of the brand are very nice but need a refreshing.

Vinho Verde, produced in the Demarcated Region of the *Vinhos Verdes*, in Portugal, constitutes a denomination of controlled origin whose demarcation dates to 1908. Vinho Verde is unique in the world. Naturally light and fresh, produced in the territory of the Douro and Minho rivers, in the northwest of Portugal, a geographically well-located coastal region for the production of excellent white wines. Cradle of the charismatic variety Alvarinho and producer of unique batch wines, the Region of the Vinhos Verdes offers an unparalleled array of very gastronomic wines.

This light sparkling fruity wine is highly adequate as an aperitif or to pair with light and balanced meals: salads, fish, seafood, white meats, snacks, sushi, sashimi and other international dishes, in romantic or friendly moments.

#### D1.2 The Case

This farm has been in the family for a long time having these two young brothers inherited it. In the past the farm was famous for the wine it produced but due to lack of maintenance and renewal of old vines the production decreased drastically.

The two brothers, Mark, the elder, and Leonard, the younger, decided they would be willing to pick this business and push it forward. But, to do so, they needed to be confident about the *future of the sector* and what will be its tendencies as to position the wine to be produced (its initial minimum value proposition) along the current trends and ensure a minimum of success to its business to grow.



D2. Leader: personality, attitude, communication, etc.

Mark, clearly the leader of the two brothers although not having studied, has always been a fighter and started working at an early age as an owner of a cafe. This business proved not to be a successful one, but, being a resilient personality, he was able to find a job at a winery in the region and clean all his debts.

Married in the meantime, he has a child, a young girl, in a stable marriage.

Leonard, on the other hand took a degree in Economics and started recently working in an accountant office. Looking at his brother with respect he clearly sees the opportunity to build together a successful wine brand build on both his brother experience and maturity and his economic and financing training.

D3. Ask the participants (Mentors) to:

- i) (raise one problem for face-to-face in the material without any solution)
  - What are the perspectives / scenarios of the business development that Mark and Leonard should take care of for his entrepreneurial project?
- j) (ask them to raise other problems for the face-to-face)
  - What are the constraints that you imagine will come up within the brothers' business development strategy?
  - Is a wine business in an age-old mature market, a good choice for the development of Mark and Leonard business?
- k) (ask them to think over which methods can be applied)
  - What method, with the brother's cooperation, would best suit the identification of the future of the sector, so that the business would succeed?
- l) (ask them how they would treat with that leader style)
  - How would you help the founder, while not losing their entrepreneurial impetus, to develop a teamwork leadership?
  - How would you involve Mark and Leonard to develop the selected method, taking in consideration their different training background?
  - Who would you recommend to the brothers to participate in the implementation of the chosen method?
  - What areas of expertise would be recommended to participate in this project?



## 7. Additional materials

### Further readings

Amorós, J. E., & Bosma, N. (2014). Global Entrepreneurship Monitor 2013 Global Report Fifteen Years of Assessing Entrepreneurship Across The Globe: Global Entrepreneurship Monitor

Baggio, A. F., & Baggio, D. K. (2015). Empreendedorismo: Conceitos e definições. 2015, 1(1), 14. doi:10.18256/2359-3539/reit-imed.v1n1p25-38

Mitchelmore, S., & Rowley, J. (2010). Entrepreneurial competencies: a literature review and development agenda. *International Journal of Entrepreneurial Behavior & Research*, 16(2), 92-111. doi:10.1108/13552551011026995

Robles, L., & Zárraga-Rodríguez, M. (2015). Key Competencies for Entrepreneurship. *Procedia Economics and Finance*, 23, 828-832. doi:https://doi.org/10.1016/S2212-5671(15)00389-5

Samuelsson, M., & Davidsson, P. (2009). Does venture opportunity variation matter? Investigating systematic process differences between innovative and imitative new ventures. *Small Business Economics*, 33(2), 229-255. doi:10.1007/s11187-007-9093-7

Tripopsakul, S. (2017). Factors Influencing Opportunity Driven Nascent Entrepreneurs in Europe and Asia. *European Research Studies Journal*, 0(3A), 774-782.

Alexander Osterwalder (2004). *The Business Model Ontology - A Proposition In A Design Science Approach*. PhD thesis University of Lausanne.

De Reuver, Mark, Harry Bouwman, and Timber Haaker. "Business model roadmapping: A practical approach to come from an existing to a desired business model." *International Journal of Innovation Management* 17.01 (2013)."

Business Model Generation, A. Osterwalder, Yves Pigneur, Alan Smith, and 470 practitioners from 45 countries, self published, 2010

Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers Paperback – July 13, 2010

<https://www.amazon.com/exec/obidos/ASIN/0470876417/nonlinethin-20>

Vagesh, M., Sunena, T., & Udhaya, k. D. (2017). Nascent Entrepreneur-Challenges and Issues. *Journal of Business and Management*, 19(10), 01-04. doi:10.9790/487X-1910020104



## Websites

<http://theconversation.com/how-innovation-can-help-companies-in-a-turbulent-global-economy-54965>

<https://ecorner.stanford.edu/video/tools-for-business-model-generation-entire-talk/>

<http://support.strategyzer.com/knowledgebase/articles/506842-business-model-canvas-and-value-proposition-canvas>

<https://grasshopperherder.com/business-model-canvas-for-user-experience/>

[http://www.hec.unil.ch/aosterwa/PhD/Osterwalder\\_PhD\\_BM\\_Ontology.pdf](http://www.hec.unil.ch/aosterwa/PhD/Osterwalder_PhD_BM_Ontology.pdf)

<https://www.change-management-coach.com/support-files/force-field-analysis-app.pdf>

<https://www.mindtools.com/pages/article/business-model-canvas.htm?download=1>

<https://www.mbaknol.com/strategic-management/business-model-canvas/>

## Videos

<https://www.youtube.com/watch?v=QoAOzMTLP5s>

<https://www.youtube.com/watch?v=2FumwkBMhLo>

<https://www.youtube.com/watch?v=-uifGqu3iRE>

<https://www.youtube.com/watch?v=ynQasjpBTck>



<p>This project has been funded with support from the European Commission.</p> <p><i>The European Commission support for the production of this publication does not constitute endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.</i></p>	
	