



Kaleidoscope
supporting female
migrant entrepreneurs



Supporting **female**
migrant **entrepreneurs**



Co-funded by the
Erasmus+ Programme
of the European Union

Self-Learning Manual Extended Version of The Different Steps of Creating Your Own Business



Co-funded by the
Erasmus+ Programme
of the European Union

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

Project Number: 2017-1-FI01-KA204-034732

Table of content

1. Find your tentative business idea	3
How can I apply it into my reality	4
2. Challenge your tentative business idea	5
How can I apply it into my reality	6
3. Define you Customer and USP	7
How can I apply it into my reality	8
4. Finalise you business idea and your business project. SMART goals	9
How can I apply it into my reality	10
5. Define you networks and collaborators	11
How can I apply it into my reality	12
6. Communicate about your business to authorities, collaborators and customers	13
How can I apply it into my reality	14



The Different Steps of Creating Your Own Business

This extended version of the different steps of creating your own business of the Kaleidoscope handbook provides you a step-by-step process for creating your own business. The process focuses on planning and fine-tuning the business idea, the offer, the markets, networks and the target groups, the aspects that are essential to be defined carefully before launching business and approaching potential funders. Give it a try and have fun!



1. Find your tentative business idea

Finding your tentative business idea is the first step in creating your business. Companies provide solutions to problems and needs. Therefore, identifying customer needs and solving their problems is the source of all business activity. You can find your tentative business idea by observing existing customer needs, problems and challenges in your selected target market. Reflect on your personal skills and attributes and identify which skills could be useful when creating a business that is suitable for you. Look the raw idea through a creative lens. Creativity can help you to come up with new ideas and innovative products and services or unique ways of doing business.

Customer needs can be small or large in scale, and often changing a small thing is enough to create a distinct product. For instance, some people choose to wear perfume or aftershave. However, there many different brands, bottles and scents. More dimensions can be created to cater to different needs and preferences. For example, some may prefer fruitier scents, whilst some may enjoy something more floral. Further to this, it may be important for some consumers to buy a product that is ethically sourced and tested, whilst some may want smaller sized products to be able to travel with.

Which customer need or problem could you address and potentially solve? For instance, how could you aid recycling, travellers or how can you help people with health issues? Lifestyles and age also differentiate consumers. For instance, pensioners have different needs from young families. Also, legal constraints may differ by country and further outline the possibilities for conducting business in those countries.

The following elements help you to find your tentative business idea:

- **Problem solving** – Which issue can you provide a solution for? What is the scale of the problem or need? How pressing is the problem? How accurate or smart is your solution? Can your solution be something unexpected?
- **Environment** – Which trends and cultural customs affect your business? Conducting an external analysis helps to identify opportunities and environmental constraints in your target market. Gain understanding of the target market, competitive environment and key trends in political, cultural, socio-economic and environmental aspects concerning your business idea. Turn insights into action by finding the best way for market entry and sustainability of your business.
- **Skills, competences and interests** – What do I do well? What are my strengths? What do I like to do? Knowing oneself, own strengths, weaknesses, skills and interests is important for an entrepreneur. They are your resources. Doing what one likes gives passion and helps to overcome hardships. Self-knowledge helps to direct activities and ask help when needed.



Learn more about yourself with Big 5 personality traits. Find out how to combine your strengths and what you like to do with Ikigai. Design Thinking, brainstorming, doodling, visualisation, Blue Ocean Strategy and problem-solving tools help in finding a business idea. Analyse and document your idea with the SWOT and PESTEL tools.

How can I apply it into my reality?

From a problem to a business

1. Identify and choose a problem or a need to solve.

2. Learn more by investigating problem and plan how you will solve it. Consider the resources you will need to solve it (people, time, money, tools, etc.)

3. Explore and generate possible solutions using your imagination and creativity.

4. Choose the 3 most promising ideas, develop them into concepts and then test them. You can consult your friends, family and customers on the ideas and concepts.

5. Choose and finalise the solution

Set your criteria and choose the final solution using the feedback and results from step 4. Novelty and value are highly important criteria to customers.

6. Evaluate the predicted outcomes and plan your business idea and the steps you will take to achieve this. Use your learning to develop your business plan, activities and resources. Be critical and go back to earlier stages when needed in order to find the most suitable, successful solution.

Map your environment and trends

1. What local cultural customs, habits or other factors could affect your business?

2. How can I utilise these to develop better business? Which might cause confusion or friction?

2. Describe the key trends currently affecting your business e.g.

- Legal and political trends
- Technological trends
- Cultural trends
- Market trends

Next, describe how you could anticipate and prepare for the changing trends in the future?

Turning skills, competences and interests into a business idea

1. Who and how am I as a person?

What is my background? What have I learnt and experienced? What are my values?

2. What can I do? What am I good at?

What are my skills and competencies?

3. What do I like to do? What is my passion and motivation?

4. How can I combine my strengths and skills with what I like to do into a business idea that is also based on customer needs whilst providing value to customers?

5. How can I best use my skills, strengths and resources to deliver a solution? Which skills should I develop? Where do I need help?

2. Challenge your tentative business idea

Once you have found your tentative business idea, it is time to challenge, test and evaluate it. This is essential as we often fall in love with our idea, making us reluctant to tweak or change it. When challenging the tentative business idea, it is important to get different points of view on the business idea (and product or services) and see how it works in practise.

Asking others how they see your idea, testing your idea in practise, obtaining user experience, and looking at what other companies do, provides you with crucial information. It can tell you whether the idea is functional, feasible and viable or not, what you should add and eliminate, what consumers might pay for it, how services or products are used, and how consumers position products in relation to competitors' products, what they associate to it, and where they might find them.

The following elements can help you to challenge your tentative business idea:

- **Communication and networking** – Who should I invite to test and evaluate my business idea? How can I find them? Networking and communication can help you to find testers. A versatile group of evaluators helps you to understand your business idea better.
- **Testing and evaluation methods** – Testing provides valuable information about user experience and the functionality of your business idea. It can take place face-to-face or online. For instance, Design Thinking can provide many methods for testing, including observation or role play in a situation where users participate in creating products with you or other methods where you collect comments online, e.g. Pinterest. Remember to filter the results through a cultural lens.
- **Prototyping and rapid experiments** – These provide useful information about the idea/product and its functionality during the development process. As things can still be changed or eliminated at an early stage, plenty can be saved on resources, time and money.
- **Associations** – Associations, especially indirect associations, reveal which things, feelings and perceptions people connect with a product or a company. For instance, an association of a dog could be interpreted as reliability. Are the associations what you want or completely different?
- **Benchmarking** – Benchmark and observe your direct and indirect competitors, what they do, what they are and how do you position to them and it helps you to differentiate form them. Can you for instance find a Blue Oceans, gaps, niches, when observing the competitors?

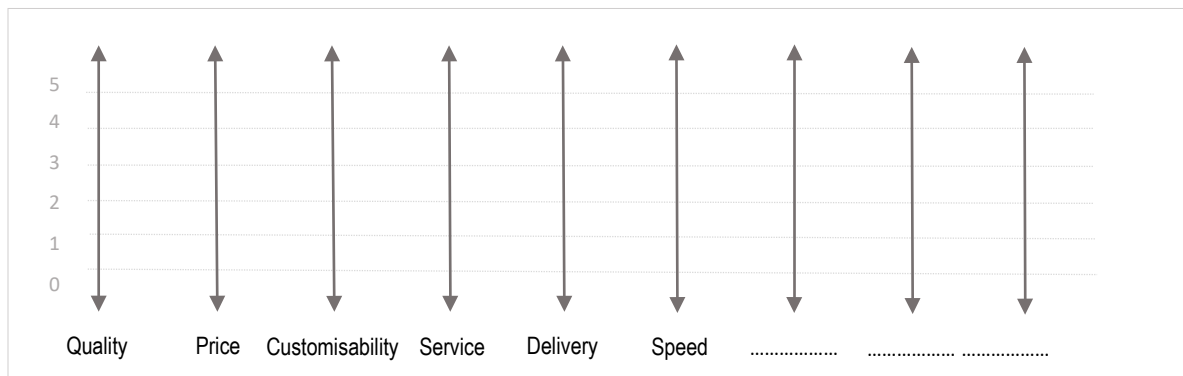


In addition, you can use many face-to-face and online testing tool and methods from co-creation, storyboards, image commenting, benchmarking, BCM matrix, prototyping, rapid experiments, Design Thinking and service design methods and customer journey mapping tools. You can find plenty of tools online.

How can I apply it into my reality?

Benchmarking and comparing attributes

Research two of your main competitors and compare your business idea/product to them using the number scale below. 0 is the lowest and 5 is the highest performance on the attribute. Mark your company with one colour and the competitors with other colours. Add attributes to the graph.



Indirect associations

Ask yourself "If (your product, service, idea or company) was a (association trigger from the list below)..... what would it be? Why? Use the examples below and add yours.

- | | |
|--|---------------------------|
| 1. An animal | 6. A word/s |
| 2. A car | 7. A situation |
| 3. A person | 8. A sound, song or music |
| 4. A character (can also be fictional) | 9. Weather |
| 5. An emotion | 10. A colour |

Testing your service

1. Create a prototype of the environment where your service takes place. It can be a small prototype made with lego or cardboard, or a space where people can move.
2. Ask testers to go through the service, the service moments as they would do normally and speak out loud through the process, while you observe them and their reactions and take notes
- .. 3. Analyse the results and make improvements based on the results

Tip! Products can also be tested by using them in real or simulated situations or through stories.

3. Define your Customer and USP

Customers are central for your entrepreneurial activity. You should be able to create value for customers in order to fulfil their needs and hence make them purchase your products. Value can be material or immaterial, e.g. saving time, providing food or feeling confident. Exploring your target market and customer trends helps you to understand their needs better. This customer insight allows you to develop solutions with better focus and experience to help to sell your solution better and reduces their usual cost. Customer perspective is also needed for defining your Unique Selling Proposition (USP) which is the message you provide to markets.

Not everyone will be your particular customer. For instance, not everyone likes the same food or type of perfume. These are different groups of customers with different characteristics, demographics, age, family, place of residence, occupation, hobbies, preferences and lifestyles are among the segmentation criteria. Culture can influence in segmentation as a main culture (e.g. national or regional culture) or a subculture (e.g. motorcyclist). One person can belong to multiple cultures at the same time. Segments can change in time. Detecting your specific customers amongst all consumers is very helpful when anticipating how to cater your product or service to appeal to these.

The following elements help you to define your customer and USP:

- **Segmentation** – Who are your customers? Whom are we producing value to? What kind of customers do you have and want to address? How would you group them into groups of similar characteristics? Which of these are the main segments (groups of similar customers)?
- **User Persona** – User Persona is a fictional and exemplar character that represents a type of consumer or user. A Persona is created using the available customer information. There might be different personas among your clientele.
- **Value creation** – To whom are we producing value, a product or service? What is the customer need, problem or desire? What is our core promise? What is our USP? How and when do we deliver value and communicate about it?



In addition you can use Value proposition canvas, User Persona and segmentation tools, theories of cultural dimensions (e.g. Geert Hofstede), and Customer Journey Map tools (against the selected customers and USPs)

How can I apply it into my reality?

Think of an example of a persona that would be a part of your target group

<ol style="list-style-type: none"> 1. Give the persona a name 2. What are the demographics of that persona: age, gender, marital status, family, pets, education, social class, income level? 3. What is the occupation of the persona? 4. What are goals and values of the persona 5. What are persona's hobbies and interests? 6. What does the persona like and dislike? 	<ol style="list-style-type: none"> 7. What is the lifestyle of the persona? 8. What is the persona's culture? (e.g. country, region)? 9. What are the subcultures of the persona (e.g. biker, ballet culture, gaming)? 10. What are the special requirements and situations of the persona (e.g. handicap)? 11. What is the persona's physical and social environment?
---	---

Define your USP, Unique Selling Proposition

<p>a) Customer</p> <ol style="list-style-type: none"> 1. Who is my Customer? Describe the customer attributes and behaviour, interests, lifestyle of your customer. 2. Pain, problem, need, desire What challenges does your customer have? 3. How could I solve their problem? What opportunities and possibilities there are to ease the customers' pain/challenge? 	<p>b) Proposition</p> <ol style="list-style-type: none"> 4. What do I do well? What are you good at? 5. What value does my solution provide? 6. How do I deliver the solution? Where, how does it look like, when, how much does it cost? 7. Write down your UPS
--	---

4. Finalise your business idea and your business project. SMART goals

Once you have tested and defined your business idea, customers and USP, it is time to start finalising the business idea. This is meticulous work. You also need to consider what time scale or time management will be necessary for the business, as well as, revenue models. It is important to have reflect and analyse your business idea at a holistic level. This helps you to see and decide what aspects may need to change and what to keep.

A mind map and a SWOT analysis can assist in mapping all areas of your business idea for creating a holistic view of it visually. It is easy to take, eliminate and add new elements to a visual mind map. Work on your mind map and SWOT analysis until you are satisfied with the result. Change it according to the results of the work on the other elements of finalising the business idea. Creativity is helpful for finalising the business idea, but also for other practical aspects of your business activity and daily problem solving. It helps you to see your business from different perspectives to be able to find solutions to potential problems e.g. time management and revenue models. Creativity is also necessary for the sustainability of your business idea, to update your product or service. This can build a strong competitive advantage when expanding to new markets. At this stage, you should also address and finalise the positioning of your product or service and business on markets against the competitors.

Finally, a step-to-step plan, for example SMART goals, project management tools and methods help you to create a concrete path and go towards your business goals.

The following elements help you to finalise the business idea and project:

- **Mind map** – You can structure ideas and areas of your business and see relations between elements by using a mind map. This provides a holistic view of the concept you are working on
- **SWOT analysis** – This helps you to see the strengths and weaknesses (both internal elements, but also opportunities and threats (both external elements) of your company
- **Creativity** – How to see things differently and to challenge the status quo of today's and tomorrows' ways of doing things? Creativity is a useful tool for finding new solutions that can save resources and attract positive attention, and to solve daily problems and look at the sustainability and renewability of your business.
- **SMART goals** – A set of criteria that help you to reach your goals.



In addition you can use project planning and management tools, creative methods and tools, SWOT analysis, Eliminate-Reduce- Raise-Create (ERRC) Grid, Business Model Innovation. Porter's 5 Forces, and positioning tools.

How can I apply it into my reality?

Alternative revenue models

What if you were to give away the core value of your business idea for free? Envision four alternative ways of creating income with your business idea. In addition to the production model, try and play with the idea of a rental/leasing model, advertising model, retail, licensing or some other framework for generating income. How would that play out? How would it change your business idea?

- | | |
|----|----|
| 1. | 3. |
| 2. | 4. |

Creative Time management

Identify the four biggest time wasters in your business. What are they? Are they necessary to move forward? What can be done more efficiently? How can you reduce the time spent on these tasks or routines? Can something be automated, outsourced or removed altogether? Can the task be approached from a new angle? What tools or networks can you leverage?

- | | |
|----|----|
| 1. | 3. |
| 2. | 4. |

Smart Goals

Choose a specific goal and plan it using SMART goals. How you will reach it?

Goal:

1. **Specific** – specify what needs to be achieved with a deadline:
2. **Measurable** – what metric indicates success with the target, e.g. how much, how many:
3. **Attainable** – Set goals you can reach, there can be smaller steps to reach the bigger goal:
4. **Relevant** – A goal that is important to you, that has relevance to you. A motivation or a reason behind it:
5. **Time-based** – A timeframe to reach the goal:

5. Define your networks and collaborators

It is difficult for an entrepreneur to work fully alone. Even though you would be a sole entrepreneur, you have collaborators, for example subcontractors or marketing organisations, and networks that form of different stakeholders, customers and of other entrepreneurs. Hence, networking is one of the most essential skills for entrepreneurs. Communication and maintaining a strong presence in the entrepreneurial ecosystem are productive approaches, which will help entrepreneurs to build strong relationships with other entrepreneurs from different age groups, nationality and fields of interest.

Networks can be:

- **Formal networks** mean various business associations, collaborators, public sector (e.g. funding organisations), and professional networks and industrial sector of networks including value chains, such as suppliers, distributors and exporters. Business idea and product testers can be part of your networks too.
- **Informal networks** consist of entrepreneur's relationships, such as friends, family, acquaintances, and provide important sources of information and knowledge, or contacts that may be helpful in other aspect of business development.

It is common not to have wide networks at the beginning of entrepreneurial activity. This is even more difficult for migrants because of not knowing many people from the current place of residence. To start building your networks, be active and bold, participate in events, list the collaborators you need, contact others and collaborate.

The following elements help to define your networks and collaborators:

- **Defining and classifying collaborators and formal networks** – Who do you need in order to run your business? Why? Where are they? How can you reach them? How will you create good relations with them and collaborate with them?
- **Defining and classifying informal collaborators** – Who and where are they and why are they important? How can you reach them and will you collaborate with them?
- **Stakeholder map, visual methods an spreadsheet** – These help to classify collaborators.
- **Communication and public relations** – How to communicate and whom to? How can you make your business visible and people talk about it?



In addition you can also use Communication canvas, Networking worksheet and networking canvas, Networking Speech, Stakeholder map, online networking platforms e.g. LinkedIn, Public Relations and communication tools, organise and participate in events, and harness testing and evaluating for networking.

How can I apply it into my reality?

Networking speech

Prepare a 30-60 second networking speech about your business idea to three different stakeholder groups:

1. A general one
2. To investors and funders (e.g. bank) to convince them in in your company
3. To customers to convince them to purchase from you

How do you have to adapt the speech depending on the stakeholder group? You can practise and present the speeches to anyone you know.

Collaborator networks

Define your collaborators that form your networks:

1. Who are they?
2. What do they do? Why are they important?
3. What is the nature of your collaboration?
4. Where are they? In your country of residence or in another country?
5. How can you reach them and stay in touch with them?
6. How do you work with them?
7. What obstacles might your collaboration face?

6. Communicate about your business to authorities, collaborators and customers

Communication is the key to let consumers know about your business and products. It can also help you find collaborators and form networks to discuss with financiers and authorities, the administrative organisations when launching and running a business, and with employees.

Business communication is necessary for exchanging information and opinions, making plans and proposals, reaching agreements, executing decisions, ending and fulfilling orders, and conducting sales, marketing and promotion, branding, external relations, event management.

The message that you communicate should be clear. There should be one core message that can be customised to different target groups. For communication to be effective, the message must mean the same to the sender and the receiver. There are many communication barriers to tackle, for instance misreading, gender, power positions, use of jargon, perceptions and taboos. Communication can be verbal (oral or spoken), written (Internet, e-mails, texts, memos, letters, documents, reports, spreadsheets, etc.) or non-verbal (body language, sounds, colours, appearance, tone of voice etc.). Non-verbal communication can form that 60–90 percent of a message's effect. Therefore you should pay careful attention to non-verbal communication to not give a bad impression or come across as rude. Non-verbal communication can also be harnessed for your benefit. Non-verbal communication is largely used in branding and making a business and its products noticed and remembered. It can help to show social and emotional awareness.

The following elements help you to communicate about your business:

- **Defining the key message and brand of your business** – The key message and brand should reflect and be in line with your business idea. They help to define communication activities.
- **A communication plan, channels and methods** – The plan should detail all the target groups of communication, communication messages, activities, responsibilities where you communicate and other essential information for communication. In addition, there should be reviews, updates and improvements of communication activities and plans.
- **Alternative ways of communication** – Alternative ways of communication, such as Guerrilla Marketing, can save you money but gain plenty of visibility and attract customers. Guerrilla marketing is a smart, witty, creative and eye-catching marketing method that is cost-effective as well.



In addition you can use Communication canvas, networking speech, Guerrilla Marketing, PR, and tools and methods for branding and communication. Do not forget to apply cultural aspects as it is an elemental part of communication.

How can I apply it into my reality?

The core message of your business and brand

Sum up your business and brand idea in 1/2 sentences.

Differentiating communication to your networks

Name 3 your main stakeholder groups. Why they are important?	1	2	3
What is your core message to each of them?	1	2	3
What is the desired impact of your core message?	1	2	3
How do you reach them? (channels, time, etc.)	1	2	3
Will there be any communication barriers? Why?	1	2	3

We hope that these tips and exercises have helped you to form your business idea further. You can find more information in the Kaleidoscope Self-Learning Manual and on Kaleidoscope social learning platform: <https://www.kaleidoscopeproject.eu/platform/>

Good luck in your entrepreneurial adventure!

The Kaleidoscope team

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

Project Number: 2017-1-FI01-KA204-034732