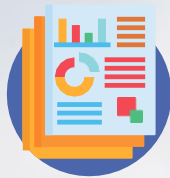
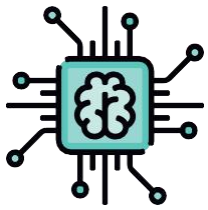
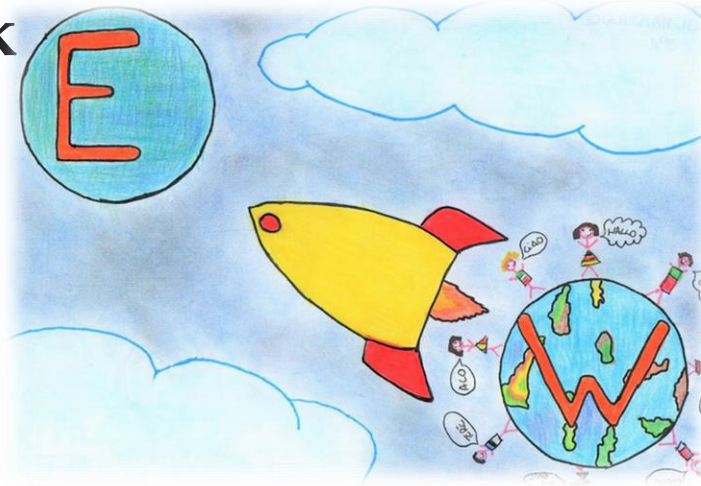


Entrepreneurship:

Imagination@Work
2017 - 2019



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Colegiul "Mihai Eminescu" Bacau, **Romania**

Coverage:

Ruth Knox

Patricia McGann

Beata Kocjan

Maia Tõhk

Ana- Maria Andrioaie

Annalisa Agnese

Giovanni Iacono

Design:

Mateusz Tokarczyk

Annalisa Agnese

Giovanni Iacono



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INTRODUCTION

Our goals for this project are to develop entrepreneurial skills and initiatives among our students.

This e-book has been compiled and written to provide prospective entrepreneurs with the knowledge and skills required to bring their business idea through to product stage and into the marketplace. With the goal of enabling our students in setting up a mini-company always in mind, each chapter is dedicated to a different step towards achieving this aim.

Each section contains theory as well as practical tasks to reinforce what is learned and to develop competencies in that particular area.

We begin with developing the essential business skills which are required by every entrepreneur regardless of whether they are involved in social or business enterprise. These include a basic knowledge of the different types of business structure; organisation of a business into various departments; managing risk; drawing up a business plan; sourcing finance; business documentation; doing basic accounts; the steps in developing a new product and quality control. The role of ICT will also be looked at. Underlying all of this is an understanding of the important role meetings play in the day-to-day running of a business, as well as in the business meeting its legal obligations. The development of teamwork skills is also key. The role of ethics in the workplace and an entrepreneur's rights and obligations in relation to copyright are also explored.

The next section focuses on the Social Skills and will develop the student's confidence and competencies in the importance of effective communication in business.

Problem solving is a key requirement in any business. The next section aims to help our prospective entrepreneurs to deal creatively with problems which may arise. Problem solving strategies are introduced to the student and the student gets a chance to put these into practice through various assignments.

How to market your product is key to running and growing a business. In the next section students learn about marketing and the four key principles of Product, Price, Promotion and Place. Advertising will also be looked at in detail and the importance of advertising one's product to the right people, in the right place, at the right time.

An accessible, student friendly approach is used throughout this e-book which is ideal for encouraging students and giving them confidence in their own ability. A range of carefully constructed and imaginatively written tasks are included in each section taking the students from a basic level to a more complete understanding of tasks, skills and competencies required to run a business.

As practice makes perfect, while learning about all these areas the students will work in teams with students from other countries to set up a mini company. They will be required to present their business plan to the teachers and a professional business stakeholder. At the end of the project a public event will be organised for all team members and students, community members and local public officials. This is where the student teams will present their product to a jury of professional stakeholders in a fun, yet formal setting. The students will have the unique opportunity to receive feedback from a variety of professional stakeholders.

CHAPTER ONE

Enterprise is the act of doing something new and challenging, taking the initiative, and being prepared to take the risk. The risk may be in the form of money, time, reputation, energy career commitment. **Business Enterprise** – An enterprising person who sets up a business with a view to making a profit is called an entrepreneur.

Enterprise Skills include the following Planning Skills - setting targets; Human Relations Skills- getting on well with people; Leadership Skills – motivating, delegating etc.; Communication Skills – verbal, written; Time management skills, Decision making skills, Conflict resolution skills and Ability to assess risk –risk taking.

Learning Outcomes:

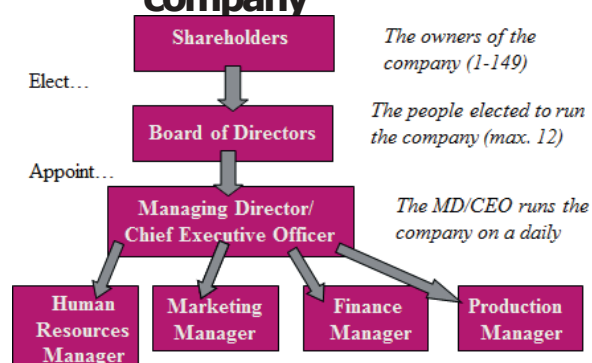
By the end of this chapter you should understand:

1. The meaning of the term "Private Limited Company"
2. The structure of a private limited company
3. The steps in forming a private limited company
4. Company organisation
5. People in business
6. Meetings
7. Managing your money Cash Book and Cash Flow
8. Seven stages in developing a new product
9. Pricing product
10. Preparing a business plan
11. Intellectual Properties, Patents, Trademarks and Copyright
12. Ethics in the workplace

1. What is a Private Limited Company?

Between **1 and 149** people come together to form a business. Each person invests money into the business in return for shares. The owners are called shareholders. Each owner has **limited liability** i.e. should the business fail the owners only lose the money they invested into the business, their private assets are safe. The profits are divided among the shareholders as dividends. The word "Ltd" appears after the name of the business.

2. The structure of a Private Limited company

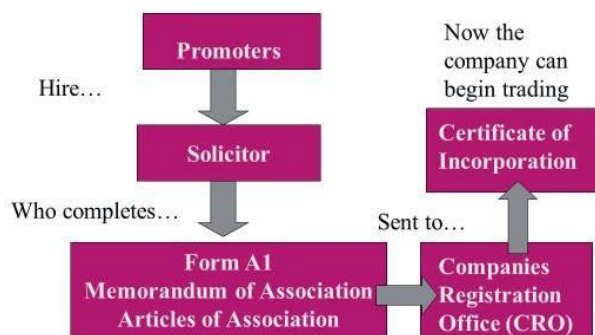


The owners elect a number to run the business on their behalf. These are called the Board Of Directors. The Board of Directors then elect one person to be in charge of running the company on a day to day basis. This person is the Managing Director.

1.3 Forming a Private Limited Company

In order to set up a private limited company, the promoters employ an **accountant** for **financial advice** and a **solicitor** to prepare the **legal documents**. These documents include a Memorandum of Association (Form A1). It is sent to the Companies registration Office that issues a Certificate of Incorporation.

Forming a Private Limited Company



- It has a **separate legal existence** from its owners
- The shareholders have limited liability
- The company **can sue and be sued in its own name**

Now the company can begin trading.

1.4 Company Organisation



1. Memorandum of Association – sets out the relationship of the company to the general public. It states

- The **name** of the company with Ltd. at the end
- The **objectives** of the company
- The **authorised share capital** e.g. 200,000 ordinary shares at €1 each
- That the company has **limited liability**

2. Articles of Association – sets out the internal rules and regulations of the company, e.g.

- shareholders voting rights,
- how directors are elected,
- powers and duties of the directors
- How meetings are to be called

3. Form A1 – sets out the details of the company, names of the directors and their signatures

- **(Declaration of Compliance** with the Companies Acts 1963 – 1990)
- **Declaration of consent to be directors**

These documents are sent to the Registrar of Companies

- The Registrar will check to see if they are all in order

If so, a Certificate of Incorporation is issued

- This is the **birth certificate** of a company

A company is normally organised into various departments. Those four main ones are

- 1. Production** – make the product
- 2. Sales and Marketing** – Find customers
- 3. Finance** – keep track of the money coming in and going out
- 4. Human Resources** deal with the employees

Production Department is responsible for:

- Sourcing raw materials
- Planning output – labour, Machinery etc.
- Keeping a check on costs
- Future output
- Choosing a Production Method
 - Batch
 - Flow
 - Job

Sales and Marketing Department is responsible for:

- Dealing with customer orders
- Making sure customers know about the product

CHAPTER ONE

- Trying and persuading customers to buy the goods

Finance Department is responsible for:

- CashFlow
 - Paying bills as they fall due
 - Ensuring money owing to the business is collected
 - Monitoring income
 - Monitoring expenditure
- Keeping records and preparing accounts
- Raising Finance
 - Shares
 - Loans
- Links with other departments

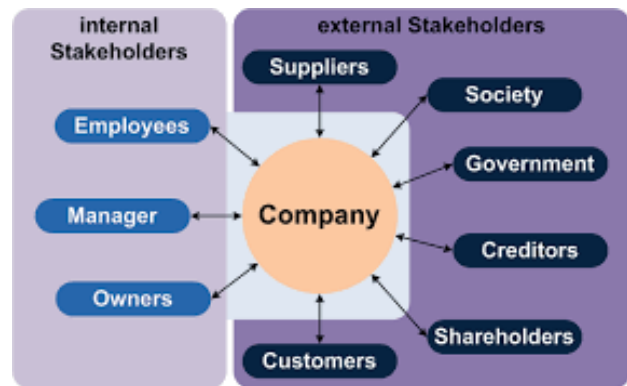
Human Resources Department is responsible for:

- Recruitment and retention of workers
 - Drawing up a Job Description
 - Drawing up a Person Specification
- Training
- Health and Safety and conditions at work

The various departments must communicate with each other for the following reasons:

- In order for information to flow within the organisation
- Without communication a business is not effective
- Communications are vital in a business

1.5 People in Business



Stakeholders

- Includes the people involved **internally** in running a business e.g. **entrepreneurs, investors and employees**
- Includes those affected by the activities of the business **externally** i.e. **lenders, customers, producers, suppliers, government and society**

Investors

- Are people who **provide entrepreneurs with the finance needed to set up the business in exchange for a return on investment**
- **Investors and Entrepreneurs depend on each other**

Employees

- Are **recruited by the business to produce and sell the goods or services**
- **In return** they expect to receive **good pay, pleasant and safe working conditions**

Customers

- **Purchase goods** from a business
- Producers depends on keeping customers satisfied and loyal so they can make a profit
- Consumers depend on the producer to make the products they need and want e.g. medicines, cars etc.

1.6 Meetings



What is a meeting?

A meeting is the **coming together of at least two people to discuss a particular topic.**

- 4 people involved in meetings
 1. Chairperson
 2. Secretary
 3. Treasurer
 4. Public Relations Officer

What is an Agenda?

The agenda is **the list of topics to be discussed at a meeting.** It is prepared by the Secretary. Items to be discussed include

- Minutes of the last meeting and any matters arising
- Correspondence
- Other topics depending on the purpose of the meeting
- A.O.B. (Any Other Business)

What are the minutes of a meeting?

- This is a written record of the meeting
- It is prepared by the Secretary
- Must be read at the start of the next meeting. If adopted they will then be signed by the Chairperson.
- Each entry corresponds with the relevant entry in the Agenda.

What are the functions of a Chairperson?

- Calls the meeting
- Reads the minutes which he/she signs when accepted

- Ensures that order is maintained and gives each person time to speak
- Puts motions to a vote

What are the functions of the Secretary?

- Calls the meeting
- Sends out agenda
- Writes up the minutes
- Deals with all correspondence (send and receive letters)
- Keeps all official documents

What are the functions of the Treasurer?

- Looks after the money
- Keeps all the accounts
- Lodges the money received
- Signs cheques and pays bills

1.7 Managing Money



Accounting Terms

Assets:

These are items that are **owned by the business.** They are broken into two types Fixed Assets and Current Assets. **Fixed assets** are items which are used in the business over a long period of time e.g. Machinery, Buildings, Fixtures and Fittings and Land. **Current Assets** include those items which can be converted into cash easily such as Stock, Debtors, Bank Cash and Prepayments.

Liabilities:

Anything that is **owed by the business** or will eventually need to be paid is a liability. There are two types Current Liabilities and

CHAPTER ONE

Long Term Liabilities. Current liabilities must be repaid usually within a year and include creditors, bank overdraft and accruals. Long Term Liabilities include capital, and long term loans.

Capital:

This is money **put into the business by the owners** and which must be paid back to them in the event of the business being wound up.

Debtors:

These are people **who owe us money** because we sold them goods on credit. Their accounts are kept in the Debtors ledger.

Creditors:

These are people **to whom our business owes money** because we have bought goods on credit from them. Their accounts are kept in the Creditors ledger.

Debit:

When we look at a T account the **left hand side of the account** is the debit side. It records an increase in an asset or a decrease in a liability. We use it to apply the

Debit the receiver (receiving account)

Credit:

When we look at a T account **the right hand of the account** is the credit side. It records a decrease in an asset and an increase in a liability.

Credit the giver (giving account)

Liquid Assets:

These are current assets [items of value] that can be turned into cash quickly. Liquid Assets are made up of cash/ bank and debtors. They are current assets excluding stock.

Liquidity:

This measures the ability of the business to pay its debts as they fall due in the short term.

Depreciation:

This is the loss in value of a fixed asset due to its use or the passage of time. A business will decide on the % amount to write off each year. The method could be Straight Line or Reducing Balance.

Authorised Share Capital:

The amount of shares that a company can issue e.g. 500,000 €1 Ordinary Shares.

Cash Book

Used for recording money received and spent

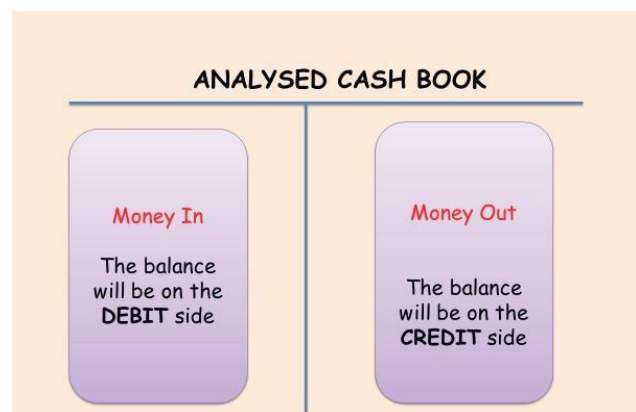
Analysed Cash Book

An analysed cash book is a **T-account** which allows a business to see the businesses **ACTUAL** income and expenditure.

At the end of the period we should compare our ACTUAL figures with our BUDGETED figures to see:

- If we are keeping within our budget.
- What changes we need to make to our budget

Layout



Cash Flow

What is cashflow?

Cashflow is the amount of **money flowing in and out of a business** over a period of time.

Sources of Income for a business are cash sales, receipts from debtors, loans and share capital.

Expenditure can be regular, irregular or discretionary

Expenditure for a business includes wages, insurance, light and heat, payments creditors and cash purchases, purchase of assets

Why prepare a Cashflow Forecast?

- Highlight **future cash shortages** so a bank overdraft can be organised and plan for cash surpluses to invest it to earn interest
- **Financial control** – can be used to **check actual against budgeted** so any deviations can be investigated
- **Start-up finance**- forecast will show how much finance will be needed to keep the business afloat until it is established
- Needed when **raising finance** to convince investors of their ability to repay

How to overcome a deficit?

- Increase Cash inflows
 - Get debtors to pay more quickly by offering discounts
 - Sell off some of its investments
 - Have a sale to increase the amount of cash coming in
- Reduce cash payments
 - Instead of paying out large amounts in one go for assets pay in instalments or use Hire Purchase or Leasing

- Cutback expenses e.g. wage cuts
- Reduce the amount of cash paid to shareholders as dividends and pay them in shares instead

Receipts	Jan	Feb	Mar	Apr	May	Jun	Total
Sales	€ 80,000	€ 80,000	€ 80,000	€ 92,000	€ 92,000	€ 92,000	€ 516,000
Share Capital			€ 60,000				€ 60,000
Sale of old equipment				€ 10,000			€ 10,000
(A) Total Receipts	€ 80,000	€ 80,000	€ 140,000	€ 102,000	€ 92,000	€ 92,000	€ 586,000
Payments							
Purchases	€ 45,000	€ 45,000	€ 45,000	€ 54,000	€ 54,000	€ 54,000	€ 297,000
Light and Heat	€ 2,100		€ 2,500		€ 2,200		€ 6,800
Advertising	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 6,000
Wages	€ 12,000	€ 12,000	€ 12,000	€ 12,000	€ 12,000	€ 12,000	€ 72,000
Telephone /Internet		€ 350		€ 400		€ 450	€ 1,200
Delivery Van			€ 50,000				€ 50,000
Transport Costs	€ 600	€ 600	€ 600	€ 600	€ 600	€ 600	€ 3,600
(B) Total Payments	€ 60,700	€ 58,950	€ 111,100	€ 68,000	€ 69,800	€ 68,050	€ 436,600
Net Cash (A)-(B)	€ 19,300	€ 21,050	€ 28,900	€ 34,000	€ 22,200	€ 23,950	€ 149,400
Opening Cash	€ 2,000	€ 23,300	€ 44,350	€ 79,350	€ 107,350	€ 129,350	€ 1,000
Closing Cash	€ 23,300	€ 44,350	€ 73,250	€ 107,350	€ 129,350	€ 153,400	€ 153,400

1.8 Seven Stages in Developing a New Product



Where can ideas for new products come from?

- Individuals – hobbies, skills, innovators, business experience
- Businesses – existing products
- Import substitution
- Copy an existing idea and change/improve it in some way

Developing a new product (7 stages)

1. Idea Generation
2. Screening of new product ideas
3. Concept development – your product should have a Unique Selling Point
4. Feasibility study
5. Prototype development
6. Test Marketing
7. Full Production/ Launch

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1. Idea Generation

- Ideas for the new product are thought up
- Ideas may be generated by brainstorming sessions

2. Product Screening

- All ideas are vetted and the impractical and unworkable ideas are dropped
- helps businesses avoid huge expenses in developing ideas that people will not buy and ensures that good opportunities are not lost

3. Concept Development

- This involves turning the idea into an actual product or service that will appeal to/meet the needs of customers.
- A unique selling point (USP) is identified which will differentiate it from other products on the market.

4. Feasibility Study

- It looks at whether it can be made and if it will be profitable
- It seeks answers to questions such as, what demand will there be for the product; what will it cost to produce and can the business afford it?

5. Prototype Development

- This stage involves developing a sample or model of a product.
- It can be used to test the product to see if it conforms to certain standards and to determine what adjustments/improvements can be made before deciding to go into full production.

6. Test Marketing/ Product Testing

- doing a small-scale trial on their target market to identify possible faults and to assess customer reaction.
- The product is tested on a sample of potential consumers before going into full production to determine customer

satisfaction with the product.

7. Production and Launch/ Commercialisation

- The product is put into full-scale production and introduced to the market.
- The business will select a suitable marketing strategy to persuade consumers to buy the product.

1.9 Pricing our Product



Profit is calculated by

Cost Price + Profit = Selling Price

Price

- The amount of money a business charges its customers for the product
- Determined by
 - Cost of manufacture
 - Competitors prices
 - How much the consumer can afford to pay
 - Legal regulations – the government can set maximum or minimum prices

Cost of Manufacture

- Variable Costs are costs which change as the level of output changes e.g. raw materials, direct wages and packaging
- Fixed Costs do not change as output changes. Must be paid even when no goods are produced e.g. rent, insurance etc
- Fixed Costs + Variable Costs = Total Costs

1.10 Preparing A Business Plan



What is a Business Plan?

It is a written document which shows

- Who is setting up the enterprise
- What is the product/service
- How it is going to be produced and promoted
- Where it is going to be sold
- Where the finance will come from

Why prepare a Business Plan?

- It states the goals and objectives of the business
- helps an entrepreneur think through their ideas and anticipate possible problems and how to overcome them
- required by banks when applying for loans
- It sets targets against which to measure the actual performance of the business

Elements of a Business Plan

- Business Description
- Personnel
- Marketing
- Production
- Finance
- Other relevant information

Information contained in a Business Plan

BUSINESS PLAN	
COMPANY DETAILS	
Name of Company	
Address	
Directors	
Marketing Manager	
Finance Manager	
Production Manager	
Company Bank	
PRODUCT DESCRIPTION	
MARKET RESEARCH	
Size of Target Market	
Main Competitors	
Selling Price	
SALES PROMOTION METHODS	
1.	
2.	
3.	
FINANCE	
Amount Required	€
Amount Available	€
Amount to be Borrowed	€
DIRECTORS SIGNATURES	
DATE	

1.11 Intellectual Properties

The main branches of intellectual property are

1. Industrial Property
2. Copyright
3. Soft IP

1. Industrial Property

1 Industrial Property is regulated by the 1883 Paris Convention. The main elements are:

- A. Patents
- B. Utility models
- C. Industrial Designs
- D. Trademarks

A. Patent

What is a patent?

It is a title providing the inventor and/ or the applicant with the exclusive right to prevent others from possessing, using, selling, manufacturing and importing the patented invention or offering to do any of these things within a definite geographical area.

What can be patented?

Patents may be granted for any invention concerned with the functional and technical aspects of products and processes. To qualify for patent protection the invention must fulfill the so-called conditions of patentability:

- Novelty
- Inventive step (non-obviousness)
- Industrial Applicability (utility)
- Patentable subject matter

Patent application

a) National patent

Patent applications need to be filed before your National Patent Office (NPO).

b) European patent

One single application, in one official language may be filed at your NPO or at European Patent Office (EPO). EPO grants patents having the effect of a national patent in designated countries (max. 38). You may decide to maintain it in force in some or all of them.

c) International patent

By filling in an international application, patent protection can be obtained in each of the 133 designated states worldwide. Patent applications may be submitted to your NPO, to the EPO, or to the WIPO. Duration of protection: 20 years without renewal

B. Utility model

A utility model is a title of protection for certain inventions, such as inventions in the mechanical field. Utility models are usually sought for technically less complex inventions or for inventions that have a short commercial life and normally do not meet the patentability criteria.

The requirements for acquiring a utility model are less stringent than for patents. While the "novelty" requirement must always be met, that of "inventive step" or "non-obviousness" may be much less or even absent altogether.

Duration of protection: 6 to 10 years without renewal

C. Industrial design

Industrial design refers to the right granted in many countries to protect the original, ornamental and non-functional features of a product that result from design activity.

The right concerns merely the appearance (the 'design') of a product, not the product itself. It allows the owners to exclude others from making, importing, selling, hiring or offering articles for sale in which the design is embodied.

What can be protected?

It maybe granted for visual features of a product (i.e. shape, ornamentation, pattern, configuration, etc.). Designs that are dictated solely by the article's function are excluded from protection.

To qualify for protection the design must show:

- Novelty
- Individual character

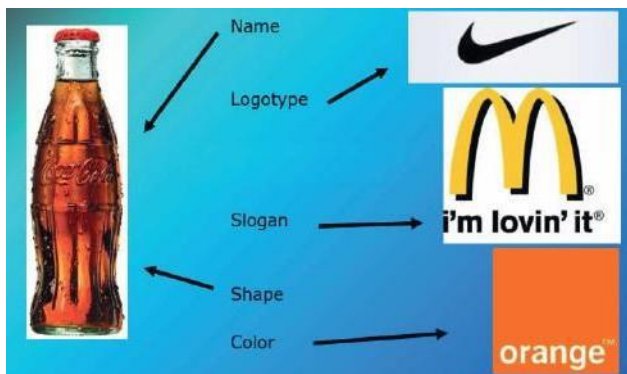
D. Trademark

It is a sign, or a combination of signs, used in the trade to identify and distinguish the goods or services of one enterprise from those of another. A trademark owner is granted exclusive rights to:

- 1) use the mark in relation to the good or services with respect to which it is registered
- 2) prevent others from using a substantially identical or deceptively similar mark in relation to the goods or services registered by the mark.

What can be protected as trademark?

1. Words, letters, numerals, pictures, shapes and colours, as well as any combination of the above.
2. It is now allowed for the registration of less traditional forms of trademark, such as three-dimensional signs (like the Coca-Cola bottle), audible signs (sounds, Nokia jingle), or olfactory signs (smells, such as perfumes - "a floral fragrance/smell reminiscent of roses).



Trademarks normally perform four main functions:

- a. Distinguishing the products or services of one enterprise from those of other enterprises
- b. Referring to a particular enterprise which offers the products or services on the market
- c. Referring to a particular quality of the product or service for which it is used

- d. Promoting the marketing and sale of products, and the marketing and rendering of services.

Trademark requirements

In order for a sign to be eligible for a trademark protection it must:

- I. Be distinctive
- II. Not be deceptive
- III. Not be descriptive
- IV. Not belong to the exclusions provided by the law
- V. Be in conformity with public order and morality.

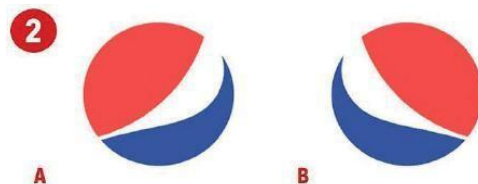
Duration of protection: 10 years, renewable indefinitely

Fake trademarks



Practice: Visual identification of original logos

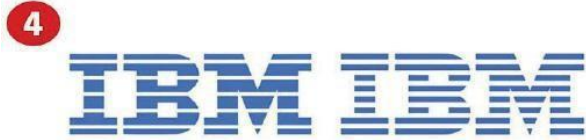
Identify the original trademark. Pay attention to all the details, such as colours, orientation of lines, thickness of letters, position of graphic elements etc.





A

B



A

B



A

B



A

B



A

B



A

B

Answer key:	
1. A	5. A
2. A	6. A
3. B	7. B
4. B	8. A

2. Copyright

Copyright is regulated by the 1886 Berne Convention. The main elements are:

- Literary and Artistic Works
- Related rights Databases
- Software
- Artistic works, such as music, choreography, movies, photography

Copyright is the exclusive right of the creator to the distribution and reproduction of his/her work.

- Copyright is automatic and no registration is required.
- Copyright is temporary: in general, in Europe, it lasts 70 years after the death of the last surviving author.
- Copyright is territorial: there are currently 28 different (but partially harmonized) copyright systems in the EU.

Only original expressions of ideas are protected by copyright law. Ideas are not protected. Facts are not protected. The European Court of Justice defines originality as 'the Author's own intellectual creation'.

Works protected by copyright include paintings, drawings, photography, letters, books, posters, maps, some fashion, architecture, poems, song lyrics and oral history websites content, computer software.

Rights holder

In principle, the creator is the rights holder of his/her work. Rights can be transferred, sold and inherited. A work can have multiple rights holders, e.g. rights in one audiovisual work may belong to the producer, director, performer, songwriter etc.

What Is the CE Marking?

The CE marking is a certification mark that indicates conformity with health, safety, and environmental protection standards for

products sold within the European Economic Area (EEA). The CE marking is also found on products sold outside the EEA that are manufactured in, or designed to be sold in, the EEA.

This makes the CE marking recognizable worldwide even to people who are not familiar with the European Economic Area. It is in that sense similar to the FCC Declaration of Conformity used on certain electronic devices sold in the United States. EU Member States have an obligation to find and remove unsafe products from the EU market. Market surveillance is a responsibility of each Member State. Member States exchange experiences and best practice examples.

4. One product - many IP rights



Patents and utility models

- Data-processing methods
- Operating system
- Operation of user interface

One phone can comprise the following elements:

Trademarks: The NOKIA brand, Product 208, its start-up tone

Copyright: software, user manuals, ringtones, its start-up tone, images

Designs: the shape of the overall phone, the arrangement and shape of buttons, the position and shape of the screen

Trade secrets: the technical know-how that is kept "in-house" and not published.

3. 'SOFT IP'

- 'SOFT IP' refersto
- Secrets
- Know-How
- Confidentiality

1.12 Ethics in the Workplace



What is ethics?

- the discipline dealing with what is good and bad and with moral duty and obligation;
- a set of moral principles;
- a theory or system of moral values.

What is a workplace?

A workplace is a location where someone works for his or her employer, a place of employment. Such a place can range from a home office to a large office building or factory.

12 Ethical Principles for Business Executives

Ethical behavior on the part of the company and the employees of a business can translate into honest and valued relationships with the customers, the employees and the business partners. Maintaining ethical standards in the workplace involves:

- setting expectations;
- providing guidance along the way
- consistently choosing to do the right thing.

1. Honesty

Ethical executives are honest and truthful in all their dealings. They do not

CHAPTER ONE

deliberately mislead or deceive others by misrepresentations, overstatements, partial truths, selective omissions, or any other means.

2. Integrity

Ethical executives demonstrate personal integrity and the courage of their convictions by doing what they think is right even when there is great pressure to do otherwise. They are principled, honorable and upright. They will fight for their beliefs. They will not sacrifice principle for expediency. They will not be hypocritical or unscrupulous.

3. Promise-Keeping and Trustworthiness

Ethical executives are worthy of trust. They are forthcoming in supplying relevant information and correcting misapprehensions of fact. They make every reasonable effort to fulfill the letter and spirit of their promises and commitments. They do not interpret agreements in an unreasonably technical or legalistic manner.

4. Loyalty

Ethical executives are worthy of trust, demonstrate fidelity and loyalty to persons and institutions by:

- friendship in adversity;
- support
- devotion to duty.

They do not use or disclose information learned in confidence for personal advantage. They safeguard the ability to make independent professional judgments by avoiding undue influences and conflicts of interest. They are loyal to their companies and colleagues. If they decide to accept other employment, they provide reasonable notice and respect the proprietary information of their former employer.

5. Fairness

Ethical executives are fair and just in all dealings. They do not exercise power arbitrarily. They do not use overreaching or indecent means to gain or maintain any advantage. They do not take undue advantage of another's mistakes or difficulties. Fair persons manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity. They are open-minded. They are willing to admit they are wrong and, where appropriate, change their positions and beliefs.

6. Concern for Others

Ethical executives are caring, compassionate, benevolent and kind. They like to help those in need, and seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good.

7. Respect for Others

Ethical executives demonstrate respect for the human dignity, autonomy, privacy, rights, and interests of all those who have a stake in their decisions. They are courteous and treat all people with equal respect and dignity regardless of sex, race or national origin.

8. Law-Abiding

Ethical executives abide by laws, rules and regulations relating to their business activities.

9. Commitment to Excellence

Ethical executives pursue excellence in performing their duties, are well informed and prepared. They constantly endeavor to increase their proficiency in all areas of responsibility.

10. Leadership

Ethical executives are conscious of the responsibilities and opportunities of their position of leadership. They seek to be positive

ethical role models by their own conduct and by helping to create an environment in which principled reasoning and ethical decision-making are highly prized.

11. Reputation And Morale

Ethical executives seek to protect and build the company's good reputation and the morale of its employees by engaging in no conduct that might undermine respect and by taking whatever actions are necessary to correct or prevent inappropriate conduct of others.

12. Accountability

Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies and their communities.

Credits: <http://josephsononbusinessethics.com/2010/12/12-ethical-principles-for-business-executives/>

We can group these principles into the following 4 main principles:

- Morality (honesty, integrity, promise keeping and trustworthiness, loyalty, fairness);
- Humanity (respect for others and concern for others);
- Law-abiding (including accountability);
- Leadership (commitment to excellence, reputation and morale);

Here is a short movie illustrating these 4 main principles: <https://vimeo.com/259640989>

As a summary of the short movie, we can quote Richard Branson who said: "Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients."

And now, let's turn the information into competences!

Group work

Task 1): Divide into 5 groups.

- 1 N.G.O.
- 1 bakery
- 1 online store
- 1 minimarket
- The Town Hall

Task 2): Agree on a common set of rules at your workplace.

Task 3): You will receive a different role play. Decide what principle(s) has/have been broken and why. Then, Act it out!

Role play for the N.G.O.

The manager of the N.G.O. has been proven to have an affair with the wife of a senator in the Government. The manager is trying to cover this up. You are an employee and have just found out about this situation.

Possible answer: The principle of loyalty, as he did not avoid undue influences and conflicts of interest

Role play for the bakery

You have just spotted a mouse in the storage area where the bakery keeps the flour.

You report the problem to your boss but he says that you should solve the problem.

Possible answer: The principle of accountability, as he did not acknowledge and accept the personal accountability for the ethical quality of his decisions.

Role play for the online store

The store you are working at hasn't respected its return policy.

You are now talking to a disgruntled customer who has not yet received the refund for the product he has sent back.

CHAPTER ONE

Possible answer:

The principle of reputation and morale as he did not seek to protect and build the company's good reputation and the morale.

Role play for the minimarket

You are the manager and your supplier has brought some milk whose expiry date is no longer in effect. You notice this only after you have sold 3 cartons.

Possible answer: The principle of respect for others as he did not demonstrate respect for the human dignity, autonomy, privacy and the right to health.

Role play for The Town Hall

Your boss is asking you to substitute one of your co-workers. It is the second time this month alone. He also asks you to finish and submit your colleague's work.

Possible answer: The principle of fairness, as he did not treat his employees equally.

References:

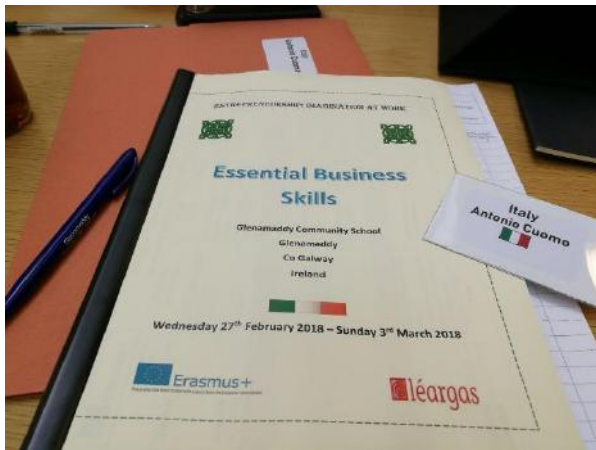
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CHAPTER TWO

Social Skills in Business

“The single biggest problem with communication, is the illusion that it has taken place.” George Bernard Shaw

The second chapter of this book focuses on the development of social skills, with a focus on the workplace. As this is such a broad field, I will select some social skills of highest priority to delve into. By the end of this chapter, my goal is that you, the reader, will realise that while qualifications and practical skills are of unequivocal importance to getting your dream job; your employer will hire you at the end of the day because they see you as an enhancement of their company team. In order to become a valued colleague and employee, one must be self-aware in how we present ourselves. The skills you will read about momentarily are the stepping stones needed to blossom in the workplace.

As esteemed businessman, Neil Blumenthal has stated: “There are two elements to nailing a job interview, form and substance. ‘Form’ describes the outer layer of your character; your manners, your demeanor and your social skills. ‘Substance’ describes the inner core of your character - your intellect, your empathy and your creativity.”

Skill I: Emotional Intelligence

Emotional Intelligence is the capacity to be aware of, control, and express one’s emotions, and to handle interpersonal relationships judiciously and empathetically.

Characteristics of central importance include:

- self-awareness
- self-regulation
- motivation
- empathy
- strong social skills

We spoke with many experts from various professional fields in management positions, and the vast majority of them cited ‘self-awareness’ as the most pivotal; “a workplace that encourages self-awareness is an environment where the most productive, curious and innovative people can thrive.”

When asked if there was one piece of advice they would offer as a ‘golden nugget,’ the most popular direction was the following:

“Be an active listener. You have two ears and one mouth for a very good reason. It’s simple, listen more, speak less! Open your heart as well as your mind.”

Skill II: Communication

There are two types of communication essentially: verbal and non-verbal.

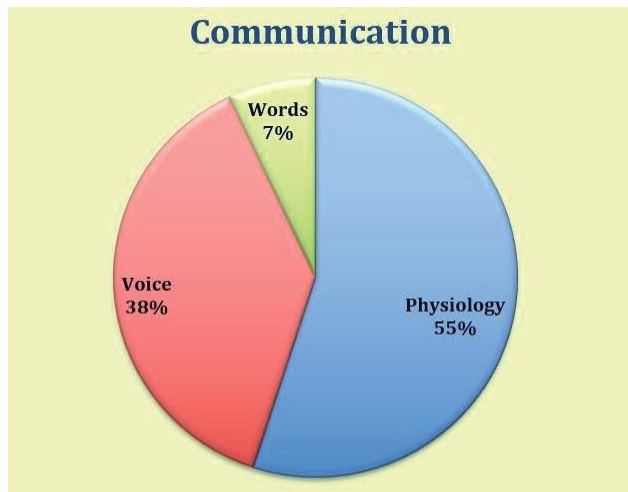
The definition of verbal communication is the sharing of information between individuals using speech. To effectively communicate verbally, one should occupy the following characteristics:

- clearly spoken words
- use appropriate language
- enunciate properly
- adopt a suitable tone of voice

Non-verbal communication on the other hand, refers to behaviour and elements of speech aside from the words themselves that transmit meaning. Non-verbal communication includes pitch, speed, tone and volume of voice, gestures and facial expressions, body posture, stance, and proximity to the listener, eye movements and contact, and dress and appearance.

Research suggests that only 5 percent effect is produced by the spoken word, 45 percent by the tone, inflexion, and other elements of voice, and 50 percent by body language, movements, eye contact, etc.

Statistics illustrate that we communicate far more non-verbally, than verbally:



Characteristics to be aware of include:

- body language: eye-contact, gestures and facial expressions for example
- active listening (The act of mindfully hearing and attempting to comprehend the meaning of words spoken by another in a conversation or speech)
- distance (respecting another's personal space and boundaries)
- physical appearance
- movement
- posture

When probed on this interesting topic, our experts had more valuable advice to impart:

"Maintain eye-contact, it shows your concentration, confidence and interest."

"Smile! It will help you appear approachable and open. Remember, people naturally mirror each other's emotions – so a smile is always a positive start."

Skill III: Cooperation

A process of individuals working together towards a collective goal or shared benefit. Good leadership is based on inspiration, not domination; on cooperation, not intimidation.

Effective team-players are highly valued in the work-place. In general, cooperative people encompass the following traits:

- enjoy working with people
- create a motivating environment
- thrive off the exchange of ideas
- are effective active listeners

Our experts also agree that cooperation is key:

"To be a strong and valuable team member, you should always seek to be a positive element – don't complain!"

"Try to motivate others by example. Exude enthusiasm and passion – it's contagious."

Skill IV: Strong Work Ethic

A strong work ethic is vital for achieving goals. A work ethic is defined as a set of moral principles a person uses in their job.

Marvin Phillips sums up the necessity of a hard work ethic nicely:

"The difference between try and triumph is just a little umph!"

What does a strong work ethic look like though?

- clear willingness to work hard – put in the time
- dependability and responsibility
- positive attitude
- adaptability
- honesty and integrity
- self-motivation

Our experts echo this line of thinking:

“Show your dedication – get involved in every way you can!”

“A firm hand-shake goes a long way; it signals confidence and sincerity.”

“Put your phone away! Your undivided attention is noted.”



“Yes, I think I have good people skills. What kind of idiot question is that?”

All in all, technical skills may get you the interview; but soft skills (social skills) will get you the job and any promotion thereafter. Their importance is not to be underestimated. Neel Burton put it fittingly when he said: “If you say it very softly, with a smile, you can get away with saying almost anything, even the truth.”

I guess our parents weren’t leading us down the wrong path when they told us, a smile goes a long way.



CHAPTER THREE

Problem solving and conflict resolution skills



A conflict is a condition that exists anytime two or more people disagree. Interpersonal conflict is unavoidable, but we can learn to manage it. Conflict is a natural phenomenon, neither inherently good or bad, but there may be positive or negative outcomes. Managing conflict in a dysfunctional way is a learned behaviour and can be changed.

What is a conflict management style and why do we need to know this?

- Conflict Management Style: Form of behaviour that a person practices in response to conflict with others
- When living and interacting with others on campus, you need to know how to resolve issues in different situations.

How do we learn our own styles of conflict management?

Role models



FAMILY



TEACHERS MENTORS COACHES



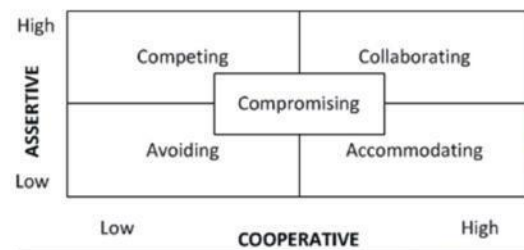
CELEBRITIES

Five Styles of Conflict Management

You will experience some form of internal or external conflict while living with roommates at some point in your college career. Understanding how you handle conflict is important in helping you decide how to deal with stress and manage certain situations.

THOMAS-KILMANN CONFLICT MODE INSTRUMENT

The Thomas Kilmann Conflict Mode Instrument is a model for handling conflict:



Accommodating

- People who accommodate are unassertive and very cooperative.
- Give in during a conflict
- Acknowledge they made a mistake/decide it was no big deal
- Put relationships first, ignore issues, and try to keep peace at any price
- Effective when the other person or party has a better plan or solution

Avoiding

- People who avoid conflict are generally unassertive and uncooperative.
- Avoid the conflict entirely or delay their response instead of voicing concerns
- Can create some space in an emotional environment
- Not a good long-term strategy

Collaborating

- Collaborators are both assertive and cooperative.
- Assert own views while also listening to other views and welcoming differences
- Seek a “win-win” outcome
- Identify underlying concerns of a conflict
- Create room for multiple ideas
- Requires time and effort from both parties

Competing

- People who approach conflict in a competitive way assert themselves and do not cooperate while pursuing their own concerns at another’s expense.
- Takes on a “win-lose” approach where one person wins and one person loses
- Does not rely on cooperation with the other party to reach outcome

- May be appropriate for emergencies when time is important

Compromising

- Compromisers are moderately assertive and moderately cooperative.
- Try to find fast, mutually acceptable solutions to conflicts that partially satisfy both parties
- Results in a “lose-lose” approach
- Appropriate temporary solution
- Considered an easy way out when you need more time to collaborate to find a better solution

It’s likely that a person employs more than one style, depending on the situation, but usually one style dominates. There is no BEST way to handle conflict. Each conflict is different and requires a different response. As a society, we teach:

“Two heads are better than one.”
(Collaborating)

“Kill your enemies with kindness.”
(Accommodating)

“Split the difference.” (Compromising)

“Leave well enough alone.” (Avoiding)

“Might makes right.” (Competing)

Conclusion

- Different conflict management styles may be used when faced with different situations.
- Knowing yourself and fully understanding each situation will help you understand the conflict management style needed.
- Try a scenario-based approach to test the effectiveness of different approaches to specific situations.

The Positive Side of Conflict

- Conflict can teach you to make the most of each situation and use it as

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a learning opportunity or a leadership opportunity.

- Every relationship will have some conflicts at some time or other, when we use win-win problem solving, it strengthens the relationship, when we don't, it destroys it.
- When we are able to resolve internal and interpersonal conflicts, using win-win problem solving.
- You can also use it as an opportunity to transform the situation into something better.

What Doesn't Work?

Yelling, refusing to change or compromise, refusing to work out the conflict, name calling, hitting, walking out, belittling, etc.

What does work?

Negotiation, Mediation, Looking at both sides, A Win-Win attitude.

Who Owns the Problem?

The person who is negatively affected by the problem.

What is the Owner's responsibility?

To find a way to resolve the problem, even if he is not the cause of it.

Search for Win-Win Solution

Prepare

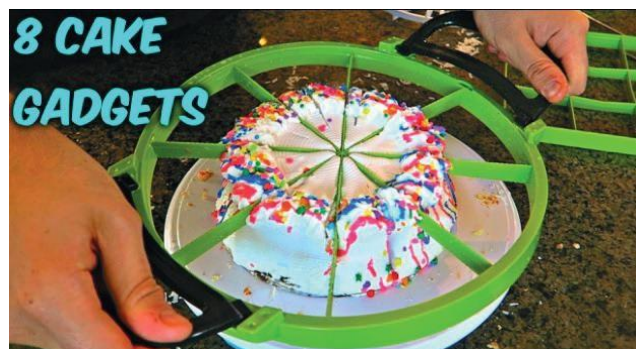
- Include only those concerned.
- Give a description of the problem that respects all involved.
- Explain how conflict resolution can enable all to win, and explain the steps.
- Agree not to slip back to the win lose methods
- Find a good time and place with no distractions.
- Get something to write down ideas.

Identify the problem or issues

- Use "I" Messages to explain your own concerns, needs and basic goals
- Use reflective listening to hear and acknowledge the other's needs and basic goals
- Evaluate exactly what each of your actual needs are with the problem. List needs.

Brainstorm All Possible Solutions that meets both people's needs

Cake Cutting Exercise



You are in charge of a Birthday party for four Children. You have one Cake and need to cut it in 4 equal parts. Brainstorm with your partner How many different ways you could cut it.

Car Sharing Solution

You and your spouse have one car. You need to go to a meeting tonight, and your spouse wants to visit a good friend. How many solutions can you come up with?



- Think of any and all possible ways to solve the problem so that everyone will have needs met
- Evaluate later NOT NOW
- Do not criticize any suggestion. Feedback with reflective listening
- Write down all ideas suggested.

Evaluate the alternative solutions

- Ask “Will it work? Does it meet all the needs of both people? Are there any problems likely?”
- Don’t accept solutions for the sake of speed
- Use reflective listening and „I” Messages

Decide on the best solution.

- Find a solution that is mutually acceptable to both of you.
- If agreement seems difficult, summarize areas of agreement. Restate needs, and look for new solutions.
- Make certain that both of you are committed to the solution

Implement the solutions

- Get agreement on who does what by when
- Write this down and check if all agree to it
- Refuse to remind or police the solutions
- If you want to set criteria for success, work out these now

Follow-up evaluation

- Carry out agreed method. Wait to see if the conflict seems resolved.
- If the agreed upon solution doesn’t work, remember it is the solution that failed, not the person, and seek for a new solution.
- Ask from time to time if the solution is working for both of you.

Results of Win-Win Solutions

- More creative in thinking up solutions
- Taking more responsibility for helping everyone have needs met
- Feeling of mutual respect
- Love grows deeper with every conflict resolved.

Communication: I-Way Map



Communicating thoughts and feelings in a positive way during a heated conflict is often difficult. The following map will help to guide you along the communication I-way. Practice will help you master the “I-way.” Before getting on the communication I-way, it is important to learn which signs to look for and to understand a few rules of the road in conflict management.

Rules of the Road:



- No “You” statements. Use statements that begin with the word “I”. Do not use statements that include the word “you,” because these statements make people feel defensive.



- Slow. Remember, it takes time to settle a conflict. Go slow at first, because conflict resolvers usually encounter some rough roads in the beginning. Keep using your I-way map to reach safer Road

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- Detour Ahead. Sometimes tempers are flaring so much that it may be necessary to take a temporary detour from the communication I-way. Once the tempers have calmed down, you may begin using I statements to solve the problem.



- Exit Ahead. Most conflicts can be resolved through effective communication. However, if you begin to feel threatened or unsafe, you should exit the communication I-way and seek safety.



- Construction Zone. Construct an I-way statement by following these directions:
 - use the word "I"
 - state how you feel
 - state the specific behaviour that you do not like
 - state your willingness to cooperatively resolve the problem



- Merge Ahead. After using properly constructed I-way statements, individuals can begin to share ideas for how to solve the problem. Often, the best solution is reached when two people merge their ideas together.



- End of Construction. After reaching a solution that the two individuals agree will work, they can resume normal activities.

Problem Solving



Life is full of crises, problems, and decisions, but many people do not have the appropriate skills to manage them.

- Much of what we think of as problematic behaviour in a client can be viewed as the consequence of ineffective behaviour and thinking.
- The individual is unable to resolve certain dilemmas in his or her life.
- Most often as problem solvers we try to improve the actual state of affairs by finding an answer to a difficulty, a solution to a problem.
- Group problem solving is generally more fruitful than individual effort.
- In the problem solving approach "small" is not so much "beautiful" as "manageable".
- Problems are not manageable when they are conceived in large global terms.
 - "Everything is going wrong."
 - "He will never change."
 - "There is no hope."
 - "I seem to have the world on my shoulders."

Problem-Solving Techniques

Seven steps for problem-solving can be carried out.

- 1) Identify the issues - Be clear about what the problem is
- 2) Understand everyone’s interests -It is important to take the perspective of all that are involved to generate the best solution
- 3) List possible solutions - Brainstorm and use creativity to come up with ideas on how to solve the problem
- 4) Evaluate the options - Consider the pros and cons for given solutions
- 5) Select an options or options - Determine what is the best option and provides the most balancing solution to the problem. Consider also whether several solutions could be combined.
- 6) Document any agreements - if working in a group, note the agreement among members about solutions
- 7) Implement, monitor, and evaluate solutions

To be an effective problem-solver, you need to have self-awareness about your thinking processes, decision-making skills, learning style, intelligence, memory and information acquisition, and problem-solving skills and techniques

The Development of Problem Solving Skills



Interpersonal problem solving skills are learned from experiences beginning in the family and wherever the child interacts with others in situations that give rise to interpersonal difficulties.

- How well the developing child learns these skills is thought to reflect the

extent to which the child’s caregivers manifest these abilities themselves.

“Creative problem solving is - looking at the same thing as everyone else and thinking something different.” Adapted from a famous quote from a former Nobel prize winner, Albert Szent-Gyorgi.

Practical exercises – creative problem solving workshop

UPSIDE DOWN

Challenge: Your task will be to make a construction as tall as possible which will be placed and attached to a cardboard base. After turning the construction upside down none of its parts can fall off.

Time: You will be given 6 minutes to design and build your construction.

Organisation of space: There is a table with a cardboard base and other necessary materials in front of you.

Instructions for the task:

Part one – 6 minutes

You have 6 minutes to do the task. Use all the available materials to make a construction as high as possible, placed and attached to the cardboard base. After turning the construction upside down none of its parts can fall off.

Part two – 1 minute

The experts will measure your structure. Then they will ask you to turn it upside down, starting the 30 - second countdown.

Materials:

2 A4 sheets of paper	5 straws
6 letter stickers	5 paper clips
1 paper/plastic cup	10 rubber bands
60 cm of string	

Scoring system:

Your team will get:

- A. 1 point (max 30) for each 2 cm of your construction height

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- B. 20 points if after turning it upside down none of its parts falls off
- C. Up to 30 points for creativity in the using of materials
- D. Up to 20 points for team work/ collaboration

THE TOWER

Challenge: Your task will be to make a tower of cups with a tool consisting of a rubber band and pieces of string

Time: You will be given 6 minutes to effectively build a tower of cups using the available tool only. Imagination and collaboration are essential in this task.

Organisation of space: There are 10 plastic cups placed upside down all over the table. There is also the tool which you are supposed to use to build your tower.

Instructions for the task:

6 minutes

Make a tower of cups using the available tool to score points.

- Each team member should catch one end of the string attached to the tool with one hand only, the other one hidden behind the back.
- Cups mustn't be touched with hands. If a cup happens to turn over or to fall off the table, you can pick it up using only the available tool.
- The tower should consist of 4 levels. There should be four cups on the first level in a straight line, three cups on the second level, two on the third and one on the fourth. Only the tower built in this way is correct.

Materials:

10 plastic cups	a tool made from a rubber band and strings
-----------------	--

Scoring system:

Your team will get:

- A. 20 points (max 80) for each level of the constructed tower
- B. Up to 20 points for team work/ collaboration

JOB FAIR

Challenge: Your task will be to present five jobs using gestures and sounds only. No words allowed.

Time: You will be given 4 minutes to use your imagination and come up with some suggestions and another two minutes to present your ideas to the experts.

Instructions for the task:

Your team has been asked to create a short presentation on five jobs at JOB FAIR. Each job must be presented by at least one team member. JOB FAIR is an international event so no words are allowed. Sound effects are welcome, though. They will surely make the audience more interested. Be creative and show how diverse job market is.

Materials:

You will be given two chairs. Additionally, you will get a sheet of paper and a pencil to prepare your presentation.

Scoring system:

Your team will get:

- A. Up to 5 points (max 25) for creativity in the using of gestures while presenting each of the jobs
- B. Up to 5 points (max 25) for creativity in the using of sounds while presenting each of the jobs
- C. 25 points for creativity of your presentation
- D. 25 points for team work/ collaboration



CHAPTER FOUR

Marketing and Advertising

"A product is something that is made in a factory, a brand is something that is bought by a customer. A product can be copied by a competitor, a brand is unique. A product can be quickly outdated, a successful brand is timeless" (Stephen King, WPP Group)

By marketing and advertising your product in a creative and wise way you will create a brand that will sell itself in the future.

Well-known brands:



Marketing is the process of developing, promoting, and distributing products to satisfy customers' needs and wants.

The modern concept of marketing evolved during and after the industrial revolution in the 19th and 20th centuries. Over the last decades, the concept of "marketing" has changed greatly.

The aim of marketing is to know and understand the customer, to attract new customer by promising superior value, and to keep current customers by delivering satisfaction.

Importance of Marketing

Many customers don't know what they want when the product is new, so companies help the customers to learn what they want.

- Marketing helps boost product sales. When people know your business exists, they're much more likely to become your customers. If your marketing campaigns are doing their job properly, you'll start to see an increase in sales shortly after you get started.
- Marketing promotes product awareness to the public - Most of the time we see an advertisement, or get a recommendation, but we don't always buy the product or use the services straight away. By raising awareness through marketing, you'll build an audience of potential customers who know who you are, know what you can offer, and know exactly where to find you when they are ready to purchase your products or services.
- Marketing builds company reputation. People want to buy from a business that has a trustworthy reputation. They want to know that they can trust the business they are buying from. It takes time to build the trust and reputation for your business. Once your business can establish this trust with your clients, it creates customer loyalty. If your clients are happy with your products or services, they will talk about your business. Word of mouth is the most effective type of marketing, and it's free.

(Joanne Nguyen from Success Tax Professionals Malaga)

Before marketing you need to think of the following questions:

- Who are our existing/potential customers?
- What are their current/future needs?
- How can we satisfy these needs?
- Can we offer a product/service that the customer would value?

- Can we communicate with our customers?
- Can we deliver a competitive product or service?
- Why should customers buy from us?

What can be marketed?

- Goods
- Services
- Events
- Experiences
- Persons
- Places
- Properties
- Organizations
- Information
- Ideas

Concepts of marketing activities

- Production concept - Consumers will prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on achieving high production efficiency, low costs, mass distribution.
- Product Concept - Consumers will favor those products that offer the most quality, performance, innovative features. Managers in these organizations focus on making superior products and improving them over time.
- Selling Concept - The aim is to sell what companies make rather than what the market wants.
- Marketing Concept - The job is to find right products for your customers.
- Holistic Marketing Concept - Considers business and all its parts as one single entity and gives a shared purpose to every activity and person related to

that business. A business is just like a human body: it has different parts, but it's only able to function properly when all those parts work together towards the same objective. Holistic marketing concept enforces this interrelatedness and believes that a broad and integrated perspective is essential to attain best results.

- Societal marketing Concept - Organization's task is to determine the needs, wants and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being.



The marketing mix consists of four basic marketing strategies known as the 4 P's. Marketing is simplistically defined as 'putting the right product in the right place, at the right price, at the right time.'

- Product - Either a tangible good or an intangible service that is built to meet a specific customer need or demand.
- Price - The actual amount of money the end user is expected to pay for a product. How a product is priced will directly affect how it sells.
- Place - How the product will be provided to the customer. Distribution is a key element of placement.
- Promotion - The marketing communication strategies and techniques. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user

CHAPTER FOUR

it is being marketed to. It is important to differentiate between marketing and promotion. Promotion is just the communication aspect of the entire marketing function.

Product	Promotion
<ol style="list-style-type: none"> 1. Is there a demand for the product or service? 2. How to make the product appeal to consumer 3. Packaging— includes the design, color, size, and brand names 	<ol style="list-style-type: none"> 1. Making customers aware of a product 2. Advertising 3. Coupons 4. Rebates 5. Sales 6. Free give aways 7. Publicity

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The 4 P's of Marketing explained

Types of Marketing

- Online Marketing
- OThine Marketing
- Word of Mouth Marketing

The Benefits of Marketing

- Describe your product or service to

potential buyers using a variety of techniques.

- Establish your brand and any philosophy or values associated with it.
- Explain what needs are being met with your product.
- Develop relationships with possible partners.
- Communicate regularly with key stakeholders.
- Explain to potential buyers and partners how to purchase your product/service.
- Describe how your product/service is different from others on the market and who the ideal audience is for your products.
- Advertise your products/services to different and various audiences.
- Test product concepts
- Develop pricing strategies for individual buyers or market segments.
- Define your company's strategy and how your products or services support the strategy
- Outline the goals of your product/strategy in terms of market share, profitability, customer adoption, timing and milestones.

Develop programs that support the strategy.

- Promotions
- Lead generation
- Partnership
- Advertising
- Events
- Product/service launch
- Generate awareness for the programs that support your products and services.
- Internal communications

- Community relations
- Public Relations

Advertising

- Create a visible and favorable impression of your product or service.
- Communicate your positioning in the market.
- Reinforce your overall image and brand.

Five Theories of Advertising

When advertising is fruitful, it has a direct impact on sales and brand awareness. Advertising has to be innovative, expressive, and inspiring for people to pay attention to it, which integrates delivering messages and showcasing videos that will give an edge to your advertisement in comparison to the other advertisements out there. Advertising has various objectives including communicating with potential customers and prompting them to purchase a particular product. The advertising theories illustrate how and why advertising is effective in influencing the customers' behaviour and accomplishing its objectives.



www.studiousguy.com

1. THE MEDIATION OF REALITY

Advertisements are successful when they are integrated with other media and environments in which they are completely submerged. It is advocated that it is not the

content of the ad that makes them persuasive, but the incorporation of media to amalgamate actions and fictions. The media defines the excitement and addiction by expanding and strengthening neutral responses.

Example: In a GUESS advertisement, Paris Hilton steps down the helicopter escorted by a helper or a boyfriend rolled into one. Paris Hilton manifests the expression of wealth and glamour, playing her private life out in public as a governess, model, and reality TV star. The ad blurs the boundaries between reality and a dream.

2. SHIFTING LOYALTIES

Ads mirror changing loyalties. Although ads create intense brand loyalty, they also prompt customers to shift their loyalties and to disown their current loyalties for a relatively new brand in the market.

Example:

Changing consumer loyalties from Colgate, a brand which one has been using since ages to Close-up after watching an exciting ad on television which revealed advantages of using close-up as healthier gums and whiter teeth.

3. THE MAGIC OF THE MEANING

Advertisements carry a strong message with a meaning instilled in them. Ads touch our values, emotions, and the underlying beliefs. In 1962, a cultural theorist Raymond Williams explained how advertising had swept the goal of selling goods and is more associated with teaching social and personal values, which is promptly entering politics too. Advertisements are organised magic's that hide the real intention of the selling house, which is to sell a product to make profits.

Example:

- Insurance companies sell their retirement plans, showing the benefits they provide in your retirement.
- Women's Horlicks formula known to help calcium reach the bone.

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4. THE HIDDEN MESSAGE

Certain ads misrepresent and misguide the consumers. Packard declared that advertising is threatening since it uses psychology to form emotionally loaded messages and as the messages are hidden, the viewer's critical resilience is dodged and minimized. This approach clearly states how critical thinking of the potential consumers can be manipulated with ads.

Example:

A dentist may be employed in an ad that advocates and encourages the public to use a particular toothbrush or a toothpaste advertisement because he uses the same. The belief system imbibed here is that the public will buy and use the product of a particular brand just because the dentist himself is using and advising.

5. IMITATIVE DESIRE

Advertisements tend to act upon the prospect's mind. It's been observed by some theorists that people usually have the desire of becoming others, especially when the other person is famous, beautiful or powerful. But the reality is it's impossible for someone to become like another. However, this impossibility keeps the desire alive in all of us. The soul of the ritual is that people work in communities through imaginative projection towards others.

Example: In an XYZ ad, which is an ad for a bookstore, the ad suggests that books work as an escape from reality; they help you step into fairytale land and disguise ourselves as others. Similarly, chances of us buying LUX soap because some celebrity is showcased in the ad compels us to believe that the secret of her beauty is the soap and prompts a purchase action from the consumer's end.

All the above theories have their merits and demerits. Criticism intends to improve understanding, clarify values, and to narrow the space between what we are doing and what we want to do. Advertising is a completely adaptable tool with no boundaries that can serve the revolution as

well as a corporation. It is important that the customer not just focuses on the message of an ad, but also understands the media and environments in which the messages are relayed.

(www.studiouguy.com)

MARKETING CHALLENGES INTO THE NEW CENTURY

- GROWTH OF NON-PROFIT MARKETING
- THE INFORMATION TECHNOLOGY BOOM
- RAPID GLOBALIZATION
- THE CHANGING WORLD ECONOMY
- THE CALL FOR MORE ETHICS AND SOCIAL RESPONSIBILITY

PRACTICAL TASKS

1. Design a simple and memorable logo for your product.

Here are some examples of student-made logos:



2. Future raw materials - create a product

Step 1. Create a new product from this material (box with raw material);

Step 2. Feedback, suggestions for making corrections from other teams;

Step 3. Product development, just make it better!

Step 4. Create an advertisement/commercial for your product

- Audio visual

- The image/picture provides information
- Sound gives emotion

Step 5. Presentation of groupwork.



CHAPTER FIVE

The Harvest

„Don't judge each day by the harvest that you reap, but by the seeds that you plant“

Robert Louis Stevenson

The journey of this project began two years ago. We had so many exciting plans illuminating the way ahead; who would've thought the time would pass so quickly!

Our final meeting, held in Austria, brought together some final pearls of wisdom as well as the practical unveiling of the products from the international mini-companies. In this chapter, I will describe the educational activities carried out during this meeting; as well as the enormous value drawn from the professional unveiling of the students' products.

Progressive Education

During this mobility, the guests had the opportunity to visit two progressive schools: **Sternschule** and **the de la Tour Schule, Seiersberg**. These two schools practice reform pedagogy; the Sternschule utilizing the Dalton Plan and the **de la Tour Schule** a mixture of Montessori and Dalton Plan. These education methods strive to equip their students with the necessary tools to flourish in life. The main 'pillars' of Dalton, for example, are: **Respect, Freedom, Responsibility, Co-operation** and **Time-Management**; characteristics that are essential in the work-force.



Sternschule, Deutschlandsberg



de la Tour Schule, Seiersberg

The participants gained insight and inspiration into how critical it is to ingrain such values from an early age.

Real social living is more than contact; it is co-operation and interaction. A school cannot reflect the social experience which is the fruit of community life unless all its parts, or groups, develop those intimate relations one with the other and that interdependence which, outside school, binds men and nations together.

(Helen Parkhurst, 1922)

Conditions are created by the Dalton Plan in which the pupil, in order to enjoy them, involuntarily functions as a member of a social community. He / She is accepted or perhaps, rejected by this community according to his functioning and behaviour within the community – just as it would be in the 'real world.' In order to really work successfully, this system should not be dependent upon written laws, but should create an atmosphere of a shared responsibility. The value of our community life lies in the service rendered by its members. The individual becomes consciously aware that he / she, as a member, is a co-worker who is responsible to, and for, the whole.

Logic Data

Logic Data is a highly innovative, hugely successful company that develops electronic and mechatronic components for height-adjustable sit-stand-working places in

the office furniture industry; as well as mechatronic solutions for the home furniture industry.

One of the main managing directors in the Austrian branch, Johannes Gradwohl, kindly organized a fantastic tour of their building with workshops.

Our tour guide, Christine Assl, explained how the atmosphere among the employees is the most important priority for the managing directors. At Logic Data, they realize that happy workers make productive workers. They want their employees to feel excited when coming through the doors each and every day.



Logic Data, Deutschlandsberg



When a significant sale goes through, a huge gong is struck in the foyer and everyone gathers to congratulate and celebrate the achievement; all for one and one for all! The company also hosts big Christmas and summer parties for the employees, the difference is that the families are also welcome to join in the celebrations. Also, many employees stopped to welcome our students as they toured around and made it clear that they should feel free to ask any questions they may

have. Such attitudes resonate with **Chapter Two** of this **E-Book** where the importance of social skills is explored.

Product Unveiling

Our grand finale came on Friday, May 17th. The four international mini-companies presented their products in-front of a professional jury of four members:

- Prince Alfred of Liechtenstein, Company – Holztreff
- Susanne Prentner-Vitek, Diakonie de la Tour
- Gerald Suppan, Physikinstitut and Entrepreneur
- Patricia Freithofnig, Diakonie de la Tour

Each team had 20 minutes to present and 'sell' their invention in English and answer questions from the jury. After the presentations, the jury retired inside to deliberate and choose a winner. In the meantime, to add some flair to the event; Mathias Nebel of **The Voice of Germany** sang a few numbers to the sheer delight of the crowd! The teams were set up in huts, decorated to display and sell their products.

Once the moment of truth came to announce the winner, Prince Alfred took the time to offer words of encouragement to each individual team and also pointed out where they could improve; hugely valuable advice for the future for the students!

It was incredible to see how far our students had come during this project. They started out knowing nothing about business and entrepreneurship; and by the end, were able to present their impressive products confidently in English (a foreign language for most of them). The skills they learned along the way were invaluable – technical, creative, social etc. Our students have made important connections in the labour world, and socially. Most importantly, they are inspired. They know that they need an education to acquire the necessary skills to achieve their goals. We, their teachers, have learned that we need to

CHAPTER FIVE

tailor their education to equip them with the tools but also the vision that facilitates them to be innovative.



Ireland and Portugal



Austria and Estonia



Italy and Germany



Poland and Romania



Our very concentrated jury!



Austrian and Estonian team

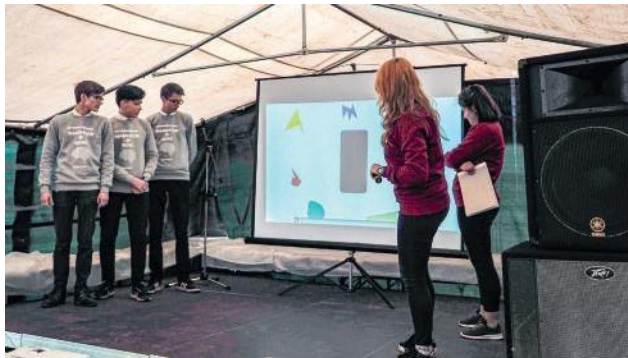




German and Italian team



Portuguese and Irish team – the winners!!



Polish and Romanian team



Group Photo!!

'What makes the desert beautiful, is that somewhere it hides a well..'

Saint-Exupéry, 1900

Throughout this project, we have learned that we all have potential. We all have talents. One important job for us teachers, is to seek to unearth the talents of our students; to create a stimulating environment for them wherein they can blossom and find their path in the workplace and in life. Look out future! Here we come!



CHAPTER FIVE



The book is the fruit of a two-year with the goal of enabling our students in collaboration between eight schools involved setting up a mini-company always in mind, in Erasmus+ strategic partnership. It has been each chapter is dedicated to a different step compiled and written to provide prospective towards achieving this aim. Each section entrepreneurs with the knowledge and skills contains theory as well as practical tasks required to bring their business idea through to reinforce what is learned and to develop to product stage and into the marketplace. Competencies in that particular area.



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