

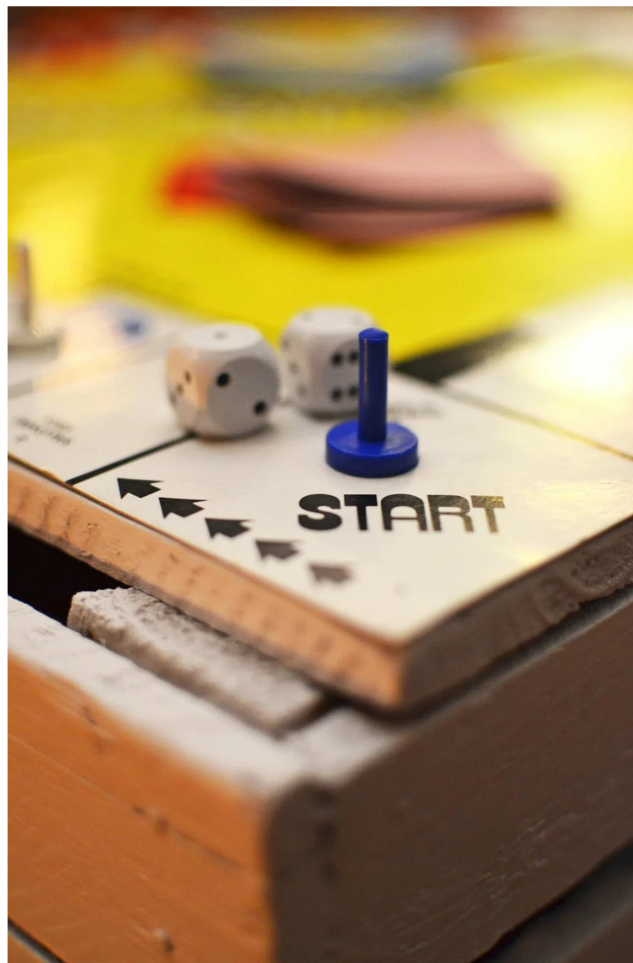
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CREATING EMPLOYMENT OPPORTUNITIES OF YOUNG GRADUATES IN THE CB AREA

Guide on how to start and launch your startup business /
Start up Manual



The project EMPLOYOUTH is co-funded by the European Union and by
National Funds of the participating countries

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EMPLOYOUTH project aims to implement a comprehensive package of actions that will have as final result the entering to employment of highly educated people and the emergence of prospects based on competitiveness, productivity and innovation.

The intervention includes a holistic package of measures which will utilize the valuable human capital of the two countries in the labor market with ultimate objective of exchanging qualified personnel, improving the competitiveness of the two economies and strengthening regional cohesion in the border region.

Project Objectives

- Creation of a dynamic entrepreneurship culture
- Investment on human capital as one of the most valuable resources of the cross border area for promoting economic activities
- Development of entrepreneurship and conditions facilitating job creation
- Enhancement of skills and boost of human potential

Expected results

- Build on existing potential of the region
- Focus on educated youth to create jobs
- Limit the brain drain phenomena the two countries are facing
- Enhance the attractiveness of the region for young entrepreneurs

Target groups

Potential entrepreneurs will be supported to develop a viable business plan based on their own innovative idea

Existing entrepreneurs with different backgrounds and with long experience in the business world will present their company, highlight success stories and difficulties encountered in their entrepreneurial route.

What is a start-up company?

Steve Blank, the American businessman and academic, has given the most common definition of what a start-up is: *"It is a temporary organization, which is looking for a business model, which must have two basic characteristics: be repetitive and scalable"*.

More specifically:

- We have something temporary. The average "life" of a startup is one year. In two years at most it must have developed into a regular / formal business.
- The meaning of repetition has to do with the fact that the product or service that will be created can be used by the company's customers without conversions.
- Emphasis is placed on the fact that the audience for this product or service must be large.

Another definition comes from Paul Graham, who is also the creator of the first "startup incubator", following the first large sale of hi-tech company to Yahoo, for \$ 150 million: *"A startup is a company designed to grow fast. ..."*

1. Main characteristics

The criteria that characterize a company as a start-up are the following:

- It has an innovative character. The type of innovation that the company introduces can be product innovation, process innovation, organizational innovation or a combination of these.
- The initial form of startups is temporary that aim to develop a product / service and a business model around it. The success of this project will determine their development into a stable business or their absorption by another company.
- Repetitive and scalable business plan, in a sense that the service / product will be used by all customers without any change. This model allows the provision of service to multiple customers without having to spend proportionally multiple resources and time. This allows the startup to show an exponential increase in its customers over time

2. Start-up company vs SME

Setting up and operating a startup company may look very similar to running a traditional sme, however there are main differences indicated as follows:

- Growth and Scalability

The term "startup" is mainly used to describe high-growth, technology-oriented companies, many of which seek to create a new market or dynamically develop an existing one.

Another feature that differentiates a start up is that their value proposition can be replicated quickly with little additional cost or effort, i.e. a startups are more likely to expand than a typical business as they can grow rapidly with little capital expenditure and limited workforce and facilities.

- Funding options

A startup company tends to rely mostly on angel investors or venture capital accompanied with mentoring / coaching services and networking while traditional smes may rely on bank loans and/or grants.

- Exit strategy

An exit strategy has potential impact on many of the decisions startups make regarding growing their business. In case of success the start-up will either develop into a large company or will consider exit scenarios such as acquisition or absorption by other business schemes while in case of failure in relation to the initial goals the company ceases to operate or modifies its business plan and repeats the above (pivot). In a traditional sme, there is no exit strategy nor does it aim for rapid growth.

Launch a start-up company

Launching a start up business may seem difficult, stressful sometimes but on the other hand is but good career and life path. It demands skills like patience, passion and dedication since your new business will consume a great deal of your time.

Startups usually start with minimal financial and human resources in order to fill a market gap or offer innovative solutions to an existing problem that people are willing to pay for and that is not already provided by someone else.

Much attention must be given to the fact that having an idea is one thing and having an idea that would lead to the creation of a successful startup company is totally different.

You will have to work hard, dedicate time and money to your efforts and it will take even some failure before you succeed. And once you get your company launched, you need to work as hard as before to keep it alive and operational.

What follows is a guide to follow that can help you get started.

1. Develop a business plan

Simple said, a business plan is the written description of your company's future and being properly written is in your favour. You focus on answering three fundamental questions: What, how and when you're planning to do it. In other words describe your business strategy for the next 3 to 5 years.

The business plan is a document that is required to be revised and be adapted to reflect the changing conditions of the business and the market in which it operates. The business plan must comprise of an executive summary, business / team description and legal structure, market analysis, marketing plan, description, financial section.

You need to be very specific about the product / service you want to produce and clearly describe the reasons why users need it. It is equally important to know the market you are targeting.

2. Seek for funding

It is very important to consider funding options, secure funding and then spend. In addition to the traditional sources of funding, i.e by own funds or bank loans, emerging alternative methods are widely used, such as "crowdfunding", business angels, and venture capital, which are the most popular source of financing.

3. Build your team

In order to make your own startup based on an idea you have, in addition to funding, knowledge and information, you need also a very basic thing: a team. So, if you want to start a startup, find the people you will be working with first.

At the early stages of your startup, it would be wise to have a small team to minimize expenses and surround the team with specialized expertise (freelancers / consultants).

Of course, you will need some help while launching your startup company. The number of people you will need depends also on the market industry.

Before you do anything however, you need to register your business name. Unfortunately, many startups are not familiar or aware of the power that a strong brand name in the market can offer them. Therefore, how to name your start up is not a simple brand name choice and it has to be creative, original, timeless and unique. Once your business gets registered, you'll need to obtain a tax ID number for your company.

Carefully consider the appropriate corporate form for your business: Consider issues such as minimum equity, scope of entrepreneurial liability, bookkeeping and auditing, taxation and so on.

Lawyer, accountant and financial advisor are among those that they can support you by focusing on the legal requirements and tax obligations.

4. Find a workplace and develop a website

Your startup company needs both a physical address and a web address.

You should buy or rent an office to run your business.

You also need to build a website that will take your reputation online. Many customers are searching on the internet to find a business so by having a digital presence is for your benefit and enables interaction also with potential customers (pre -orders, scheduling meetings etc).

5. Focus on start up marketing

A startup company needs a solid foundation to withstand market competition. Startup Marketing is based on 2 key areas: Content Marketing and Social Media.

Regarding content marketing, the key is to first define a secure target market and then invest heavily in modern marketing strategies. Then define keywords will help you manage your website and social media. Choose words and phrases that are directly related to your brand name and the product / services provided. Allocate a marketing budget for the promotion of your startup and decide how much you are to spend across different channels.

Social media is considered one of the most popular ways to promote your content and products / services and influence your audience. Find the Social Media that best fit your startup and post at the right time of day.

6. Target your customer

Identify your target audience and identify their characteristics and needs. Just as children's books and modern novels are not written in the same way, so must be your messages - be unique, depending on the audience you are targeting each time. Trying to include everyone in your target group, be sure that it will bring exactly the opposite results, because you will not be able to attract each person individually.

Finding the right customer is often the key to a good start. Make an estimate of how many customers you can find and how much they are willing to pay to get the product or service your business offers.

7. Build a customer base

A customer base is a critical mass of people (customers) who repeatedly buy your product/ service. It is important for any startup to build a solid and as large as possible customer base, as this is a much more reliable source of sales as opposed to those it seeks to attract through new customers who trust the company for the first time.

As a first step, you need to clearly identify your ideal customer (persona) that you should be targeting. When you have your first customer you must keep up by building, maintaining and even increasing your customer base.

To succeed this, you should treat your customers as being your top priority, show a personal interest in them and be creative and resourceful in solving problems or answering questions. Stay in constant contact with existing and potential customers and maintain excellent customer support and service.

8. Be alerted

At the beginning of the project you will feel like you are moving in uncharted territory so have to be prepared for some challenges along the way.

You may experience fierce competition or face tough decisions, or even your best employee decides to leave the start up but you shouldn't get discouraged when something goes wrong. Whether it's out of your control or not you must move forward.

Mistakes and holdbacks happen in all companies, but parts of being an entrepreneur is learning from your mistakes and do your best not to make the same mistake twice.

Recommendations

1. Team Building

Create your startup teams according to the skills needed to build up a successful company. Team members should have the skill-set and motivation to work together and to achieve the common goals. Avoid formulating a team only based on friendships.

With faith, passion and love for your business, you will pass on the excitement and desire for the right people to enter your team. Encouragement, trust, motivation is the key to strong team building.

Most successful entrepreneurs are surrounded by great partners, not because they are lucky but because they are inspired, appreciated, recognized, encouraged, rewarded and always trusted.

2. Follow the trends

It is important to foresee and understand the going global trends whether these are technological, social, environmental etc. If you follow the trends, it would be easier to make better forecasting, find out the regions and markets that best fit in your product or service, understand market potential and allow you to take strategic decisions (i.e. operate in new markets etc).

3. Be flexible

Try to be flexible and responsive when sudden changes happen. Adjust to challenges quickly and calmly so that you can manage any unexpected event effectively. Changes happen globally at any time and one should be ready to adapt to the unexpected and effectively manage the change towards achieving his goals.

4. Seek advice from business professionals

It may come a day that you feel that you don't have the experience or knowledge to tackle an issue like tax, law, marketing etc. And that's fine. There are plenty of professionals you can reach out for help and advice. Do your research and find the specialised expert in the field you're need advice (e.g. accounting, law, IT, HR, etc).

5. Track your performance

Using metrics helps you to set your goals and take smart decisions about your startup. There is plenty of tracking performance tools to measure your progress of your goal setting. Tracking the performance helps startups to keep the company viable and provide with a warning signal when corrective actions are deemed necessary.

Before taking important decisions (e.g. raising capital), always consult start up metrics.

6. Do not be afraid of failure

You need to take risks, invest in time and money in order to succeed. Preparation and readiness to work in a professionally and socially uncertain environment is essential. But sometimes that leads to failure. Do not be disappointed by any difficulties and try to see opportunities instead of problems.

7. Work hard

Prepare to work beyond the standard 8 hours and keep the growth of your business in mind. In this first phase of your business venture you will have to show dedication, patience and perseverance because the difficulties you will face may be many.

Before you decide to turn your idea into a business, you should have answers to a series of questions, have a clear picture of who you are, what you want to achieve, what you aim for, how you will achieve it. You need to determine if your idea is worth turning into a business and you also need to decide if you have the competences to be an entrepreneur.

Specifically, you should know:

- What is the problem he will solve with his idea
- What is the product with which it will offer the solution
- What is the target market (financial size, transactions, demographics)
- How to make a profit from his business
- What exactly is the competition and how it differs from the others
- What will be the possible income, expenses and profits for the next five years, with sound analyzes
- And in case it presents to ask for financing, its amount, how it will use the capital and what is the possible return on investment for the investor.

If you have the answers on the above questions, then:

- Develop a business plan
- Seek funding
- Build the right team
- Develop your website and find a physical location for your startup
- Focus on marketing your product / service
- Target your market, your audience and build a customer base
- Always be alerted for unforeseen circumstances

And remember:

"Great things in business are never done by one person. They are done by a team of people" (Steven Paul Jobs, cofounder of Apple Computer, Inc)

"Do not be embarrassed by your failures, learn from them and start again" (Richard Branson, founder of Virgin Group)

"Communication is at the very core of our society. That's what makes us human" (Jan Koum, co-founder and was the CEO of WhatsApp)

"The most dangerous thing is not taking risk" (Michael Dell, founder, chairman and CEO of Dell Technologies)

"Work hard, have fun, make history" (Jeff Bezos, founder of Amazon.com)

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