

# Module 1 „Basics of a Lifestyle Entrepreneur“

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# Module 1

## Objectives

- ▶ Analyse the definition of entrepreneurship and lifestyle entrepreneurship
- ▶ Develop a basic understanding of how to evaluate the possibility of learners becoming LSE
- ▶ Introduce business principles in lifestyle entrepreneurship
- ▶ Gain practical knowledge about LSE as a useful alternative for self employment for disadvantaged learners and review the different styles of entrepreneurship.
- ▶ Analyses the strategies and methods to work on social and civic competence development (personal development) of learners as a key to success for LSE
- ▶ Develop a basic understanding of the role of an advisor /counsellor/ facilitator in promoting LSE for disadvantaged learners including further support to them to explore their business ideas



# Analyse the definition of entrepreneurship and lifestyle entrepreneurship

## Group discussion

what is entrepreneurship?

What are the main characteristics of entrepreneurship?

What is lifestyle entrepreneurship

What specifics of LSE

What are the similarities and differences between traditional entrepreneurship and LSE





## Outcome of group discussion

LSE is a process of discovering new opportunities for self-employment around one's passions, hobbies and lifestyle skills, the ability to express oneself and create financial and social profit and improve the quality of one's own lifestyle.



It is different from traditional entrepreneurship, which aims at financial profit and huge risk. LSE has a very strong social aspect which helps to solve the various problems of disadvantaged people e.g. social, economic, health, isolation, unemployment.





## Sub module 1-2

# To develop a basic understanding of how to evaluate the possibility of learners becoming entrepreneurs

### Review and assess competence



- ▶ Who can become and LSE?
- ▶ What skills hobbies and competences would learners need to become an LSE?
- ▶ What practical life and work experience would learners need?
- ▶ Entre Comp



## Sub module 1-3

# Introduce the business principles in LSE



## What information goes into a business plan?

- ▶ Executive summary
- ▶ Mission Statement
- ▶ Aims & Objectives
- ▶ SWOT Analysis
- ▶ Market Research
- ▶ Marketing Plan
- ▶ Financial Plan
- ▶ Supporting information such as CV





# What is the Mission Statement?

**A statement that describes the nature of your business.**

It will state clearly:

- ▶ The reason why the business exists
- ▶ What standards or ethics the business has
- ▶ What the business is about (its key features)

The Mission Statement will determine how others see the business, including customers and competitors.



# What is the Mission Statement? Examples

## The Women's Organisation:

*“The Women's Organisation is an innovative women’s organisation that provides quality enterprise and employment services and influences policy in order to improve the economic position of women.”*

## The Body Shop:

*“To passionately campaign for the protection of the environment, human and civil rights, and against animal testing within the cosmetics and toiletries industry.”*





# SWOT Analysis



A list of your personal and business:

- ▶ Strengths
- ▶ Weaknesses
- ▶ Opportunities
- ▶ Threats

Takes into consideration factors such as:

The current economic climate  
Social trends  
Personal experience



## Points to remember



- ▶ Be honest about your own strengths and weaknesses.
- ▶ Consider both your personal SWOT and that of your business idea.
- ▶ Consider external influences such as the economic climate and social trends.
- ▶ Use a **SWOT Action Plan** to help you address those areas you have identified as weaknesses or threats.



# Business Structures

## Sole Trader

Must register with Inland Revenue within 3 months

Pay National Insurance Contributions (class 2 or 4)

Retain financial records for 6 years

Register for V.A.T if turnover will exceed £82.000

Comply with Employment Protection and H & Safety regulations

Responsible for debts and you Can have numerous employees

## Partnership \*\*\*\*

Responsible for debts jointly

Advisable but not a legal obligation to draft a Partnership Agreement

## Limited company

Has a separate identity from those who run it

Registered at Companies House

Company is responsible for any debts

Legally bound to submit accounts to Companies House

Accounts are then accessible to the public

You will be owner / director and also





# Points to remember



- ▶ You will always have legal responsibilities regardless of the structure you adopt.
- ▶ You must ensure that you are aware of these legal responsibilities and that you act accordingly.
- ▶ These responsibilities include:

Tax & Taxation

Insurance

Employing staff

National Insurance

VAT





# What is Market Research



This is the foundation of your business plan. It provides you with the essential information required to establish if there is a market for your product/service.

- ▶ On-going activity throughout the life of your business.
- ▶ Shows that you have identified a need for your product/service.
- ▶ Concentrates on 4 main areas:
  - ▶ **Industry**
  - ▶ **Customers**
  - ▶ **Competitors**
  - ▶ **Suppliers**



# Industry Background



- ▶ **What** is projected for the future of the industry (growth or decline)? Including relevant statistics to support this;
- ▶ **What** difficulties or barriers are there to entering the market?
- ▶ **How** does the industry operate; - is there a governing body or association?
- ▶ **What** are the new, recent and growing areas within the industry;
- ▶ **Anything** that has recently been reported by the media that could affect your industry, e.g. food/health/political issues;



# Segmenting your market

## Who is your customer?



**Gender**

**Age**

**Income**

**Culture**

**Lifestyle**



# Market Research How?

## Desk research

Internet

Newspapers

Journals

Magazines

## Field research

Visits

Focus groups

Questionnaire

Sit off / Foot slog







# The Five P's of Marketing



**Product**

**Promotion**

**Place**

**Price**

**Packaging**



# What is Business Finance?

This is the amount of money you need to **cover your business start-up costs**

Investigating what sources of finance are available will help you to assess the feasibility of your business idea

Eligibility will depend on your circumstances, nature of your business, location of your business, number of jobs to be created etc.

These costs may include:

- -Equipment
- -Insurance
- -Rent
- -Stock
- -Stationery
- -Marketing materials





# Financial Planning

- ▶ Personal Budget
- ▶ Sales Forecast
- ▶ Cash flow Forecast and assumptions
- ▶ Profit and Loss Forecast
- ▶ Balance Sheet Forecast





# Sub module 1-4

## The different styles of LSE as a useful alternative to self employment



### Written stories:

Ciara Rush, Cynthia Brown, Hayley Patterson ,Caz Jackson

### Video Stories

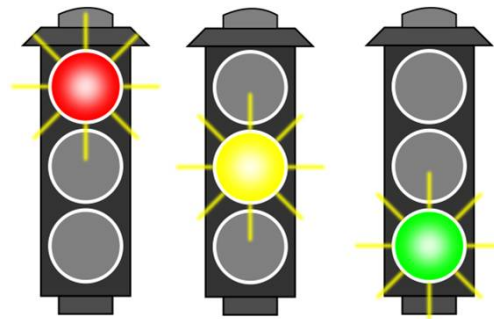
Steph Leese, Kay Waddu





## Sub module 1-5 Personal Development - Key to success in LSE

- ▶ Group discussion around barriers to making improvements
- ▶ Learners are then asked to rate their barrier on the traffic lighting system





## Module 1-6

# The role of adult educators as facilitators in promoting LSE

- ▶ Identify the range of disadvantages that potential LSE face
- ▶ What support can Adult Educators provide
- ▶ Communication skills
- ▶ Coaching skills

