

Business Idea Assessment Guide

OUTPUT 4 – A1

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Introduction

Evaluating your business idea is the first step for every entrepreneurial endeavour. Entrepreneurship can be defined as the practice of forming a new business or commercial enterprise, usually in an industry or sector of the economy with a large capacity for growth. Entrepreneurs undertake innovations, finance and business acumen in an effort to transform innovations into economic goods

In a broad sense, entrepreneurship is synonymous with certain virtues, as resourcefulness, ingenuity, and the ability to take calculated risks in order to introduce a new, untested product or service into the marketplace.

The “YEAP” project aims to foster the labour market integration of young people by empowering education and training in order to create their own business and develop their entrepreneurial skills and spirit.

Output 4 of the project is dedicated to the **efficient consulting, coaching and supporting of youth in the context of their integration into the labour market through entrepreneurship**. This guide will discuss the ways a young entrepreneur can assess and develop a business idea based on YEAP! flexible learning pathway for young entrepreneurs (developed in O1).

The current business idea assessment guide contains information and tools for young entrepreneurs, in order to form a basis of their development on their first entrepreneurial steps. The guide is addressed to young people who have the desire to start their own career as entrepreneurs in any sector of the market.

The current business idea assessment guide is structured in four levels as indicated by the figure below

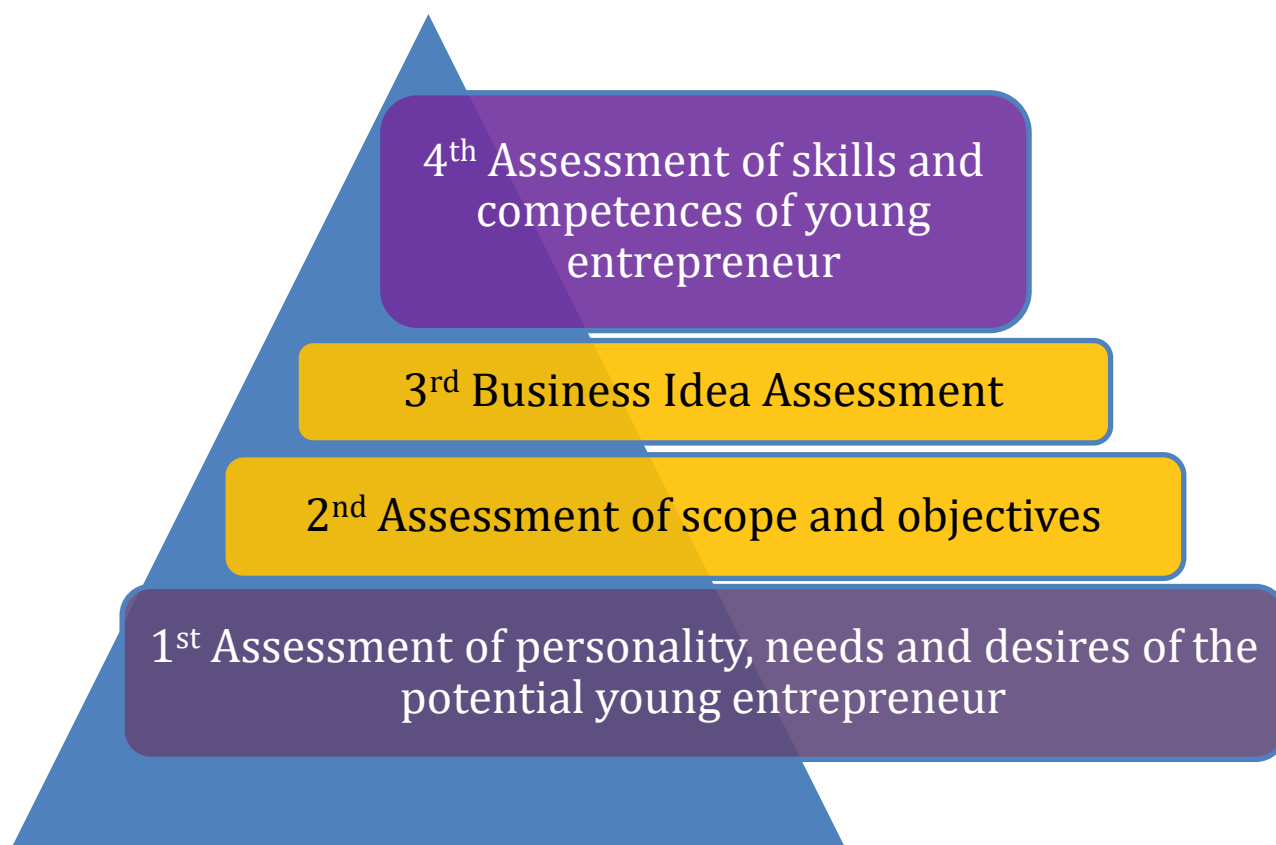


Figure 1: Four levels of assessment

In order to foster this effort, this guide firstly enlightens the **major elements and details of the entrepreneur personality**. It continues by focusing on **entrepreneurs' objectives, the scope of their business idea as well as implementation methodology of business ideas**. In the guide are included activities designed to evaluate those elements, using multiple assessment techniques. It is expected that some of the presented activities will be undertaken by the young entrepreneurs (self-improvement and self-evaluation) while others will be completed under the supervision of the young entrepreneur's business consultants.

Assessment of personality characteristics of the young entrepreneur (Level 1)

At this level we are interested to see whether the young person has the personality characteristics to become an entrepreneur.

In today's economy, entrepreneurship is a proactive response to a demanding situation (Michael James Mustafa, Ernesto Hernandez, Christopher Mahon, Lai Kei Chee, 2016). Entrepreneurs might have been formed by many causes (disappointment from current job, better career prospects limited opportunities in existing businesses, repulsed by the idea of working for someone else). But there are other reasons that might have formed entrepreneurs to undertake their own path. Being disillusioned by the bureaucracy or politics, involved in getting ahead in an established business or profession, being tired of trying to promote a product, service, or way of doing business that is outside the mainstream operations of a large company, could be some of the reasons.

In an attempt to set a framework, entrepreneurship can be defined as **the act of creating a business or businesses while building and scaling it to generate a profit.**

Therefore, entrepreneur can be assumed as a person who sets up a business with the aim to make a profit, like a person who sets up their first online store on the side or a freelancer just starting out. An entrepreneur is someone who starts from a solid idea that can eventually create a full-time, sustainable business with employees. Moreover, an entrepreneur is a person focused on creating a profitable business (James W. Carland, Frank Hoy, Jo Ann C. Carland, 1988).

In order to achieve their high goals, entrepreneurs have to possess certain traits. Success in entrepreneurship may rely on business ideas and funds but is also formed and formed by some **personal characteristics.**

The starting point of personality assessment of entrepreneurs, may be tracked in Frank Knight's book Risk, Uncertainty and Profit (Knight, 1921). In this book the basic personality traits that distinguish entrepreneurs from general business managers are marked.

The first of the most important characteristics of entrepreneurs is **self-motivation**. For a successful career it is needed to be able to push yourself since sometimes it's hard to get moving without anyone to make you. The key of self-motivation is to **make the goals small and tangible**. Breaking down a bigger goal – such as launching your own business – to smaller goals – setting up a website, finding a partner, etc. The goals also have to be tangible. For example, launching a toy shop online is tangible, while set a goal to be a successful entrepreneur is not (Kuratko, Donald F; Hornsby, Jeffrey S; Naffziger, Douglas W., 1997).

Another crucial element is **risk taking**. Safe pathways hardly lead to success as a business owner. It's not about taking just whatever risk, though. Understanding calculated risks that are more likely to pay off is an important part of being an entrepreneur, since it is important to be willing to take some risks to succeed (E.Palich, D.Ray Bagby, 1995).

In order to improve entrepreneurial skills regarding **risk assessment**, entrepreneurs have to keep learning. Learn about being an entrepreneur, the industry, the taxes, human behaviour and many other details. The more knowledge an entrepreneur has, the better equipped he/she is at taking risks. Entrepreneurs limit the chances of making a mistake because they are able to trust their own knowledge regarding all those matters.

Another crucial element for risk handling is **creating backup plans**. The risks an entrepreneur takes are easier to handle when they know there's a Plan B. They won't feel scared or nervous during the process because they know there is a backup to fall to.

Knowing how to **network** is very important part of entrepreneurship (Vissa, 2012). Being able to connect with others and recognize partnership opportunities can take a long way to business owner. Entrepreneur detects networking opportunities and makes them points to learn how to be effective. The key for successful networking is to make sure they stay in touch with people around the year and not just when they are in need of something. An effective entrepreneur does not just talk to those who are useful for them at a certain point in time. It's crucial for an entrepreneur to be available for partners who need their help so that they can help them when they need it.

It comes naturally for entrepreneurs **the desire to win**. Entrepreneurs like the competition and thrive on the prospect of beating the competition (Jamal, 2005). Ultimately, the aim of an entrepreneur is to be better than the competition. It's important to understand the love for competition doesn't mean they wish bad for others. Entrepreneurs don't compete purely for personal gain. Entrepreneurs want to win because they believe in their vision – they know others will benefit from their victories. They know that they don't want to harm other entrepreneurs – they just think and know their product or service is the winning one.

Good entrepreneurs need to be **good with money** – it's as simple as that. There has to be a certain understanding of how business works. Entrepreneurs can't grow a successful business if they don't know anything about finances or business. Even if they don't do it all on their own, still need to be smart enough to figure out who are those people worth listening to. **Basic money management** skills and knowledge, understanding how money works will help them run their business on sound principles (Mohsen Rahmandoust, Ishak Mad Shah, Mahshad Norouzi, Hossein Hakimpoor, Naser Khani, 2011).

Successful entrepreneurs are **great at making decisions**. The world of business is changing fast. If entrepreneurs don't move with it, they are going to lose out on opportunities. Sometimes entrepreneurs just need to decide even when they are not sure of the facts. It all comes down to their ability to tolerate the risks, too. As an entrepreneur you need to learn to stop focusing on things that don't matter (Ethel Brundin , Veronika Gustafsson, 2013). Entrepreneurs need to be able to quickly identify those aspects and elements that influence the decision and those that don't.

In order to find out if you are entrepreneurial oriented, please take the following test, by clicking on the excel sheet below:



SelfAssessmentTest.
xlsx

So do you have the personality to become an entrepreneur?

If YES move to the next level!

Implement an initial assessment of your entrepreneurial idea (Level 2)

On this level we want to ensure that there is a need i.e. a demand for the new entrepreneurial idea. Additionally, we aim to make sure that the objectives are clear and SMART. Last but not least we want to review the mission and visions

Vision, mission and Values

One of the most important steps for a youth entrepreneur is to have prepared his/her vision, mission, and value statements. Preparing a vision and a mission statement is one of the most important parts of launching a firm.

An organization's mission, vision and values set the foundations and the overall direction of the company. A young entrepreneur may not have yet a clear concept of a vision and a mission, but if he/she does not have an overall direction, his/her dream will never come true.

To entrepreneurs, their business venture is like growing up a child. Developing vision and mission statements is vital for the business sustainability and demands constant efforts towards the direction of these statements.

An entrepreneur, in order to find his/her business vision and mission statement needs to deeply connect his/her creativity with the service that he/she wants to provide. Therefore, he/she will get a profound sense of purpose in his/her venture.

Mission: A Mission Statement sets the foundation for a good strategy. It is a statement related to the company's purpose. A mission statement is a logical vantage point. A mission statement 'tells' the organization's reason for the entity. Also, it describes what the company does as well as its overall intention. A business mission statement will support the vision. At the same time, it helps the entrepreneur to communicate his/her purpose. More than

anything, it gives a clear direction to customer, employees, vendors and stakeholder about what the entrepreneur wants to do (Johnson, C. N., 2009)



As mentioned above, the mission statement is important to give everyone an idea of what is the purpose or the identity of an organization. So in order for an entrepreneur to create his/her mission statement, he/she should ask himself/herself the following questions:

- What do I do ?
- Whom do I do it for?
- How do I do it?

While answering those questions, an entrepreneur is showing the brand's personal story. In other words, a mission statement is more like a biography of someone's' firm. The most crucial point for someone, in writing a vision statement is to understand what he/she wants to create. Firstly, he/she has to imagine how his/her organization/company would be like in three to five years in the future, what he/she want to achieve and then answer these following questions:

- What products do I sell?
- What service do I perform?
- For whom?
- Do I want to work at home or in an office?
- Where is my business located?
- What will I do in the business?
- What is my life like?
- Are you an owner or a self-employed?
- How much does my business earn?

An entrepreneur while he/she is preparing the statement, he/she has to keep the following facts in mind:

- Inspire: It should be inspirational in the meantime aspirational.
- Not a How To: Technically, the statement should be within one sentence in length and don't explain how the vision will be achieved.
- Ask Yourself: Before everything ask yourself, what do you want.?
- Take into Account Differences in People: Embrace other people thought and differenced them with your perspective.

Vision: A vision statement gives information about how the firm **would appear in future**. In other word when someone develops the vision statement of his/her organization, he/she should try to figure out the answer to the following question: If the organization were to succeed in all of its strategic and management goals, how will it look like in ten years from now? An excellent vision statement example is that of Southwest Air i.e: *"To become the*

world's most loved, most flown and most profitable airline". So, an entrepreneur is encouraged to use the vision statement generator (Johnson, C. N., 2009)

An entrepreneur in his/her attempt to write his/her vision statement, has to realize what a vision statement is not and that, because the vision statement differs from the mission statement. More precisely, a mission statement is mainly present-based and explains why the company exists. On the other hand, the vision statement is 'future-based' and gives a clear direction to its customer. So, we could say **mission statement is the company's main reason for being, and that vision statement explains what a firm wants to be in the future.**

In conclusion, a vision statement explains someone's' expectations as well shows the guidelines that drive his/her business. That is why it is important to make the statements clear. Here are some inspiring vision statements, that can be used as examples:

- "To create a church that unchurched people love to attend" - vision statement of North Point Church.
- What is apple vision statement? "Man is the creator of change in this world. As such, he should be above systems and structures, and not subordinate to them."
- "To be Earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online" - Amazon vision statement.

Value: A value statement explains the beliefs of an organization and show the way in which its staff should behave. Meanwhile, values are like a compass of the company as well as its employees. However, this compass establishes a perfect standard and guides decision making. As mentioned earlier, it defines all deeply held principles and beliefs of the organizational culture. For example, a values statement could be: "Treat your customers like human beings..." – This is the value statement of L.L Bean and one of the best vision statements ever (Johnson, C. N., 2009)

Tips for Crafting an entrepreneur's vision and mission statement

- Dream big, focus on success.

- For vision statement, imagine the organization/company in 5 to 10 years in the future.
- Always Use the present tense.
- Use clear, user-friendly and jargon-free language.
- Align it with the business values and goals.
- Make it inspiring and infuse it with passion
- Have an organized plan to communicate the firm's vision statement to the employees.
- Be prepared to take time to the vision you establish.

Identify the demand

What is the potential market size or demand?

You need to have some sense of the potential market size and demand before investing any time, money and energy in your venture. Perhaps the most popular tool is the¹ <https://neilpatel.com/ubersuggest/> which can help you find out the number of the people per month who are searching for keywords related to their product idea. You can also check Google trends <https://trends.google.com/>.

Is it a trend, fad, flat or growing market?

Which direction is the market going? May be you who do not want to invest in a market that is declining.

¹ <https://neilpatel.com/ubersuggest/>

Does your idea create a new need?

This could be the opportunity for something pioneer, if this will succeed, you could become a market leader.

The demand is not always related to new products or services. Many people who want to start the entrepreneurship journey get stuck at a point where they think that they need a brand-new idea to start a business. Good ideas are important, but not mandatory to start a business.

We usually watch start-ups with new ideas being promoted by the media. Media loves stories of how a simple idea change everything. Such stories have become famous and are on demand in the market. It encourages people to establish their own business, in case they have the proper idea. In this way, having good ideas can become over-rated. Sometimes, this can be a trap, because people come up with “brilliant” ideas but they do not always execute it properly. The key is to know how to execute well. If you make the the right steps then will succeed in business. An idea without a good plan of execution is just like a ship without sails. Think about "Google". It is not the first search engine in the world. There were many search engines before Google such as "Ask.com", "Yahoo" and so on., but Google did a better job with their website rankings and so "Google" has become the most used search engine in the world today.

There are plenty of opportunities in the world that can be tapped into. If someone has his/her eyes open and realise the problems in the world, then he/she can take advantage and think about finding solutions to these problems. In this way he/she can introduce new products or services to the market that confront or resolve the problem and in this way get paid for it.

It might look like a simple thought, but many people 'get married' to an idea and do not let go of it. People build something that they think people want and try very hard to convince the market to buy their products. Instead of building something and then trying to convince people that they need it, spending time in market research, understanding what people want and then create a product that cover the peoples' need, make the difference.

Many new entrepreneurs think that they have to enter a market where there is no competition. They think it will be easy to make a start-up succeed in a market place where they will be the only players. If there is space for money to be made, there will be at least a few players who are already in the market.

Many people enter a market and then lose out to the competition because of lack of resources and poor execution skills. If someone is a first mover, he/she still should not get too excited. As soon as he/she enters a new market that has a huge potential, others businessmen will probably competing with him/her especially if they believe that the new business has potential to the market The key to success is to execute better

There is no need to over-think because the key of success of the entrepreneur is just to make sure that the customers are getting more in return for what they are paying for. If an entrepreneur has created value for his/her customers, then he/she should not worry much about the competition. He/she will be able to rise above competition and create insane value for his/her customers.

Setting the objectives

Setting **SMART** (specific, measurable, achievable, relevant and timely) goals can help you evaluate the goals you wish to set. Think about whether they are realistic. You should write down your goals in your business plan to help keep you on track to achieve them.

Here are a few things to consider when setting your goals:

Specific– be clear about what you want to achieve

Measurable– make sure the goal can be measured, and you can recognise if you've achieved your goal

Achievable- check that your goal is something you have the time, money and resources to meet

Relevant– ensure your goal is relevant to the direction you want your business to head in, for example, increasing profit, employing more staff, increasing brand awareness

Timely- set a realistic deadline for completing the goal.

With the aid of your youth worker try to answer the following questions

Question: What problem is your idea addressing to?

Answer:

Question: What is your vision and mission?

Answer:

Question: List specific problems that your idea can solve

Answer:

Question: Is it a trend, fad, flat or growing market?

Answer:

Question: Do you think that your idea creates a new market need?

Answer:

Question: What are your starting objectives? [try to use SMART]

Answer:

Question: State clear the key features of your product or service

Answer:

Question: **Write down the key features of your product or service that distinguish it from similar others.**

Answer:

Question: **Name those who would benefit from your product or service**

Answer:

Is there demand for your idea? Do you create a new need? Are your objectives SMART? If you and your youth worker feel so, please move to the next level

Assessing own Business Idea (Level 3)

If you have passed level 2 you are in the stage to analyse a little bit further your idea.

What is your target market?

What differentiates you from the rest of the world?

What are your strengths and weaknesses and opportunities and threats?

Assessing business idea starts with asking the right questions. Before implementing any testing tool, entrepreneurs may answer the following questions considering each aspect of their future business:

The following key questions were answered at the previous level

- Why do I want to start a business?
- What problem do I solve?
- The next key questions are the following: Who is my target customer?
- What resources do I have?

So, you've spent months or maybe even years searching for the perfect small business idea, and now you think you have found it. You are ready to dive right in, quit your job, and dedicate yourself to starting your own business.

A good starting point for any entrepreneur willing to take his/her small business idea at implementation level, is to carefully evaluate the **basic parameters of own business idea**. The very first step of the process is to do some research and analysis to dig into the potential of your idea.

The Target - Market

Every product or service address to certain buyers. It is very important to identify and determine what will be the characteristics of the ideal customer by considering factors such

as age, gender, education level, income, and location. The more you can narrow down the picture of the ideal customer the better. Markets are made from and for human buyers so an entrepreneur will not be able to figure out if there is a market for the proposed product or service until there is a clear idea of who it is addressed to.

Then, the young entrepreneur has to conduct a market analysis. This is a research to determine the size of the market, how saturated might be and if there is room for this new product or service.

There are many free marketing analysis tools available (<https://www.emarketeers.com/e-insight/9-excellent-free-market-research-tools/>)

An alternative way to test an entrepreneurial venture is to create a test segment of the target market and conduct a focus group or a survey to detect unforeseen parameters, special characteristics and hidden needs. This segment market might be the safe point to first launch the new business idea in order to gauge response before committing fully to the new endeavour.

What differentiates the new Product/Service?

It is very common for young entrepreneurs to discover that there are already other businesses offering the same or similar products and services to the market, related to what they had targeted, too. This is an expected outcome and at the same time the starting point of researching what makes the new proposed products and services different from the ones of their competitor. So, an entrepreneur has to find out who his/her competitors are before moving ahead with his/her business idea

Two excellent tools for researching competition are competitive analysis² and a SWOT analysis³

² (<https://www.brandwatch.com/blog/competitor-analysis-tools/>)

In order to assess the objectives of an entrepreneurial idea, the entrepreneur has to briefly describe his/her idea or invention first. ***They have to be able show that their idea works, by putting it into a test, eg draw a business model canvas, built a working prototype etc.***

Entrepreneurs also have to be able to **describe their target market**. The sorts of customers who would buy their product or service, ways that their product or service will help them in their daily lives and their special buying characteristics are very important so they will know their audience.

It is also important to be **aware of products or services that will be their key competitors**, recognize their **strengths and weaknesses and also learn from their mistakes**. Furthermore, the comparison with those similar products or services can help them identify, elaborate and develop their competitive advantages.

Entrepreneurs must also be aware of **laws and regulations and constraints**. Local and international regulations may apply to their idea, so they might have to incorporate them into their standards. Apart from legal constrains they also have to check other types of constrains and regulations that may apply to their idea, as packaging or power source, surroundings etc.

Having the legal framework and other constrains settled, it is time to for entrepreneurs to assess their business model. In other words, they have to question their self, how will their idea generate revenue. In whatever sector they operate, they will need a supply chain for their product or service. And that always mean that they have to develop relationships with people or companies they need to work with to take their idea further or help they attract more customers.

Make their idea unique and separate from the masses by apply a trademark, fortify the design rights or even patent their idea or product, declare the domain name for their website and take all other appropriate measures in order their idea to be distinguished from the mases.

[3\).https://www.swotanalysis.com/](https://www.swotanalysis.com/)

Taking all those measures will discourage possible replicates by competitors that might try to produce a similar to entrepreneurs' product. On the other hand, they must also be sure that they have not even accidentally copy another person's idea or invention.

Perhaps the most crucial time is when entrepreneurs have to draw their marketing strategy. They have to make decisions regarding the procedure that they will attract customers, methods of communication and dissemination of relevant to their products or services activities describing in an effective way the advantages of their products or services to their potential customers.

Last but not least, it is very important to set up business financial and investment requirements. Identify the amount of sales revenue that will be needed for their idea to be profitable the required capital drawn from investors and the use of it, as well as the return on investment (ROI) and other benefits of their investors.

Together with the youth worker please try to answer the questions below:

Question: Describe the market (size, synthesis, sector of economy) that will buy your product or service. What will be the size of your company (employees, buildings etc)?

Answer:

Question: **How and in which ways your product/idea will produce value?**

Answer:

Question: **Perform a SWOT analysis?**

Answer:

Question: **What will be your exact role? Are you going to be a hands-on manager, will you delegate a large proportion of tasks to others? If you delegate, describe what sorts of tasks will you share (Sales? Technical? Others?)**

Answer:

If you and your youth worker feel that your business idea is valid and worthwhile please proceed to the next level

Knowledge skills and competences necessary for the implementation of own entrepreneurial idea (Level 4)

On this level we are interested in ensuring that the entrepreneur possesses the necessary knowledge and skills for the implementation of different tasks or that in some way he/she will acquire this knowledge and skills from the labour market. Therefore, on this level we focus on three issues:

- The identification of the tasks to be implemented and the necessary knowledge and skills associated with those tasks
- -the assessment of the young entrepreneur on elements of knowledge and skills
- -based on the self-assessment a conclusion is drawn as to whether the young entrepreneur will develop those knowledge and skills or whether he /she will acquire them from the market or even whether this idea is not suitable for that entrepreneur.

Identification of tasks to be implemented

The first step for an entrepreneur to build on a business idea is to create a business plan, describing all relevant tasks to be accomplished. Not all tasks are interesting, but each holds its own importance. The trick is to meticulously plan and organize the materials, prioritize properly, and stay on top of the status and performance of each and every one of the tasks.

Business Planning

At its core, a business plan helps an entrepreneur to prove whether or not his/her business idea is worth pursuing. The best way to do so, is to take a step back, and approach the idea holistically solve major issues.

Basic steps in order to form your business plan, include:

- Narrow down the elements that make you different.
- Keep your business plan as short as possible.

- Make necessary adjustments whenever is possible.

In order to include all tasks in your business model, write down what your idea demands in each of the following tasks categories.

Creativity Tasks

This category of entrepreneurial tasks is related to **creativity and ideation**. Every business, will always need a new fresh or great ideas that can lead to innovation and improvement in their products or services they are offering on the market, in the processes and business models of their companies. Although is very difficult to be measured, creativity may play a key role by increase a business potential power of your company.

Planning tasks

The second category of tasks that entrepreneurs will need to do is **planning tasks**. These tasks represent the predecessors of other tasks that will need to be implemented. Except for preparation of business plan and entrepreneurs' personal plans, these group of activities can include research, analysis, testing, consulting and anything else that in some way will allow you to have a list of tasks that require implementation.

Implementation tasks

Implementation of your already prepared plans as a result of the earlier group of tasks. This category of tasks is simply doing the things for your company, or finishing planned tasks. Implementation is one of the most significant tasks and one of the most challenging as well. You should be able to handle the team and must have the right knowledge in managing projects as well.

Monitoring and controlling tasks

For successful work, there must be some kind of monitoring and controlling tasks for the implementation. Whether it comes to monitoring and controlling the personal work or the work of your employees, this category of tasks ensures that everything that was planned will be implemented as it was planned.

Communication tasks

This category is one of the most common categories, and therefore it will overlap with all the other categories mentioned before. Communication is an essential category of things an entrepreneur will need to do. Communication and networking will provide the proper level of cooperation and improve the results of all other tasks.

Analysis of the tasks into knowledge and skills

For the implementation of each task knowledge and skills are necessary. Therefore, the next step of this level is **the identification of the associated knowledge and skills**. Their expression using Blooms taxonomy, is recommended so that assessment can be implemented. We suggest to state here the most relevant knowledge and skills for each task (acknowledging the fact that several different elements of knowledge and skills may be necessary for the implementation of a task).

Self Assessment of existing knowledge and skills of the young entrepreneur.

This will be done by using **self assessment** (and that is why expressing them using Blooms taxonomy) is necessary. The self-assessment will take place by using the Likert scale from 1 to 5 where 1 stands for *“I don’t have this knowledge/skill at all”* and 5 stands for *“I have this knowledge and skill to the greater extend”*

Decision based on the results of the Assessment

Based on the results of the assessment the entrepreneur will need to identify

- Whether he/she needs development in some of his/her skills and knowledge and whether he/she feels he/she can indeed develop the knowledge and skills
- Whether he/she should hire somebody with that knowledge/skills

Use this template to list the tasks required for implementing your entrepreneurial idea.
Mention the name of the task, the level of completion and any relevant comments.



Level4 v2.xlsx

Basic economic data

Starting a company or one's own enterprise is hard for lots of reasons. Complex terminology and alteration of business structure and business schemes may affect entrepreneurs' approach towards economic data. But entrepreneurs don't have to go to deal with all those matters at once. One of the best ways to minimize the risk is to gather information and understand the basic concepts of today's economy.

Apart from the personal benefits of understanding economic concepts, entrepreneurs will also be helped in the short and long term as they progress on their entrepreneurial journey. An introduction to financial world can be based on few fundamental elements.

ROI

Return on Investment (ROI) is a **performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments**. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment (Lavoy. D, 2012) The result is expressed as a percentage or a ratio. The return on investment formula can be summarized as:

$$\text{ROI} = (\text{Present value of Investment} - \text{Cost of Investment}) / \text{Cost of Investment}$$

In the above formula:

Current Value of Investment = Present value is the current value of a future sum of money or stream of cash flows given a specified rate of return.

Cost of Investment = The amount of money spent for the investment, investment expenditure required to exercise the option (cost of converting the investment opportunity into the option's underlying asset)

Because ROI is measured as a percentage, it can be easily compared with returns from other investments, allowing one to measure a variety of types of investments against one another

Opportunity cost

Opportunity cost are economic costs associated with the choices one makes, and some of those costs are best described as the cost associated with not making another choice (Mark, 2018). Every choice an entrepreneur makes means that making a choice about something else too. If someone choose red, she/he is not choosing blue. And not choosing blue is part of the cost that one has to consider when choosing red.

For example, a restaurant may receive an order for 10 pizzas. But the customer who made the order lives half an hour away. And the manager knows that three other customers are going to make an order in the next half hour and they each live only a few minutes away. Does the restaurant take the order? The opportunity cost of delivering ten pizzas in half an hour equals the loss of the benefit associated with delivering the pizzas to the three other customers. It may or may not justify the first choice, but it should be considered.

Gross Domestic Product (GDP)

An economy – or country's – GDP is the total market value of all the goods and services produced by that country in a year. However, it's also expressed on a per capita basis, which means that it's divided by the number of people in the country. The outcome is the amount of money value of all that a country produces per person.

In particular, per capita GDP is a useful metric when deciding whether to enter a market or how to price a product or service in a new market. If someone is selling games online, the best way to price a game sold in Egypt or the UAE requires understanding how much the average person in either of those markets can spend on video games. Per capita GDP provides some of that insight.

Aggregate Demand

One hears a lot about supply and demand, as they are some of the most basic economic concepts. Aggregate Demand is usually used in a slightly different way however. Aggregate demand is the total demand for goods and services in an economy, at a certain price level and time. It is what people in an economy will consume at all price levels, which is why it is usually expressed as a curve. It is also the demand for an economy's Gross Domestic Product.

Aggregate demand becomes useful in conjunction with other economic characteristics or indicators. It is just one more pixel in the overall picture of how large and healthy an economy is.

Conclusion

Overall, It is hoped that the produced toolkit guidance pack that has been arranged according to the five steps of YEAP Flexible Learning Pathway, provides the necessary information for trainers to support young people through all stages of setting a business or develop a entrepreneurship mindset. Many of the tools are holistic and are relevant for young people's learning across several steps of the pathway, as indicated.

Moreover, it is believed that the “YEAP” project will promote entrepreneurship education and social entrepreneurship among young people by the use of a set of learning materials (described above) that will support trainer's and youth workers to develop and assess young peoples' entrepreneurial skills and in this way will foster the labour market integration of young people by empowering education and training, in order to youth people create their own business and develop their entrepreneurial skills and spirit.

More precisely this document is the outcome of IO3 of the project , which has developed a specially designed toolbox of learning resources for the youth workers to use, in coaching young entrepreneurs and students outside the classroom, to facilitate their transition into the labour market through start-ups as self-employed or as an entrepreneurial business.

Last but not least, the Business Assessment Guide (Output 4 of the project) is dedicated to the **efficient consulting, coaching and supporting of youth in the context of their integration into the labour market through entrepreneurship**. This guide discusses the ways in which a young entrepreneur can assess and develop a business idea based on YEAP! flexible learning pathway for young entrepreneurs (developed in O1), and it is hoped to be a useful and important material for everyone interested in Entrepreneurship.

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