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Entrepreneurs for plasticS'circUlaR Economy

IO1 – Training Course Material



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3 Ideas and models to train and help entrepreneurs

3.1 People management

3.1.1 *Alternative training techniques, free role-playing games*

Future propositions and expectations for the training system are oriented towards an evolution and an innovation in educational formats driven by diversity of the offered services. The pivotal point is that in circular economy this is a key element, requiring regular and continuous exercise to master. The skills acquired through training should include among them digital and technological knowledge and know-how as to enhance practises and reduce human effort in their implementation. In the next few years, people who got traditional degrees should be given special training as to fill their gaps in the aforementioned knowledge. Individuals are required to boost their skills allowing them to acquire and ensure their competencies and to evolve in their jobs as to better respond to the needs of the markets. Therefore, the concerns are that either these skills will be valid in the next decade, and that plastics circular economy will be implemented with the already existing sustainable practices, or that the technology will advance to such an extent that these practices and methods are already mutating through day-by-day implementation, forcing us to implement circular economy according to technology availability and evolution?¹. Some training methodologies and techniques allow develop a broader perspective which supports trainees in the acquisition of what stated above:

- ✓ Role-play gamification techniques and mechanics allow students to practice real-life situations by impersonation and by communicating with other people in a well-managed and controlled environment. They allow the students to boost their experience through the interaction with peers and allow them to develop and consolidate environment dependent action strategies. They help students in putting into practice what they acquired through the theoretical parts of the courses they are enrolled in, enabling them to acquire better skills for their future professional life. Role-play is usually structured as to assign a task to be achieve to a group of students, then, through mutual collaboration, they have to deal with the situations and opponents they are presented with in the best possible ways they are capable to conceive. They are given a scenario in which to orient their actions and devise their strategies (in. ex.: remaining in the topics that concerns our project, we may allot students with a project on plastics circular economy in which everyone is assigned with a category defined in terms of production, manufacturing and other industry sectors, and whose purpose is to obtain the extraction of valuable products and make use of procedural waste). Through role-play mechanics they will be facilitated in learning management methodologies (both of people and materials), they will learn how to coordinate with others, and through discussion they will develop strategic thinking and decision methods that will help them in their future idea evaluations. Taking into consideration the COVID-19 situation, students are supposed to get in touch through digital means and while this allows to reach a different level of participation, sharing their ideas and testing

¹ <https://www.pewresearch.org/internet/2017/05/03/the-future-of-jobs-and-jobs-training/>



their insights through a digital mean requires for a higher level of focus and willingness to get involved.

Role-play mechanics can also help in team building, providing for motivation and a zeal. They enhance fun in the execution of the assigned tasks, also heightening students' interest. Their implementation in an organization helps in understanding that team activities allow for better productivity in certain tasks which if done individually may not allow for the reaching of the desired levels of quality and efficiency.

Role-play may also foster the acquisition of time management skills, useful in distributing efficiently the assigned tasks. As an example, if a student is suddenly assigned a task on which they have to work according to their time availability and according to their peers' prerequisite tasks, there would be some team members who will not act properly due to their lack of time management skill, slowing the entire process and generating downtime. Role-play mechanics therefore enhance time coping capacity².

- ✓ Puzzles can help people to get involved in different ways and also to develop and interiorize different observation and thinking perspectives (both broader and more focused ones, as also both internal and external to the assigned tasks). They will be also able to develop a habit of brainstorming. As an example, let's imagine that a group of our students are given a task, for which they prepare paper cards (or on something more sustainable) each one regarding their own individually assigned task. They are then going to play as a team, connecting through their tasks and understanding the prerequisite and consequential nature of the various procedural steps (in ex.: if one student was given an extraction procedure task, they will all together start it, and following the circular economy framework they will have to work in connecting all the cyclic steps to follow 3R's avoiding further materials extractions but rather utilizing left-overs)³. Here innovation is the key: their communication and teamwork will result as strengthened in this way.

3.1.2 *Team building and development*

Higher results are always obtained through teamwork, it always results in extraordinary customer service, improvement in performances, innovation, process management, quality, cost-effectiveness and better health and safety, morale, and financial performance⁴. The STAR model is known as a team development methodology that fosters the development of in-group strength and strengths, teamwork, alignment, and results achievement. It helps organizations to identify employees' individual strengths and weaknesses and then helps in the organization of a collaborative effort, aligning the workload. Strengths and weaknesses efficient management is also dependent on the management of the organization for which specific managerial skills are required. Well developed and implemented leadership activities solve plenty of issues among employees.

² <https://www.weber.edu/wsuiimages/COE/SecondaryCore/InterdisciplinaryStrategies/3780bookpartL0906.pdf>

³ <https://www.eschoolnews.com/2015/11/17/role-play-active-218/>

⁴ <https://www.clemmergroup.com/services/building-developing-teams/>



In plastics circular economy, prime focus is to innovate and develop and teamwork can bring outstanding results on that regards. Teamwork is a fundamental aspect in every activity as it enhances business performances and financial status.

It can be implemented by assigning a task to each member as if each component is the ring of a chain of collaborative activities, stimulating the generation of constructive debates capable of enhancing activities outputs, consequently boosting communication skills. These debate activities foster the development of a bond among employees, stimulating the creation of a healthy working environment and allowing them to enjoy their work, easing management roles jobs given that they are supposed to set objectives and impose rules, also encouraging brainstorming.

Employees learn through all these steps (especially through brainstorming) how circular economy industry can be built with zero-waste idea⁵.

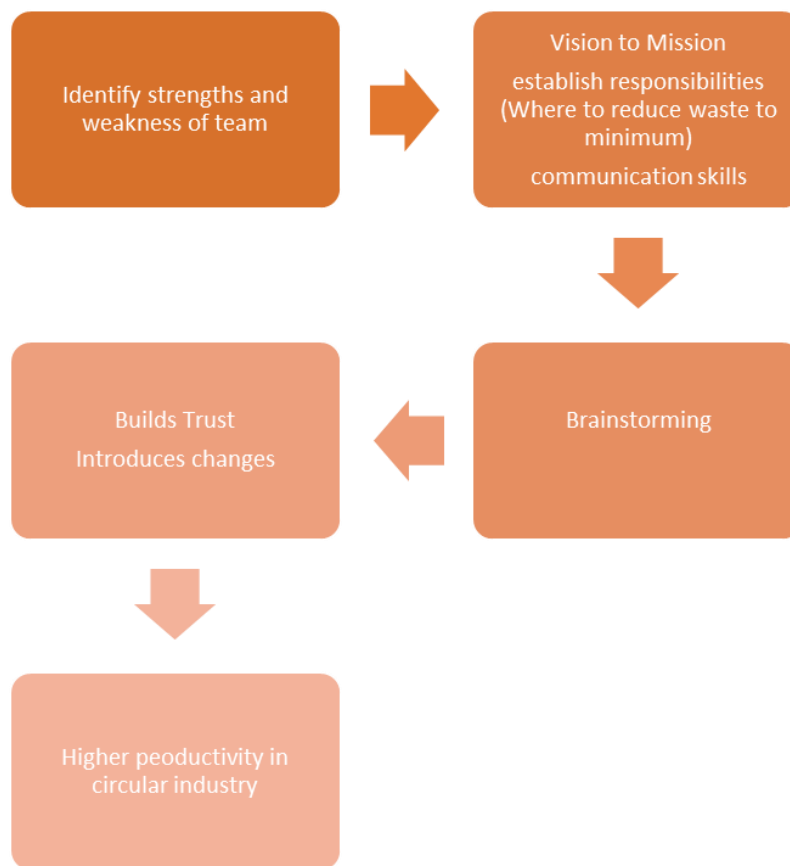


Figure 1: higher **productivity** in circular economy

- ✓ A strong team is built when we consider as our everyday priority to work on team building. Employees are given an opportunity to work on their tasks, to identify their flaws and work on them as to minimize their impact on their activities and to further hone and polish their skills.

⁵ <https://hr.berkeley.edu/hr-network/central-guide-managing-hr/managing-hr/interaction/team-building/steps>



This training program has been also introduced in business enterprises, in which it allowed for the achievement of astounding results.

For this purpose, the first step is to identify team's internal flaws, (in ex.: the presence of competitive or conflicting group mechanics among the highest performance employees). Team's coordination will bring higher possibilities for organization's success, so employees should be given the chance to know each other, and work in a team in which the pre-existing communication barriers should be resolved by a leader.

The team leader has a major role in team building and in the quality of their outputs, their interaction with all team members must be equal and they must allow for issues discussion and take in consideration all internal matters⁶.

- ✓ When there is a common goal team building is effective. If the goal is regarding plastic circular economy, the team of productive workers is required to be practiced on different terms. Duties should be periodically redistributed, as in this way everyone will acquire different knowledge and competencies and will know how to work on different ideas.

They will experience a creativity enhancement, and the resultant output would allow to understand which employee is best in each specific skill. Their success should be prised with bonus (or any other alternative) as this practice enhances work zeal, out-of-box thinking and innovation practices, highly required in a circular setup.

What are the characteristics of a team?

Is it possible to build a team from scratch?

What should we pay attention to while working in a team?

The most innovative business idea has no future without the right team to develop it. The team is what makes a difference between a successful and an unsuccessful startup/ enterprise. Therefore, team building is crucial from the beginning.

Most of the times, the more diverse a team is the most effective its job is - heterogeneity among team members often triggers a good amount of creativity. Nevertheless, the most diverse team still needs to identify common goals and share one purpose.

A team consists of a set of key elements and features. They all are equally important, to be considered and nurtured.

The first key elements of a team are represented by what the individual brings in. These individual features are:

- ✓ personal objectives
- ✓ personal motivations
- ✓ personal strengths
- ✓ personal areas of development

⁶ https://www.mindtools.com/pages/article/newTMM_52.htm



The second set of key elements regards the group dynamics. These common/ shared features are:

- ✓ team objectives
- ✓ roles and responsibilities
- ✓ team scope/ purpose

Together, all individual and group features generate the needs of a team and the rules for working together.

Here follows a brief description of what we mean by the features previously listed.

1. Individual features

Every team member, as an individual, contributes to the team dynamics with his/her own character and attitude. It is crucial for a team (most of all at the beginning of an adventure together) to take the time to get to know each other and especially identify those individual characteristics that can facilitate teamwork.

Here are the previously mentioned characteristics. For each one, you will find its description together with some “trigger questions” that you could use in a dedicated moment with your team, in order to facilitate conversation, generate self-evaluation and develop a deeper mutual acquaintance.

<p>Personal goals/ objectives</p> <p>Trigger Question: “What do I want to achieve with the project I am joining?”</p>	<p>In joining a project (whether a startup, a sports team or a travel group) we always try to pursue one or more personal goals. They are all those personal expectations we set in the future, those outputs we want to generate (e.g. professional or personal growth).</p>
<p>Personal motivations</p> <p>“What drives me in choosing this project/ this team?”</p>	<p>Motivations are those reasons that drive us in choosing a direction or taking action. The difference between motivations and goals could be explained with a travel metaphor. We travel towards an objective, while motivation is the fuel that allows us to get there.</p>
<p>Personal strengths</p> <p>Trigger question: “What are my elements of value? What makes me unique?”</p>	<p>It is natural and necessary for each team member to employ some of his/her own personal assets in order to reach common goals. These assets are “strengths”: they can be tangible (e.g. a car, a location made available to the team), intangible (skills), financial (e.g. an investment) etc. Sometimes there is an explicit understanding about the use of one’s strengths for the benefit of the team, sometimes it could be implicit because “it seems obvious” to share one’s assets</p>



	for a common goal. Nonetheless it is always important to take the time to pinpoint and acknowledge them with the group.
<p>Personal areas of development</p> <p>Trigger question: “What are the areas where I should/ could improve?”</p>	It is normal to acknowledge with our team both our assets and our development areas; one hand they could be the need to improve some technical skills or to gain further knowledge on key concepts of the shared project, on the other hand they could be difficulties or obstacles that other team members could help us overcome.

2. Common/ shared features

These features are the result of the discussion between team members. They are the core of teamwork, and they can determine its success. It is fundamental both to identify them at the beginning of a team’s work and to monitor them with the time while a team grows.

Here are the previously mentioned characteristics. For each one, you will find its description together with some “trigger questions” that you could use in a dedicated moment with your team, in order to facilitate conversation, generate self-evaluation and develop a deeper mutual acquaintance.

<p>Team goals/ objectives</p> <p>Trigger question: “What does our team want to achieve with our project?”</p>	<p>These are the common outputs (both on the short and the long term) the team wants to generate by working together. It is important for them to be precise, clear and measurable with a set of indicators.</p>
<p>Roles and responsibilities</p> <p>Trigger question: “How should we distribute the tasks? Where will every member be held responsible? How will each of us contribute?”</p>	<p>This feature is particularly important and sensitive: the distribution of roles and responsibilities can deeply affect the output of a team’s work.</p> <p>Similarly, to the group objectives, a team also needs to identify performance indicators on each member’s roles and responsibilities.</p> <p>The distribution of responsibilities depends on each one’s skills and attitudes as well as one’s personal strengths and assets. Roles can be formal (CFO, PM, etc.) but also informal. It is always good to identify the members who are best fit to take care of the mood inside of the</p>



	team or the ones who could be able to support others in improving their development areas.
<p>Team scope/ purpose</p> <p>Trigger question: “What is our idea/ our team contributing to transform on the outside in the long term?”</p>	<p>A team’s purpose goes beyond its actions in the short term. It has to do with the impact that it wants to generate on the outside.</p> <p>Depending on the nature of the team, it could pursue a limited impact (e.g. to improve some processes in a specific company) or a particularly complex one (e.g. the safeguard of water supply for developing countries).</p>

3. Together, individual and common features trigger 2 additional key elements of a group:

<p>Needs of a team</p> <p>Trigger question: “What do we need in order to reach our goals/ overcome our fragilities/ grow?”</p>	<p>Once the team members share their strengths and weaknesses as well as the outputs they are pursuing, it is useful to list all that the team will need in order to compensate for what is missing or to promote its full potential (e.g. further training/ a project management software/ a recurrent time for relaxing together...)</p>
<p>Rules for teamwork</p> <p>Trigger question: “How will we behave in carrying out our assignments? What will we do to facilitate teamwork?”</p>	<p>Based on the needs of the team and the purpose it pursues, the members should list a set of rules in order to overcome obstacles, facilitate everyone’s work, promote the internal assets and ultimately reach the common purpose. The rules should be precise, coherent and realistic.</p>

3.1.3 Best Practices

- ✓ **Outback's**⁷ team building method has worked for plenty of teams and boosted their methods, allowing people to grow through the identification of their flaws and motivating their skills. They implement differently and among-them-interactive activities.

⁷ https://try.outbackteambuilding.com/ap-team-building-activities/?utm_source=snacknation



- ✓ **Go-game**⁸ is another known team building organization that implement diverse ways to build a strong team. Their activities are focused towards the development of a healthy bond among employees.
- ✓ **Twilio**⁹ sets an example of team building by exploring how teams were successful. They were taught two values: create heroes by empowering others and be thoughtful with no shenanigans.
- ✓ **OKRs**¹⁰ objective and key results have also well-defined goals and measured progress in them. They adopt a goal method easy to align, allowing for timesaving, boosts collaboration, and tracks progress.
- ✓ **Taco bell**¹¹, **Dell**¹², and **adobe**¹³ are famous examples of teamwork and creativity, they have strong leaders to a keep-up team. They have also implemented rewards for executed work when remarkable outputs are reached¹⁴.
- ✓ **Uber**¹⁵ is also an example which is observed worldwide. It took time, and with the best possible management it achieved an exceeding level and became extremely popular. It is now a part of many countries.

And others:

- ✓ **Pagelines**: collaboration with a distributed workforce.
- ✓ **Baggu**: seamless communication between bi-coastal teams.
- ✓ **Dinnerab**: clarity and culture preservation, despite hyper growth.

These are the best-known observable examples of efficient teamwork implementation. Team building helps in this regard, there is no doubt that it is a matter of time, and with continuous effort and strong teamwork great achievements are possible.

There is a sustainable network working globally, which is working in each country like a team, to reduce plastic pollution and shift towards circular economy. This shows how teamwork would help in future with coping with environmental challenges¹⁶.

⁸ https://www.thegogame.com/team-building-from-snack-nation?utm_campaign=Snack%20Nation&utm_source=Snacknationblog

⁹ <https://www.twilio.org/>

¹⁰ <https://engagedly.com/product-management-okrs-examples/>

¹¹ <https://www.yum.com/wps/portal/yumbrands/Yumbrands>

¹² <https://www.dell.com/it-it>

¹³ https://www.adobe.com/it/creativecloud.html?mv=search&mv=search&sdid=MQH8S7GK&ef_id=bf439b9f1da6188b28d6fa27c99b28a3:G:s&s_kwcid=AL!3085!10!79439783844775!79439911303030

¹⁴ https://www.octanner.com/insights/articles/2020/11/16/6_examples_of_excep.html

¹⁵ <https://www.uber.com/it/it/>

¹⁶ <https://wavelength.asana.com/workstyle-6-companies-get-teamwork-right/>



3.2 Management tools and best practices

All of the approaches and tactics that may be required to enhance a company's output and operations are referred to as management tools. Their major goal is to improve the entrepreneur's control and understanding of the company's operations, particularly in terms of guiding individuals in charge of certain duties and helping them comprehend what exactly has to be done. They aid in the better control of all corporate operations while also increasing the efficiency of people involved in each. In this chapter we will explain management tools and how they are helpful for entrepreneurs.

When we talk about a company, we often think about the brand and the product that characterize the company without thinking about the complexity of the system that operates for the realization of the product and the visibility of the brand. Today, in fact, talking about a business means talking about a complex system whose management must be planned not only with the utmost care but above all with the right tools. In fact, talking about a company means talking about people, products, markets, customers as well as production and distribution systems. How are all these steps to be managed?

At the base of a perfect company organization today there are a series of tools that guarantee correct management control. However, management control cannot be improvised: it must be set up according to precise strategies, planned after having collected and processed data and information relating to the purposes and needs of the company itself. Therefore, if used appropriately, management tools can be powerful facilitators of change and actions in companies. They can help in defining a precise business strategy, interacting with both customers and employees and monitoring performance.

The term management tool describes any “tool” e.g., charts, pay scales, policy manual, etc. but also concepts, processes, exercises, and analytic frameworks that a manager or an organization needs to support the implementation of concepts and ideas at all levels of conceptualization and realization of concepts, ultimately aiming to support organizational processes. It can be said that every tool is different, some of them, such as benchmarking and conjoint analysis, are specific analytical exercises with very tangible outputs. Others, such as visioning, creative destruction, and market disruption analysis, are processes that have fewer tangible outcomes.

Thanks to “Bain’s Management Tools and Trends Survey” written by D. Rigby and B. Bilodeau, 2018 and “Management Tools and Techniques: A Survey” by D. Rigby, 2001, we will see which managerial tools are the most used. The boom of the digital revolution and the consequent technological innovations have accompanied, modified and in some cases forced a reorganization in all aspects of human life including the economy, business and its actors. The persistence and power of this digital transformation emerge from the “Bain’s Management Tools and Trends Survey”, which shows that there has been a substantial transformation of the concepts of business management and organization and a progressive move away from classical hierarchical structures. Instead, a management that focuses on innovation and that pushes power and responsibility to the front line is favoured.

The figure below shows that the trend has shifted towards corporate personal responsibility, both for SMEs and large multinationals.¹⁷

¹⁷ <https://www.bain.com/insights/management-tools-and-trends-2017/>



▀ The view on management trends

	Agree	Disagree
Today's business leaders must trust and empower people, not command and control them	79%	5%
Culture is at least as important as strategy for business success	75%	8%
Supply chain capabilities are increasingly vital to success in our industry	67%	9%
Digital disruptions and software solutions are rapidly changing the rules of competition	66%	9%
We are disciplined cost managers who focus our spending on strategic priorities	63%	13%
Customers are less loyal to brands than they used to be	61%	15%
We could dramatically boost innovation by collaborating with outsiders, even competitors	59%	15%
Excessive complexity is raising our costs and hindering our growth	58%	16%
Bureaucracy and excessive levels of hierarchy are putting us at a competitive disadvantage	56%	20%
Effective mergers and acquisitions will be critical to success in our industry	56%	19%
We talk about digital strategies, but aren't operationalizing them fast enough	56%	19%
Our company adapts to change faster and better than our competitors do	56%	20%
We innovate through rapid prototyping and collaborative testing with end users	54%	18%
We capture and exploit the full value of data from all corners of our company	53%	22%
We face significant gaps between our IT capabilities and business needs over the next three years	52%	20%
Our advanced analytics capabilities are world class	50%	25%
In our industry, shareholders seem to value growth more than profits	46%	25%
Our IT systems are constraining profitable growth	45%	29%
Insufficient consumer insight is hurting our performance	45%	28%
Our firm's structure and culture impede profitable growth	44%	31%

Source: Bain Management Tools & Trends survey, 2017

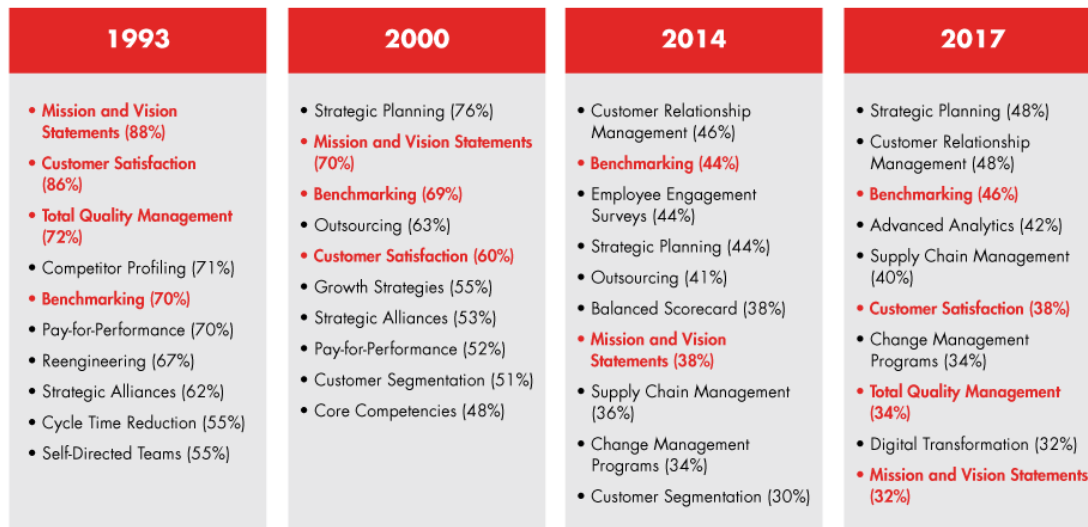
Figure 2: 1,268 managers participated in the Management Tools & Trends survey by Bain & Company, conducted in the autumn of 2017 4 out of 5 agreed with the idea that today's business leaders must trust and empower people, not command and control them. Only 5% disagree.¹⁸

Management tools change and follow historical, social and cultural trends in a given historical moment. Next figure shows the evolution and the ups and downs of the different tools in different historical frames. It is therefore clear that management tools are not static tools but that follow the evolution of the companies and the context (including geographical) in which they operate.

¹⁸ <https://www.bain.com/insights/management-tools-and-trends-2017/>



■ The top 10 tools have varied over time, though 4 remain from 1993



Note: Tool rankings based on usage
Source: Bain Management Tools & Trends survey, 2017

Figure 3: Top ten tools¹⁹

The following figures show a list of the most used management tools in the world. See also, which of these is the most used tool by companies.

■ We focused on 25 of the most popular tools



*Tool added to the survey in 2017
Source: Bain Management Tools & Trends survey, 2017

Figure 4: Most popular tools²⁰

¹⁹ [Bain & Company](#)

²⁰ [Bain & Company](#)

Usage and satisfaction rates

	Usage	Satisfaction
Strategic Planning	48%*	4.03
Customer Relationship Management	48%*	4.01
Benchmarking	46%*	3.94
Advanced Analytics	42%*	4.06
Supply Chain Management	40%*	4.05
Customer Satisfaction Systems	38%*	4.03
Change Management Programs	34%*	3.90**
Total Quality Management	34%*	4.09*
Digital Transformation	32%	4.07
Mission and Vision Statements	32%	4.00
Employee Engagement Systems	31%	3.87**
Core Competencies	30%	3.92
Internet of Things	30%	4.07
Balanced Scorecard	29%	3.93
Business Process Reengineering	28%	4.02
Customer Segmentation	27%**	4.06
Strategic Alliances	25%**	3.93
Agile Management	24%**	4.00
Mergers and Acquisitions	24%**	3.90
Organizational Time Management	22%**	3.96
Price Optimization Models	20%**	4.06
Scenario and Contingency Planning	19%**	3.99
Customer Journey Analysis	18%**	4.06
Complexity Reduction	17%**	3.88
Zero-Based Budgeting	10%**	3.82**

*Significantly above the overall mean (usage=30%, satisfaction=3.99)

**Significantly below the overall mean

Source: Bain Management Tools & Trends survey, 2017

Figure 5: Usage and satisfaction rates²¹

In the first place, we find strategic planning, a reflection of the challenges and opportunities raised by digital technologies, immediately followed by customer relationship management. It is also a reflection of the rapid and continuous changes that technology requires, and which therefore pose the great problem of understanding how to be of value to customers.

Strategic Planning



Figure 6: Strategic Planning Scheme²²

²¹ [Bain & Company](#)

²² <https://balancedscorecard.org/strategic-planning-basics/>



Strategic planning is the process that leads a company to define its direction, both in the present moment and to follow a course for the future. Strategic planning is a living process. It is divided into 4 phases: discussion, development, review and updating. The resulting document must continuously be updated with the changes and/or objectives achieved, it highlights the long-term goals and action plans that will be used by a company.²³

1. Discussion phase

The discussion phase is meant to gather as much information, opinions, and input as possible. To this end, it is important to set up regularly scheduled meetings (with employees, vendors, investors, analysts, and other external people). Moreover, it is helpful to also conduct a SWOT analysis (identify Strengths, Weaknesses, Opportunities, and Threats).

2. Development phase

After collecting all the information, the strategic plan will be put together. A strategic plan consists of five key components: a vision statement, a mission statement, goals and objectives, an action plan, and details on how often the strategic plan will be reviewed and updated. To ensure the feasibility of the plan, objectives must be realistic and measurable during a mid-term scale (3-4 years).

3. Review and update phase

This is a key phase. It has been said that the strategic plan is a living document, and this is the phase which – thanks to the frequency of communications, reviews, and updates – allows for continuous control of the strategic plan. The plan is a document that must be fluid and flowing over time and therefore needs periodic and continuous revision. This allows you to track results, errors, and future implementation actions.

This plan plays a fundamental role in the growth and success of a business because it highlights how to best respond to opportunities and challenges.^{24 25} The strategic planning process takes time, but it is beneficial because it favours an increase in productivity, contributing to the success of the company.

Customer Relationship Management

Customer relationship management (CRM) can be defined as an approach to the market that places the customer – and not the product – at the centre of the business. Wrongly, when we talk about CRM we tend to equate this concept with technology or an information system. While making use of IT tools, CRM is not a product, but a business strategy or business philosophy used to develop new strategies that help capture new customers and maximize profits on loyal customers. This is possible

²³ <https://balancedscorecard.org/strategic-planning-basics/>

²⁴ <https://sba.thehartford.com/business-management/what-is-strategic-planning/>

²⁵ <https://onstrategyhq.com/resources/strategic-planning-process-basics/>



thanks to the use of databases in which all information regarding customers is concentrated: purchase preferences, usual orders, demographic data and contact information etc.^{26 27}



Figure 7: [CRM Key elements](#)

Thanks to the CRM, a company builds its business processes around the customer to improve their experience and satisfaction. Following this logic, the CRM platform supports above all the work of the marketing, sales, and after-sales departments. Each of these departments contributes to building the customer experience. Each department relates to each other through input and output, collaborating in the success of the company.

1. Marketing (CRM Marketing Automation)

It focuses on facilitating the marketing process to make it more effective and efficient. CRM software with Marketing Automation functions allows you to automate repetitive actions, such as sending emails at certain times to customers or publishing certain content on social media. The goal of marketing automation with CRM is to transform leads into acquired customers.

2. Sales (CRM Salesforce Automation)

It is essential to keep track of all phases of the sales cycle: from the first contact with the potential customer to the conversion into an acquired customer. Sellers will be interested in analyzing sales flows and the history of the actions made with each customer and then planning the follow-ups most suited to individual needs.

3. After-sales (CRM for the Help Center or Customer Care or Customer Service)

In this case, CRM is used as a system that focuses on customer service. With post-sales automation, the customer is supported through various channels such as telephone, email, knowledge base, ticket portal and FAQs.

²⁶ Francis, B., & Ornati, M. (2012). *Customer Relationship Management. Teorie e tecnologie*. Franco Angeli.

²⁷ <https://crmfacile.it/crm-significato-crm-cose-il-customer-relationship-management/>



Different appearances of CRM

The concept of CRM can take on different appearances depending on the role that the strategies and business systems play within the relationship with the customer.²⁸ Several CRMs are presented below, each with a specific point of view:

1. Strategic CRM

It is based on the development of a corporate culture that aims to win and keep highly profitable customers. This culture must be reflected in all aspects of the company - from the leadership style to the brand identity - and all resources must be allocated to increase the value for the customer as much as possible.

2. Operational CRM

It represents the set of procedures and tools aimed at automating, standardizing, and improving all those processes that connect the company with the customer, through software that integrates marketing, sales, and service functions. By owning this data, it is possible to segment customers, manage promotional campaigns, automate the processes of the sales force, and manage the services offered to the customer, such as after-sales and customer care.

3. Analytical CRM

It represents the continuous acquisition, storage, processing, and analysis of data relating to current and potential customers. This data can be stored in databases disseminated within the various company departments. Internal data can be added to external data provided by business intelligence organizations.

4. Collaborative CRM

The aim is to facilitate collaboration between the various actors by offering efficient communication tools. This allows information about customers to be shared with the various companies involved in the different stages of the supply chain, but also between the departments within the company itself.

5. Database CRM

This is the basic interpretation of the meaning of CRM, which sees it as a database of customer information.

²⁸ Wahab, S. (2010). The Evolution of Relationship Marketing (RM) towards Customer Relationship Management (CRM): A Step towards Company Sustainability. *Information Management and Business Review*, 1(2), 88-96.



Benchmarking

Benchmarking is a method of evaluating the skills of an organization based on a comparison with a benchmark, used as a key performance indicator regardless of the sector to which it belongs.²⁹

The main difference between a benchmark and a Key Performance Indicator (KPI) is that, in the case of the benchmark, you compare yourself with others (people or entities); instead, in the case of KPI, an entity compares the progress toward a strategic goal. KPI can only generate meaningful insights if they are compared with targets and benchmarks. Benchmarks can come from within the company, by comparing departments and business units, or can come from industry research or best practice studies. By using this method, companies can track if they are ahead or close to the competition.

Companies use benchmarking to compare their performances with other entities to identify opportunities for improvement. Consequently, they can better assess competitors and monitor their performance and approaches to business.

The aim is to create a virtuous process of continuous performance improvement thanks to the research and analysis of best business practices (post-benchmarking) in the reference sectors and the adoption of the models of leading companies in the products and processes taken into consideration.³⁰

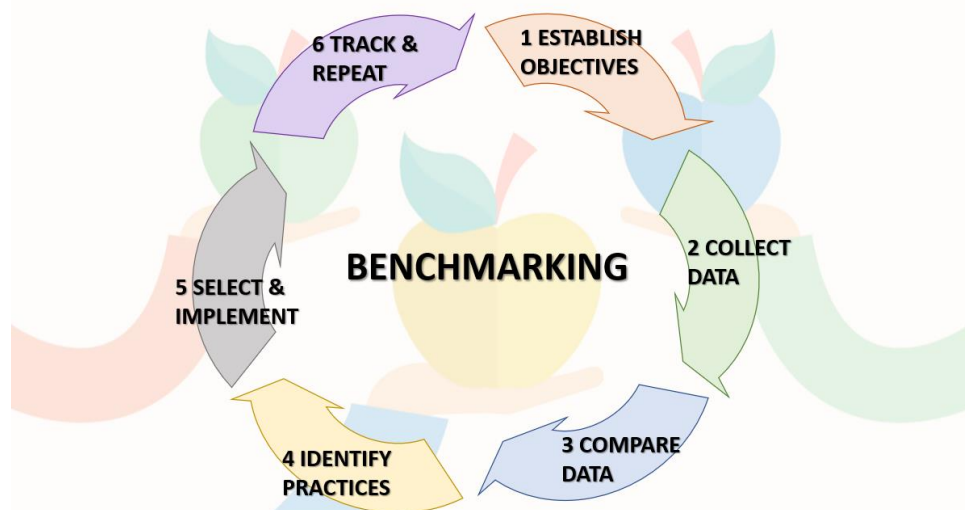


Figure 8: Benchmarking steps

The benchmarking process can be broken down into four main phases:

- ✓ competition analysis and research of best business practices (success factors),
- ✓ identification of a performance level to be taken as a term of comparison to evaluate the performance of the organization,
- ✓ learning through the comparison of processes and results,
- ✓ preparation of actions to achieve superior performance (post-benchmarking).

²⁹ <https://asq.org/quality-resources/benchmarking#Studies>

³⁰ <https://www.qualityi.it/benchmarking.html>



We can distinguish four main types of benchmarking based on the object of the analysis: internal, competitive, functional and generic.³¹

1. Internal benchmarking

It refers to the analyses carried out having as a term of comparison other processes or areas of the same organization. Internal benchmarking is the only type of benchmarking that is not based on comparison with other companies. This peculiarity is also its main disadvantage since without comparison with the outside world it is not possible to significantly increase the level of performance, as best practices generally take place outside the company. On the other hand, internal benchmarking allows the company to know itself in-depth, identifying those operating units that require improvements, to establish internal standards, and to define ways to achieve them. Another strength is represented by the possibility of improving the company information system and increasing the sharing of information between the various departments.

2. Competitive or external benchmarking

Here, the term of comparison for the analysis is the competitors. Precisely because it is based on the comparison between companies that compete in the same market, this type of analysis is rather difficult to put into practice, due to the lack of willingness of companies to share internal strategies and data with competing companies. However, where feasible, competitive benchmarking makes it possible to acquire important information from competing companies not only in quantitative terms but also on the processes and strategies that generated the results, thus facilitating the understanding of the factors that determined the competitive advantage in a given market.

3. Functional or process benchmarking

It involves a comparison with other companies (usually the best) that excel in a specific area such as HR, production, sales or information systems, etc. This is a broad-based survey that, instead of focusing on a generic competitor, takes into consideration a particular sector of that leading firm; furthermore, this type of analysis enhances the likelihood of obtaining concrete results.

Basing the research on a specific branch of a company leads to the creation of new and more innovative best practices; furthermore, the process of acquiring and sharing information between companies encounters fewer difficulties than competitive benchmarking, since companies do not feel their market leadership is directly threatened. The companies involved in the research – since they are not directly in competition – demonstrate a greater willingness to collaborate and allow access to their data. The main disadvantage of functional benchmarking lies in the difficulty of transferring practices and methods from one context to another. For this reason, analyses of this type require a greater commitment in terms of costs and time.

4. Generic or best practice benchmarking

This type of research takes as its reference object the analysis of a particular company recognized as the absolute best in a particular field of interest. This type of benchmarking is the most difficult to apply, due to the objective difficulty of making a correct comparison between companies which can

³¹ <https://bernardmarr.com/default.asp?contentID=1379>



also be very different from each other. As in the case of functional benchmarking, however, the absence of direct competition with the other actors involved in the comparison favours the finding of totally new information for one's market and stimulates the discovery of innovative processes as a consequence of the re-elaboration of the models of the best resulting companies.

Advanced analytics

According to Dataversity, data analytics can be defined as “*the research, discovery, and interpretation of patterns within data*”.³² Advanced analytics techniques fall under this very broad data analytics umbrella. Most commonly, the term refers to data mining, machine learning, prescriptive analytics, big data analytics, predictive analytics, forecasting and generally, any analysis that involves finding patterns in data.³³ That is, all those data analysis techniques that work in a *predictive* way. These sophisticated tools for data research, collection and analysis guide the corporate decision-making process in a faster and innovative way to lead to a competitive advantage.³⁴

The benefits that the use of advanced analytics brings are mainly 5:

- ✓ more time to focus on strategy,
- ✓ improved risk management,
- ✓ more accurate decision-making,
- ✓ a better ROI (return on investment),
- ✓ data sharing and employees' empowerment.³⁵

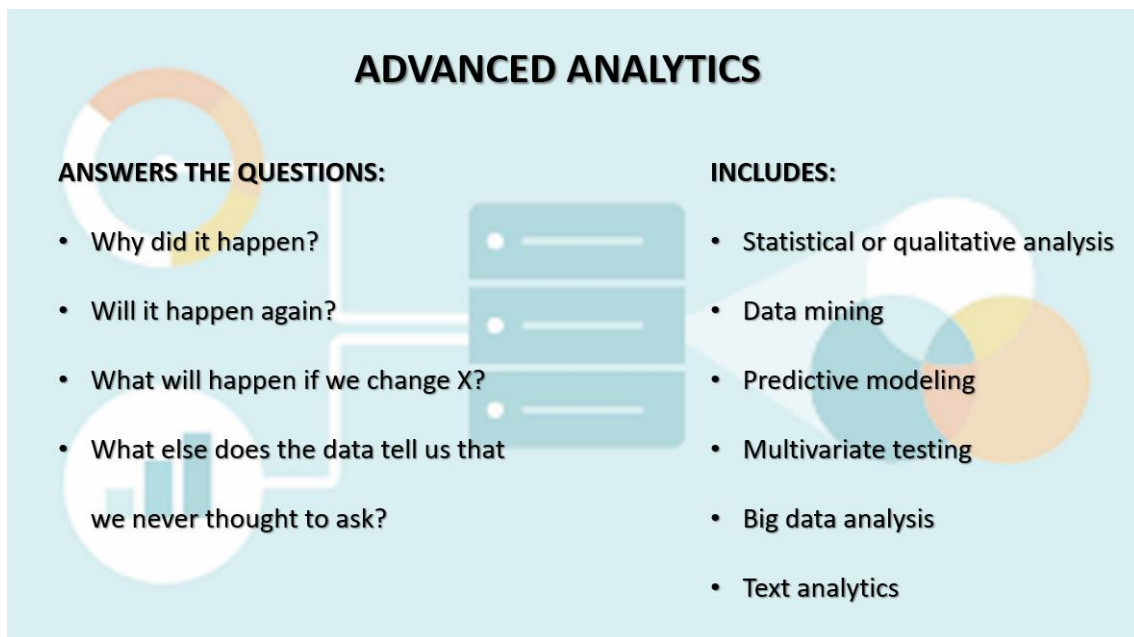


Figure 9: Advanced Analytics crosscheck

³² <https://www.dataversity.net/>

³³ Bose, R. (2009). Advanced Analytics: Opportunities and Challenges. *Industrial Management & Data Systems*.

³⁴ Leventhal, B., & Langdell, S. (2013). Adding Value to Business Applications with Embedded Advanced Analytics. *Journal of Marketing Analytics*, 1(2), 64-70.

³⁵ <https://www.tibco.com/it/reference-center/what-is-advanced-analytics>



Supply Chain Management

There is no single definition of Supply Chain Management (SCM), as it accounts for a relatively recent set of management methodologies and software solutions that allow you to efficiently manage the entire distribution chain. In 1982, the first to talk about Supply Chain Management were two scholars, Oliver and Webber, who defined it as *“a technique of reducing stocks in companies belonging to the same supply chain”*. The term meant the inventory management of the warehouse of a supply chain. Later, other definitions were coined which can be summarized in four approaches:

- ✓ logistic integration³⁶
- ✓ vertical integration between firms³⁷
- ✓ management and coordination process³⁸
- ✓ management philosophy that guides those who work along the supply chain towards the creation of value for the customer³⁹

In 2007, the Council of SCM Professionals stated that Supply Chain Management *“includes the planning and management of all the activities involved in the research, supply, conversion and management of logistics activities. It also includes coordination, integration and collaboration with supply chain partners, which can be suppliers, intermediaries, service providers, and customers. In short, the SCM integrates and coordinates the supply chain and the management of relations between the various players in the supply chain itself”*.⁴⁰

The distribution chain comprises 9 activities:

- ✓ marketing,
- ✓ relations with suppliers,
- ✓ provision,
- ✓ stock management and storage of raw materials,
- ✓ production,
- ✓ management and storage of finished products,
- ✓ purchase order management,
- ✓ delivery management,
- ✓ return logistics or reverse logistics.⁴¹

³⁶ Tyndall, G., Gopal, C., Partsch, W., & Kamauff, J. (1998). *Supercharging Supply Chains. New Ways to Increase Value through Global Operational Excellence*.

³⁷ Cooper, M. C., & Ellram, L. M. (1993). Characteristics of Supply Chain Management and the Implications for Purchasing and Logistics Strategy. *The International Journal of Logistics Management*.

³⁸ La Londe, B. J. (1997). Supply Chain Management: Myth or Reality? *Supply Chain Management Review*, 1(1), 6-7.

³⁹ Ellram, L. M., & Cooper, M. C. (1990). Supply Chain Management, Partnership, and the Shipper-Third Party Relationship. *The International Journal of Logistics Management*, 1(2), 1-10.

⁴⁰ https://cscmp.org/CSCMP/Academia/SCM_Definitions_and_Glossary_of_Terms/CSCMP/Educate/SCM_Definitions_and_Glossary_of_Terms.aspx?hkey=60879588-f65f-4ab5-8c4b-6878815ef921

⁴¹ <https://www.investopedia.com/terms/s/scm.asp>



Figure 10: Supply Chain Management Features⁴²

SCM is important because its primary purpose is to control the performance and improve the efficiency of a company to optimize the level of service provided to the end customer, rationalizing operating costs and committed capital. It, therefore, becomes an important tool that improves business performance and market competitiveness, satisfying the customer's needs.

The efficient management of the supply chain allows companies to reduce times and consequently to lower the prices of products and ensure differentiation with respect to competitors. With the advent of the internet and ever new technologies, SCM has increased its performance becoming even more efficient in terms of time, costs, coordination, and business flexibility^{43 44}.

⁴² <https://www.businessstudynotes.com/2021/02/what-is-supply-chain-management-scm-example.html>

⁴³ <https://www.ibm.com/topics/supply-chain-management>

⁴⁴ Tan, K. C. (2001). A Framework of Supply Chain Management Literature. *European Journal of Purchasing & Supply Management*, 7(1), 39-48.



3.2.1 Management Models

It is not easy to define what a management model is, but we can generally regard it as the set of choices that a manager or the top management of a company adopts to define objectives, coordinate activities, allocate the right resources and motivate the effort. In other words, it is the definition of the boundaries of management's work. Management is not static and predetermined but changes and adapts according to the expectations of both customers and employees, as well as to technological progress and, based on competition and the strategic choices of competitors.

For these aspects, it is important that a company chooses or builds a distinctive management model since the key factor is the great advantage that derives from it in terms of recognition and competitiveness⁴⁵.

There are 3 core aspects to management models:

- ✓ A management model involves important choices that affect the foundations of a company. These choices lay the foundations on how the company will be managed and shape its specific practices and behaviours. We must be aware of these principles as they are rarely made visible and consequently explained, otherwise the risk is to blindly manage our business.
- ✓ Being aware of the management principles that operate within the company and understanding the existing alternatives, it is possible to change one's management choice in a conscious way to improve and produce a competitive advantage.
- ✓ A management model is not wrong or obsolete, but it is the result of a choice. If our evaluation is realistic and well-thought-out, the management model we will choose is the one that will best suit that decision. Conversely, if our ideas are confused, then the risk of choosing the wrong management model is high. The companies that generate competitive advantage from their management model are those that make conscious and distinctive choices on the principles to follow.⁴⁶

⁴⁵ Van den Berg, G., & Pietersma, P. (2015). *Key Management Models: The 75+ Models Every Manager Needs to Know*. FT Press.

⁴⁶ Birkinshaw, J., & Goddard, J. (2009). What is your Management Model? *MIT Sloan Management Review*, 50(2). Available at:
http://iele.ch/pdf/Birkinshaw_What%20is%20your%20management%20model_MIT%202010.pdf



Which model is right for your company?

MODEL	MOST SUITABLE UNDER THE FOLLOWING CONDITIONS
Planning Model	<ul style="list-style-type: none"> ■ Mature business, operating in a stable, predictable industry ■ Turnaround or crisis situation, where clear rules are needed ■ Leaders most comfortable acting as master architects or controllers
Quest Model	<ul style="list-style-type: none"> ■ Established and growing business, with a defined competitive arena ■ Market conditions are dynamic and competitive ■ Leaders emphasize strategy and tactics, often using sports or military metaphors; winning is everything
Scientific Model	<ul style="list-style-type: none"> ■ Human-capital-intensive business, such as professional services or research and development organizations ■ Benign market conditions with plenty of opportunities, often in multiple domains ■ Leaders are typically understated, first among equals, looking to enable others
Discovery Model	<ul style="list-style-type: none"> ■ Early-stage business operating in highly uncertain, fast-changing environment; or established business seeking to rejuvenate itself ■ Competitive arena is ambiguous ■ Leaders are experimenters, open to improvisation, conversation and mutual engagement

Figure 11: Management models' catalog⁴⁷

There is no answer to this question because every company is unique and has specific characteristics and needs. A company may also need more than one management model. The figure proposes a macro classification to start thinking about which model is best suited to your company to make the decision easier.^{48 49}

3.2.2 Differences between Business Model and Business Plan

Before going further, it is necessary to clarify the difference between a Business Model and a Business Plan. Many tend to confuse them and regard them as interchangeable, but they are similar only in name. Their functions and purposes are very different; nevertheless, when used correctly, they account for complementary tools.

⁴⁷ <https://sloanreview.mit.edu/article/what-is-your-management-model/>

⁴⁸ Birkinshaw, J. (2012). *Reinventing Management*. John Wiley & Sons.

⁴⁹ Büyükbalcı, P., Ertemsir, E., & Boukari, Z. (2020). Embracing Product Innovativeness in Technology Firms: The Impact of Management Model Principles. *Technology Innovation Management Review*, 10(12). Available at: https://timreview.ca/sites/default/files/article_PDF/TIMReview_2020_December%20-%203.pdf

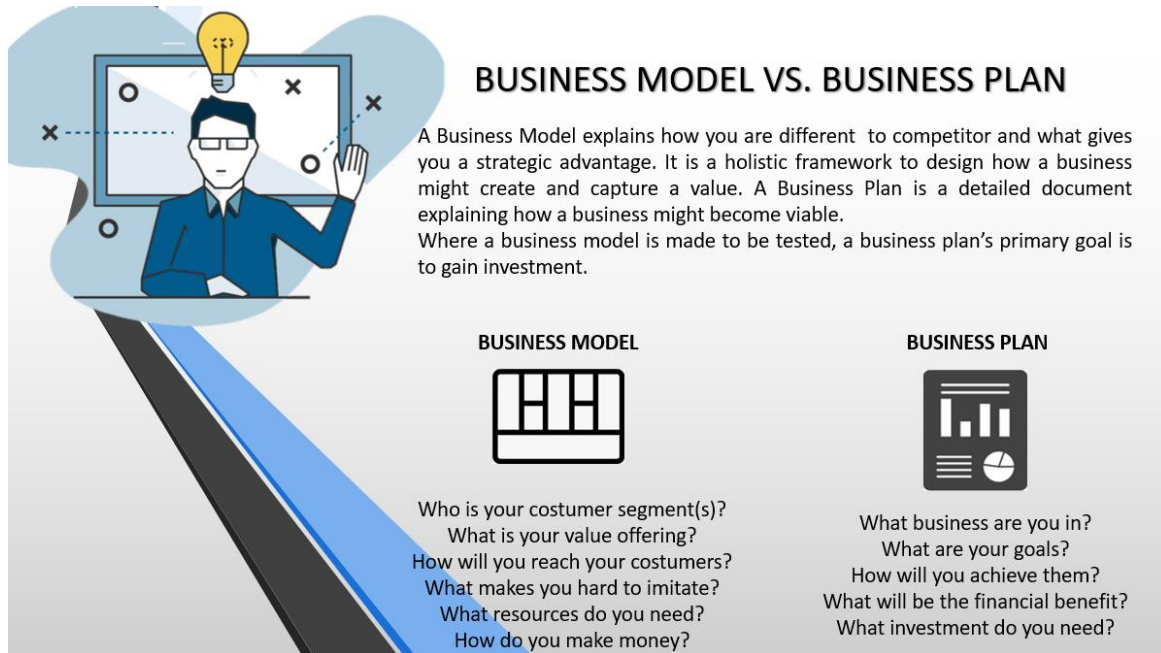


Figure 12: Business model vs business plan

The main and fundamental difference between the Business Model and the Business Plan is that while the first refers to a less complex, usually visual representation of how a company creates, delivers, and acquires value, the latter is an in-depth description, on a long text module, on how the company is structured and how it plans to achieve strategic and financial objectives.

What is commonly mistaken with the Business Plan is not the Business Model itself; it is, indeed, the **business modelling tool** – a tool that provides a base to design a business model. It is thanks to business model tools that an entrepreneur can identify the main blocks on which to build his business and his unique strategy. This business modelling tool is usually a framework, consisting of a single page, that allows you to analyse your business from different perspectives. Depending on your needs, you have different modelling options available, such as business model canvases, value proposition canvases, lean canvases, and others. Each of these tools has different characteristics that adapt to the specific needs of the entrepreneur. Business model tools are useful for understanding an activity from the inside, or for making forecasts of growth and expansion of the business activity.

A **Business Plan** is a multi-page written document that contains detailed information on the business, product/service, market, and the entrepreneur's vision for the company's future. It is a very accurate portrait of every aspect of the business and ranges from the sector, products/services, customers, competitors, suppliers, all operational and financial objectives of the company, its marketing and sales strategy. The main purpose of a Business Plan is to demonstrate the feasibility and the economic sustainability of the business idea. Thanks to the Business Plan managers, investors and any other stakeholder can obtain a complete overview of the activity under analysis. The Business Plan is drawn up to be evaluated and read externally and is particularly important for applying for loans, financing and investments. It is the best way to show that the business or business idea is reliable and solid enough to get credit.



Business Model Canvas

The Business Model Canvas (BMC) was conceived and described by Alexander Osterwalder and Yves Pigneur⁵⁰ and designed to be a concrete tool to support managers and entrepreneurs. This model has revolutionized the way of representing a business model: the Canvas model has the advantage of being easily understood, as it simplifies the most complex concepts thanks to its clear, essential, and intuitive visual representation. It allows you to visually represent how a company creates, distributes, and captures value. It is a method that stimulates the generation of ideas and solutions, which transforms an idea into a concrete project, which allows comparison with competitors, which favours and stimulates teamwork and teamwork.

The Canvas model essentially comprises nine elements attributable to the 4 main areas of a business, namely customers, supply, infrastructure, and financial sustainability. Furthermore, the central position is occupied by the value proposition, while the elements on the left determine efficiency and those on the right the creation of value. Let's see below the 9 elements that make up the Canvas model⁵¹:

- ✓ **Key Partners.** Those are the partners with which the company intends to ally to create value for the customer.
- ✓ **Key Activities.** All the key activities that make the business model effective.
- ✓ **Value Proposition.** It regards the value of the products or services offered for each segment.
- ✓ **Customer Relationships.** It is the relationships that are established with the customer.
- ✓ **Customer Segments.** It concerns the description of the different groups of people and organizations to which the company addresses. This block allows you to identify the products and services around the needs of each customer segment.
- ✓ **Key Resources.** That is, the key resources of the company.
- ✓ **Channels.** That is, the channels through which the customer is reached.
- ✓ **Cost Structure.** It refers to the cost structure for resources, activities, and key partners.
- ✓ **Revenue Streams.** It concerns the revenues generated.⁵²

⁵⁰ Osterwalder, A., & Pigneur, Y. (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. John Wiley and Sons.

⁵¹ [Business Model Canvas - A Complete Guide to the Business Model Canvas](#)

⁵² [Business Model Canvas Explained | A Step-by-Step Guide with Examples](#)

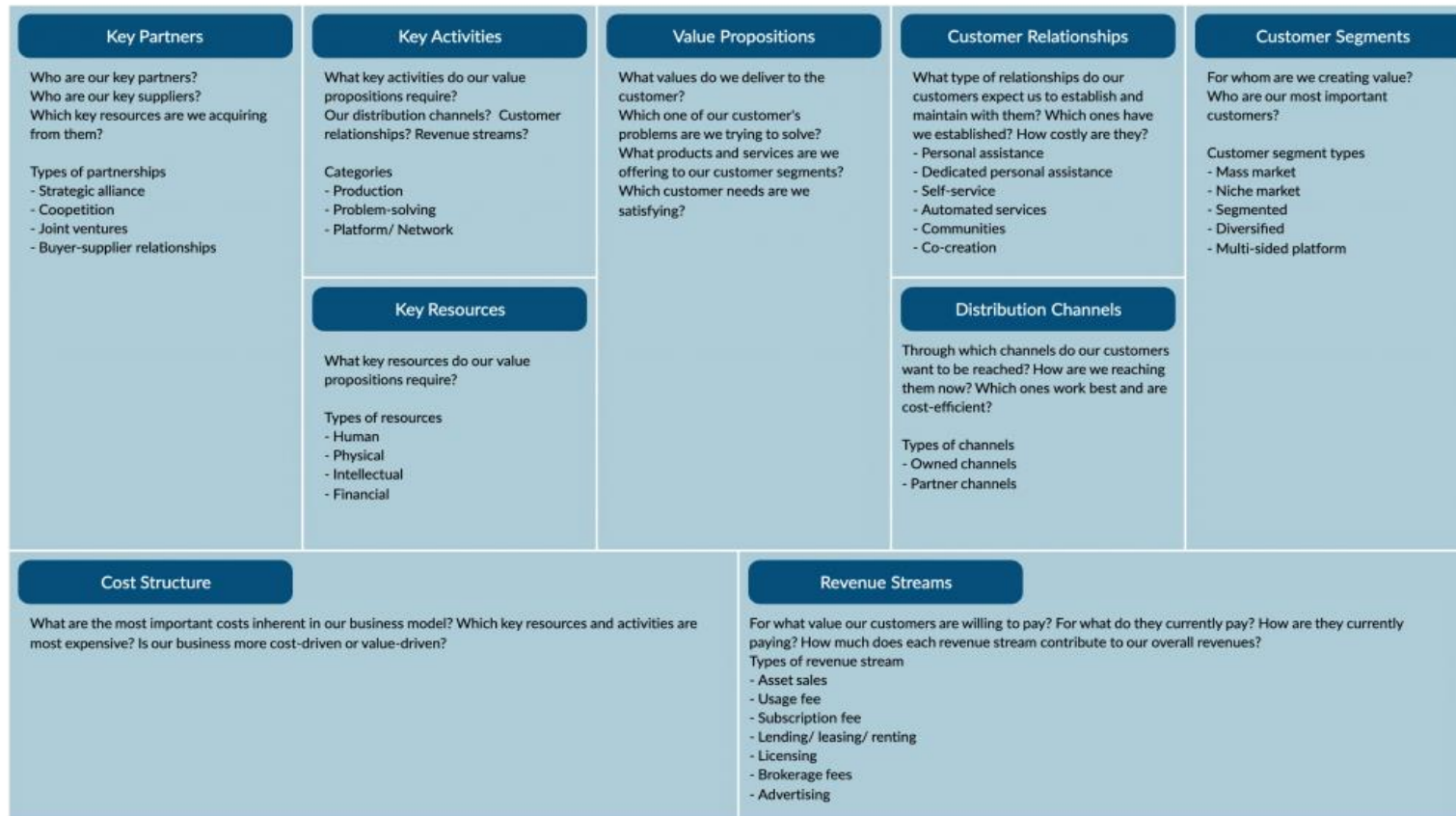


Figure 13: Business Model Canvas⁵³

⁵³ <https://creately.com/blog/diagrams/business-model-canvas-explained/#:~:text=%20How%20to%20Make%20a%20Business%20Model%20Canvas,communicate%20with%20and%20reach%20out%20to...%20More%20>



By exploiting the logic of “visual thinking”, the BMC creates a sort of universal language: this allows you to share and simplify complex concepts that affect the operation of the company, making them understandable to everyone. The BMC is an ideal tool to have a clear and schematic view of any business project, from the new product we want to produce, to the opening of a new entrepreneurial activity up to the large industrial project.

The most common mistakes to avoid:

- ✓ Thinking you are for everyone. One of the essential aspects of the BMC is the identification of one’s specific target group.
- ✓ Thinking you have no competitors. It is important to identify one’s added value with respect to competitors.
- ✓ Not thinking deeply and identifying what are the activities and resources that characterize the company.
- ✓ Not using the BMC as a tool for sharing and debate within the team.
- ✓ Using the BMC without having studied how to use and compile it. Some professionals prefer to skip this step and start working with the Canvas right away. But if used in the wrong context, it could be misleading for your analysis.
- ✓ Thinking it is a static tool. BMC is iterative planning, which means you have to update it regularly according to the business flow.

FOCUS. Designing the Business Models Canvas for Circular Economy

The brief in-depth analysis that will be explained below is based on the article written by Mateusz Lewandowski “Designing the Business Models for Circular Economy – Towards the Conceptual Framework”.⁵⁴

Thanks to this research, two new domains have been identified that apply to the BMC, namely:

- ✓ The take-back system, and
- ✓ The adoption factors.

This led to the conceptualization of an extended framework for the circular business model.

1. The take-back system

Material loops are the core idea of the circular economy. This idea assumes that products, their components and/or materials can be reused/redistributed, remanufactured/refurbished, or recycled. This requires collecting back from the consumer. These principles of the circular economy applied to reverse logistics are related to take-back management, incentivized return and reuse, and collection of used products (e.g., H&M collects used clothes).

In a supply chain of materials, both directions (forward and reverse) are possible, but reversed logistics may require different partners, channels, and customer relations. To avoid confusion, it is better to

⁵⁴ Lewandowski, M. (2016). Designing the Business Models for Circular Economy – Towards the Conceptual Framework. *Sustainability*, 8(1), 31-348.

distinguish and to add a new component for differentiating the specificity of forward and reverse logistics.³⁴

2. The adoption factors.

This aspect mainly concerns the adaptation to factors internal and external to the company. On the one hand, the internal factors to consider are all those organizational changes that result from the transition from a classic business model to a circular one. This requires significant intangible assets, such as team motivation and organizational culture, knowledge, and transition procedures. These components are based on the development of human resources and team building and on the application of change management tools, as well as on the use of methods and tools for designing business and evaluation models.

On the other hand, external factors include technological, political, sociocultural, and economic issues. In general, technological issues concern the possibility of using adequate information technologies and applying them to management processes. By policy, we refer to the current legislation, its changes, the incentives that can be requested and the acts of lobbying. Socio-cultural issues concern customer habits and public opinion, while economic factors concern the demand for future products or the difficulties in adopting the principles of the Circular Economy³⁴.

With the addition of these two new components, the BMC developed by Osterwalder and Pigneur expands and adapts to a circular business model. We now have 11 elements.

The following image shows the adaptation of the classic BMC to a Circular Economy Model.³⁴

<p>Partners</p> <ul style="list-style-type: none"> Cooperative networks Types of collaboration 	<p>Activities</p> <ul style="list-style-type: none"> Optimising performance Product Design Lobbying Remanufacturing, recycling Technology exchange <p>Key Resources</p> <ul style="list-style-type: none"> Better-performing materials Regeneration and restoring of natural capital Virtualization of materials Retrieved Resources (products, components, materials) 	<p>Value Proposition</p> <ul style="list-style-type: none"> PSS Circular Product Virtual service Incentives for customers in Take-Back System 	<p>Customer Relations</p> <ul style="list-style-type: none"> Produce on order Customer vote (design) Social-marketing strategies and relationships with community partners in Recycling 2.0 <p>Channels</p> <ul style="list-style-type: none"> Virtualization <p>Take-Back System</p> <ul style="list-style-type: none"> Take-back management Channels Customer relations 	<p>Customer Segments</p> <ul style="list-style-type: none"> Customer types
<p>Cost Structure</p> <ul style="list-style-type: none"> Evaluation criteria Value of incentives for customers Guidelines to account the costs of material flow 		<p>Revenue Streams</p> <ul style="list-style-type: none"> Input-based Availability-based Usage-based Performance-based Value of retrieved resources 		
<p>Adoption Factors</p> <ul style="list-style-type: none"> Organizational capabilities PEST factors 				

Figure 14: Framework of the circular business model canvas⁵⁵

⁵⁵ https://www.researchgate.net/figure/A-framework-of-the-circular-business-model-canvas-Source-adapted-from-Osterwalder-and_fig5_291171892

3.2.2.1 Business Plan

The realization of a company or a business is a long and articulated process, which starts from an idea, and leads to the realization of a well-defined project.

To get to the concrete result, you have to go through many steps. The foundation on which everything else will then be built is the definition of a precise business idea. To develop a successful idea, it is essential to consider three things:

- ✓ what you want to sell,
- ✓ to whom,
- ✓ how to produce the product or provide the service.

The business idea, then, must be placed in relation to the reference market, centred on the needs of the categories concerned (customers) and compared with competitors. Furthermore, we have to remember and start thinking about the organization to be developed to make the idea concrete.

The **Business Plan** (BP) is universally recognized and appreciated as the most effective tool to activate that planning process, which, through technical analysis, leads to the formalization of the original business idea. A BP is a multi-page descriptive document that summarizes in detail the operational and financial objectives of a company and how they will be achieved. It is the company road map, a guide on how a company will achieve its specific objectives. It is also an extremely useful method of analysis in determining the feasibility of an investment, in managing the company and in seeking funding.

When you start writing the text of the BP, you need to be clear and concise. It must contain as much information as possible, highlighting key aspects and specifying the data sources, tables and graphs must be clear and convincing.⁵⁶

The BP can have 2 functions, one internal and one external:

- ✓ the internal function verifies any changes in an existing company,
- ✓ the external function concerns the analysis and evaluation of a new business initiative.

The BP is initially aimed at the aspiring entrepreneur, who needs to equip himself with a planning and evaluation tool to carry out his entrepreneurial project. Subsequently, it becomes the presentation document that an emerging or expanding company needs to reach different interlocutors, such as:

- ✓ possible partners,
- ✓ credit institutions,
- ✓ national and local administrations,
- ✓ public bodies.

⁵⁶ https://www.business-plan.it/Business-Plan_guida_al_piano_industriale.pdf

It must be specified that, as far as business plan models are concerned, a “one size fits all” model does not exist. However, here is presented a general and comprehensive scheme with the must-have sections:^{57 58}

1. COVER
2. TABLE OF CONTENTS
3. EXECUTIVE SUMMARY (maximum one page, with a clear explanation of your business idea)
4. PRESENTATION OF THE ENTREPRENEURIAL TEAM (resume and history of each member, how the idea was born, a picture of your team, etc.)
5. THE COMPANY
 - a. Legal Form
 - b. Head Office
 - c. Employees
 - d. Organization
 - e. Machinery
6. DESCRIPTION OF THE PRODUCTS OR SERVICES
7. MARKET ANALYSIS
 - a. First, current market analysis
 - b. Competitor analysis
 - c. Added value delivered on the market by the new business, compared to competitors
 - d. Growth perspectives
8. FINANCIAL ANALYSIS
9. ANNEX AND OTHER USEFUL DOCUMENTS (if necessary)

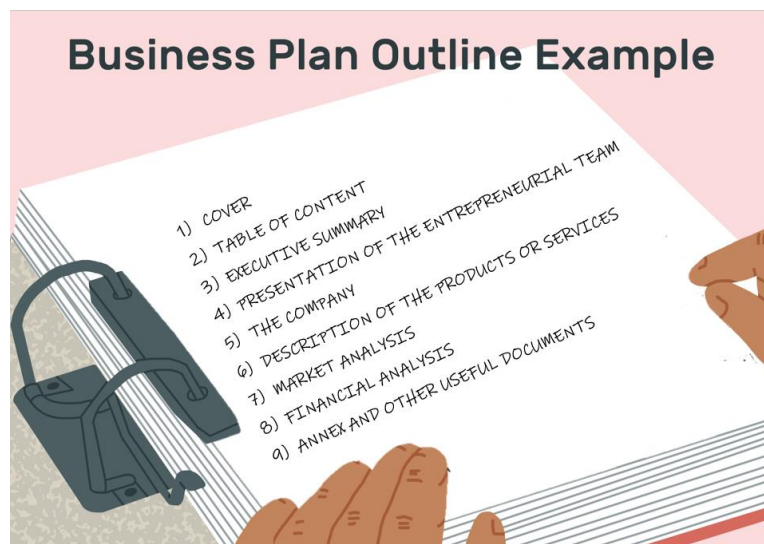


Figure 15: Business plan outline⁵⁹

Let's look at points 7 and 8 more in detail, since they are the most critical ones.

⁵⁷ <https://articles.bplans.com/a-standard-business-plan-outline/>

⁵⁸ <https://www.forbes.com/sites/palomacanterogomez/2019/07/24/basic-structure-of-a-business-plan-for-beginners/?sh=394e9d452ad3>

⁵⁹ <https://www.thebalancesmb.com/why-write-a-business-plan-2948013>

Market analysis

Market analysis focuses on the industry's segments and tries to identify the company's target market. The technique generally used for such a purpose is market segmentation that employs different dimensions such as geography, demographic variables, psychographic variables, and so on. The target market must be attractive: the goal is that the company should be uniquely capable of serving the selected target market. At this point, it is relevant to include information about how the customers of this market behave since this will enable the company to adapt to their specific needs. Usually, newly created firms target a niche market instead of an entire segment, as the latter is large and may present certain difficulties at the beginning. A niche market is easier to penetrate since it is only a part of a segment and represents a narrow group of customers.

Market analysis also includes a detailed competitor analysis that should focus on key competitors, their strengths and weaknesses, their strategies, their position in the market, and so on. Moreover, it must explain how the chosen business strategy positions the company against the competitors. The next step is to craft a unique market position. Finally, the market analysis should include an estimation of annual sales made on sound assumptions. This will indicate the market share that the company plans to obtain. Various methods can be used for sales estimation, for example, determining the number of customers the company expects to sell to and the average amount each customer will spend ("the average ticket"). It is also possible to build sales estimations through a comparable company, contacting Industry Trade Associations, or carrying out an internal search, usually through the Internet.

Financial plan

Thanks to the financial plan you can show investors that your business plan is also financially profitable.⁶⁰ A well-founded financial plan gives your investors a picture of⁶¹:

- ✓ **your funding:** what and how many resources and capital do you need for the start-up and continuation of your company and how much you can invest in your company. It is also good to specify your strategy to find investors.
- ✓ **your cost structure:** here is highlighted what are the expected revenues and expenses and what are the fixed costs.
- ✓ **your cash flow:** here it is necessary to specify which factors influence income and expenses and what are the implications on cash flow.

The financial plan consists of 3 subcategories, namely.⁶²

1. Capital required – start-up costs

Entrepreneurs, when they start with their idea, need to identify what is necessary to have to start their businesses. That is, what are the financial needs of a start-up. To do this, it is important to be familiar

⁶⁰ <https://www.nerdwallet.com/article/investing/what-is-a-financial-plan>

⁶¹ https://www.business-plan.it/Business-Plan_guida_al_piano_industriale.pdf

⁶² <https://articles.bplans.com/the-key-elements-of-the-financial-plan/>

with some basic economic concepts that help to clarify crucial questions related to the money needed for a project. So, entrepreneurs should estimate the following aspects to start operating:

- ✓ **Investment's sum.** This is typically a list of initial investments, for example, product development or pre-operating costs. The list should be detailed since the total sum will indicate how much money, or capital, is needed to cover this part.
- ✓ **Sum of all costs.** They refer to the forecast of the costs generated during the first year. It is advisable to think that the business will not obtain all the projected revenue. It is frequently assumed that initially a company will generate losses rather than profits and consume financial resources.
- ✓ **Taxes.** A fiscal concept is also very important in the economic model of any country. Companies must meet their different fiscal requirements, such as VAT (usually declared quarterly), corporate tax (applied to the profit obtained by the company at the end of the fiscal year) and social security that includes a percentage of the salaries of the hired staff (paid monthly).
- ✓ **Cash flow.** It means that an entrepreneur must present the forecast in terms of the availability of money. For example, the goods delivered by the providers must be paid in June and the production will be finished in July, so, sales will be possible from July onwards. This means that the first income will probably start inflowing in August or September. Meanwhile, the entrepreneur must cover other expenses for energy and water supply or wages of the hired personnel. This topic will be explained in detail in the following pages.

The cost of Equity and Liabilities (loans) is called “weighted average cost of capital” (further on more details and an example are presented to illustrate the concept). A combination of the two sources of finance provides an optimal way to raise funds and build a business.

The first step to obtaining financing is to establish the financing needs of the company in *amount* and *timing* and to determine the amount designated for each company area. A fundamental condition when planning any investment is to correctly calculate its *amount* and *timing* since any mistake in any of these two parameters will consequently increase the project's costs, which will have a direct impact on the profits. Calculating an excessive *amount* will make the entrepreneurs solve the following questions: the source of financing (internal or external) and the assessment of the opportunity cost (it will not be possible to use additional funds for other investments). If financing is made through external sources (usually through a bank), the investment will mean a larger operational cost because of the interests. Regarding *timing*, the effects are the same as the ones related to the *amount*. An opportunity cost will incur if the investment timing with own resources is excessively extended, and the costs will rise by paying interests in excess if the duration of the external financing source (through a bank) is extended more than needed.

Also, it is essential to correctly set the number of interests that corresponds to each part or area of the project. An incorrect investment distribution among the different departments or project areas will be the result of financial mismanagement and the prelude to more problems in this area, as well as to the project's proper operation and its mid-term and long-term viability. Additionally, it is fundamental to correctly calculate the effective cost of the resources that are destined for financing the investments to be made in a project.

Frequently, in the external financing sources (bank), entrepreneurs do not consider all the expenses of the total or effective operating costs. Therefore, the costs of a financing operation are considered, which are much lower than the real ones – with the resulting surprise when one discovers that the original calculations are much below the real costs. This, of course, compromises the correct achievement of the investment.

In this regard, it is advisable to pay attention to all the conditions – not only to those related to the loan but also to the relationship between the company and the bank, so that the company would be eligible to get the loan. Not only the interest rates applied to the granted financing, but also the rest of associated expenses will have to be considered, which will vary according to the granted financing (mortgage loan, personal loan, credit account, trade discount, leasing, etc.).

So, depending on the obtained financing, we will have to pay attention to expenses such as opening fees, cancellation fees, appraisal costs (in mortgage loans), information expenses, cost effects (in trade discount), non-disposition fees (in credit accounts), notary fees, mortgage arrangement fees, notary costs related to the bank overdraft, maintenance costs, etc. The sum of all these expenses will result in the operation's real or effective cost, which is a rational base for deciding whether the operation continues or not due to excessive costs.

2. Working capital requirements (based on salaries, stocks, research, marketing)

Short-term resources are mainly obtained through external funding (banks and providers), although some of the company's resources can be also short-term oriented. Short-term finance is used to replenish the working capital to purchase inventory or finance credit sales to customers or increase cash at certain moments. When inventory and receivables are converted into cash, the loan is repaid.

Short-term resources can arise, as we said before, from the providers (called "trade credits"), when the payment terms agreed with them include deferred payment (for example, 30, 60 or 90 days after the goods' delivery). They can also come from banks if we carry out operations of trade discount of letters, promissory notes, and invoices (these funding models will be discussed later).

Companies should think strategically about what they want to achieve, since capital raising is not about collecting as much as possible but about covering the specific financing needs identified previously through a dedicated analysis. So, they will need a strategic plan to present to their potential investors. Investors will invest if they consider the business attractive and potentially profitable, but then they would be interested in obtaining their initial disbursement and profits (returns on investment). For this reason, it is necessary to discuss the terms: when, under what conditions, what amount of money, and so on. This is what is called an "exit strategy".

Working capital is the difference between current assets and liabilities. Ideally, working capital should be positive, to guarantee that the company can operate successfully. Working capital is thus the amount of current assets in the firm that is not financed by current liabilities. It is a measure of a company's short-term financial fitness as well as efficiency. Positive working capital shows that a firm can pay off its short-term liabilities, which is important for a financial balance of a firm. But bear in mind that it is possible to have a positive working capital and still be unable to handle a large, unexpected cash need. A negative working capital shows that the firm is currently unable to offset its short-term liabilities with its current assets. This is a synonym of financial difficulties; bankruptcy is the

most severe. Working capital must be enough to keep the stock level of raw materials, products under production and finished products to attend the demand. Besides that, it provides appropriate credit-time to the customers according to the established collection period.

3. Cash flow forecasts showing expected revenue and costs

The firm must generate enough cash flow to sustain the debt payments. The most important aspect for firms is liquidity. A solid firm is a liquid firm because debts are repaid not with profitability or equity, but with cash. A debt can be seen as a cash loan that has to be returned to the bank in form of cash. In other words, a firm must generate cash flows to be eligible for financing, because only a firm that generates cash flows can repay the debt.

The Statement of Cash Flow is the third of the major financial reports: it includes the Balance Sheet and the Income Statement. The Cash Flow Statement is going to indicate how our cash is evolving, either increasing or decreasing throughout the year. The whole purpose of this report is to assess the health of our cash balance and plan the future operations. The Cash Flow Statement is a dynamic picture of the company's finances. It is a statement that shows growth or reduction of liquidity through cash flows generated in any business area; in other words, it shows us the available funds and its past and future variations. The Cash Flow Statement shows the company's capability for generating liquidity and the related financial balance. The Statement can be represented in two different ways: direct and indirect. Many managers confirm that cash flow statement is the most important report because it indicates whether the planned operations can be carried out safely or not.

We will see that cash flow statement is divided into three categories, as follows, and a final summary section:

- ✓ cash flow from operating activities.
- ✓ cash flow from investing activities.
- ✓ cash flow from financing activities.
- ✓ summary.

3.2.2.2 Business Plan vs Business Model Canvas summary table

The following table summarises the main differences between the Business Plan and the Business Model Canvas.

BUSINESS MODEL CANVAS	BUSINESS PLAN
Visual and synthetic graph (usually 1 page).	Long-writing document.
The visual nature of the BMC makes it easier to refer to and to understand by anyone.	Being a complex document, it is not easy to understand for the layman – especially its more technical parts on market and financial analysis.
Low level of detail: it is a simple pictorial representation of questions that assist you in clarifying your idea; BMC provides a quick overview of the business.	High level of detail: it shows in detail the mission, vision, and the goals of a company.



Time: being less detailed and guided by a series of questions, it is faster to write.	Time: writing it takes a long time.
More time spent in testing and tweaking assumptions.	More time spent justifying assumptions.
Dynamic document.	Less dynamic document.
It helps in thinking strategically about their business.	It helps in making more predictions for the future.
It clarifies how different aspects of the business are related to each other.	It does not clearly show the connections; it is more linear and discursive.
You can use a BMC template to guide a brainstorming session on how to define your business model effectively.	There is no unique or fixed template; every business plan can be different.
It can be adapted to any company size and can be used both by large companies and by start-ups with few employees.	Not always easy to implement for small companies; sometimes its drafting requires the help of an expert.
It is a useful document for internal use; less for external use (a BMC it is not sufficiently detailed to be presented to a bank or an investor).	It is a necessary document for both internal and external use. It is drawn up to propose the new business to investors or partners, because it includes the economic and financial implications for the company.

Both the Business Plan and the Business Model Canvas are important planning models, and one does not replace the other. In general, it is more useful to start with developing your business idea using the BMC and then deepen it through a more structured document such as the Business Plan. Each company is a different subject with peculiar needs for which one model will be preferred over another. However, to quote Steve Blank, *“unless you have tested the assumptions in your business model first, outside the building, your business plan is just creative writing”*.⁶³

3.2.3 Corporate Social Responsibility strategy and beyond (internal CSR & marketing CSR)

The concept of Corporate Social Responsibility (CSR) was born during the Great Depression of the United States in the late 1920s. In the following years, until today, the concept has evolved along with the expansion of the market and the companies operating there. Multinationals and the global market have an ever greater social and political impact on society, exacerbating conflicts between the two spheres.

⁶³ [Part I: Validate Your Business Model Start With a Business Model, Not a Business Plan | The Wall Street Journal](#)

Regarding its nature, the topics covered and its historical evolution, defining CSR is not an easy task. Over the years, different definitions and interpretations have been given of what CSR is. Here are the most important:

- ✓ Jones in 1980 defined CSR as *“the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract, indicating that a stake may go beyond mere ownership”*.⁶⁴
- ✓ Frederick, Post and Davis in 1992 stated that *“CRS can be defined as a principle stating that corporations should be accountable for the effects of any of their actions on their community and environment”*.⁶⁵
- ✓ Hopkins in 1998 argued that *“CRS is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation”*.⁶⁶
- ✓ Khoury, Rostami and Turnbull in 1999 defined CRS as *“the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance”*.⁶⁷
- ✓ The World Business Council for Sustainable Development in 2000 defined CSR as *“the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”*.⁶⁸
- ✓ The Commission of the European Communities in 2001 defined CSR as *“essentially a concept whereby companies integrate social and environmental concerns in their business operation and in their interaction with their stakeholders on a voluntary basis”*.⁶⁹
- ✓ Lea in 2002 argued that *“CSR is about business and other organisations going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how organisations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment”*.⁷⁰

⁶⁴ Jones, T. M. (1980). Corporate Social Responsibility Revisited, Redefined. *California Management Review*, 22(2), 59-67.

⁶⁵ Frederick, W., Post, J. & Davis, K. E. (1992). *Business and Society. Corporate Strategy, Public Policy, Ethics*. McGraw-Hill: London.

⁶⁶ Hopkins, M. (1998). *The Planetary Bargain: Corporate Social Responsibility Comes of Age*. Macmillan: London.

⁶⁷ Khoury, G., Rostami, J. & Turnbull, J. P. (1999). *Corporate Social Responsibility: Turning Words into Action*. Conference Board of Canada: Ottawa.

⁶⁸ Holme, R., & Watts, P. World Business Council for Sustainable Development (2000). *Corporate Social Responsibility: Making Good Business Sense. Conches-Geneva, Switzerland: World Business Council for Sustainable Development*.

⁶⁹ European Commission. Directorate-General for Employment (2001). *Promoting a European Framework for Corporate Social Responsibility*. Office for Official Publications of the European Communities.

⁷⁰ Lea, R. (2002). *Corporate social responsibility: Institute of Directors (IoD) member opinion survey*. IoD: London. Available at: http://www.epolitix.com/data/companies/Institute-of-Directors/CSR_Report.pdf.

- ✓ Business for Social Responsibilities in 2003 defined CSR as the “*social responsible business practices strengthen corporate accountability, respecting ethical values and in the interests of all stakeholders. Responsible business practices respect and preserve the natural environment. Helping to improve the quality and opportunities of life, they empower people and invest in communities where a business operates*”.⁷¹
- ✓ Van Marrewijk in 2003 argued that “*corporate sustainability and CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders*”.⁷²

Summarizing the definitions of CSR cited above, we can see that CSR encompasses 5 dimensions: environmental, social, economic, stakeholder, and voluntariness dimension. CSR is actualized when an organization assumes behaviours of ethical commitment, contributing to economic and social development and well-being, also considering the protection and environmental response. This responsibility towards the territory and the society in which a company operates is called CSR.

Internal Corporate Social Responsibility (I-CSR)

Because of its multifaceted complexity, internal corporate social responsibility is a challenging concept to define. The phrase that best describes the notion, according to the European Commission, is “*firm’s actions to achieve social goals to increase the well-being of internal stakeholders such as employees*”. Employee training and development, health and safety, workplace diversity, equal opportunities, work-life balance, work environment, and engagement in business are all addressed by these initiatives⁷³.

Internal CSR refers to the steps that businesses take to meet employee expectations, actively fulfil and improve organizational fairness for employees (such as improving employee happiness and contentment with their health⁷⁴) and ensure staff safety and development. Internal CSR is strongly linked to psychological and physiological wellness through providing welfare services for employees, and the main notion of CSR is to benefit employees rather than pursue corporate interests⁷⁵.

External Corporate Social Responsibility (E-CSR)

External CSR, on the other hand, can be defined as a “*firm’s concern and response to society at large, as well as its engagement with the physical environment*”.⁷⁶ Cause-related marketing, volunteerism,

⁷¹ Business for Social Responsibility (2003). Issues in Corporate Social Responsibility. Available at: <http://www.bsr.org/AdvisoryServices/Issues.cfm>.

⁷² Van Marrewijk, M. (2003). Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion. *Journal of Business Ethics*, 44, 95-105.

⁷³ European Commission, 2001; Turker, 2009b; Vives, 2006; Lindgreen et al., 2009.

⁷⁴ Kim, B. J., Nurunnabi, M., Kim, T. H., & Jung, S. Y. (2018). The Influence of Corporate Social Responsibility on Organizational Commitment: The Sequential Mediating Effect of Meaningfulness of Work and Perceived Organizational Support. *Sustainability*, 10(7), 2208.

⁷⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6678673/#B25-ijerph-16-02476>

⁷⁶ Carroll, A. B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business and Society*, 38(3), 268-295.



donations, philanthropic initiatives, community projects, and environmental protection programs are examples of external CSR.⁷⁷

External CSR refers to social responsibility initiatives that benefit the local community, the environment, and consumers. Community-related CSR comprises charity donations in support of humanitarian causes, community development investment, and collaboration with non-governmental groups, among other things. Investments in environmental protection, such as pollution reduction, environmental initiatives, and practices that focus on sustainable development for future generations are all examples of CSR relating to the environment. Consumer-focused CSR encompasses things like offering high-quality goods or services, customer care obligations, and going beyond the law requirements to safeguard customers interests.⁷⁸

Corporate Social Responsibility and Marketing

The marketing literature has echoed this passion for CSR. Consumer reactions to CSR activities, the perceived relevance of ethics and social responsibility among marketing practitioners, and the marketing gains coming from socially responsible business acts have all been studied by academics.⁷⁹

Businesses should be good citizens, according to the concept of social responsibility, combining their money-making operations with efforts that help society, whether on a local, national, or global scale. In marketing, social responsibility entails concentrating efforts on acquiring customers who wish to make a positive impact with their purchases. Many businesses have incorporated socially responsible features into their marketing strategy as a means of providing good services and products to the community.

CSR is inextricably linked to socially responsible practices. Administrators, executives, investors, and stakeholders, for example, must act ethically and work with the community to promote appropriate marketing activities. The practice of advertising misleading environmentally friendly procedures or products, known as greenwashing, suggests to customers that the corporation is not devoted to social responsibility. Such actions, on the other hand, may end up harming the brand and the company's success.⁸⁰

Although there may be an initial investment to share earnings or donate to people in need, social responsibility in marketing creates a better company image, which can have a positive impact on profitability and even productivity.⁸¹ Increasing a company's or a brand's credibility and respect through reinforcing a sense of social responsibility. It may be possible for these companies to establish consumer preference and loyalty by deliberately demonstrating significant social responsibility behaviour, thus distinguishing themselves from their competition. Some corporations have made a concerted effort to link their brand to socially responsible initiatives.⁸²

⁷⁷ https://www.ijmae.com/article_115161_39b5b32e8cfcad68601e84a22ea14ac8.pdf

⁷⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6678673/#B25-ijerph-16-02476>

⁷⁹ <https://danielsethics.mgt.unm.edu/pdf/Corporate%20Social%20Responsibility%20and%20Marketing.pdf>

⁸⁰ https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/Global20Sustainability20Report_October202015.pdf

⁸¹ <https://www.investopedia.com/ask/answers/042215/why-social-responsibility-important-marketing.asp>

⁸² <https://www.marketingstudyguide.com/corporate-social-responsibility-marketing/>

3.2.4 Benefit Corporations

The B-Corp Certification is a worldwide renowned assessment that evaluates the overall positive impact of an enterprise.

It is based on one simple statement: nonprofits and governments cannot face society's most complex problems by themselves. Businesses and profit organizations can and will make the difference.

What are B-Corps?

Certified B Corporations are those that work *“toward reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high-quality jobs with dignity and purpose”*.⁸³

Business and profits are not the purpose of Benefit Corporations, they are instead the means to a greater end, that is the well-being of their employees, as well as the communities and the environment around them.

The B-Corp family

The B-Corp movement was born in the USA through the work of B Lab, an NGO whose mission is to spread a new international culture based on the social impact and responsibility of any business around the world.

B Lab developed the B-Impact Assessment, which is available for free for any company interested in measuring its level of commitment towards communities and environment. Once a company passes the Assessment with more than 80/200 points, it can apply for the Certification process. Here is the website powered by B-Lab⁸⁴.

B Corps balance the interests of shareholders with the interests of workers, customers, communities and the environment.

- ✓ Certified B-Corporation Companies are those that meet the highest standards for what regards their social and environmental performances. In order to gain the Certification, a company needs to undergo the B Impact Assessment (developed by B-Lab) and report at least an 80/200 grade.

There are more than 3.400 Certified B Corps in the world, distributed in 71 Countries. More than 120.000 Companies worldwide have undergone the B Impact Assessment.

B- Corporations as legal subjects

Following the global relevance of the B-Corp movement many governments are developing their own legislation in order to validate B-Corporations as legal subjects.

⁸³ <https://bcorporation.eu/about-b-corps>

⁸⁴ <https://bimpactassessment.net>



Benefit Corporations have acquired legal status in the following countries:

- ✓ Italy (“società Benefit”)
- ✓ France
- ✓ Colombia
- ✓ Ecuador
- ✓ USA (36 States)

The legalization process is furthermore taking place in 5 new US Countries and 12 further Countries around the world.

How to become a Certified B- Corporation

- ✓ take the test for free: <https://bimpactassessment.net/>
- ✓ if your grade is 80/200 or higher, validate your results with B- Lab;
- ✓ Subscribe the C-Corp Declaration of Interdependence!

Further info:

- ✓ About B Corps: <https://bcorporation.net/about-b-corps>
- ✓ B-Lab Europe: <https://bcorporation.eu/about-b-lab>
- ✓ B Impact Assessment: <https://bimpactassessment.net/>
- ✓ Certified B Corps: <https://bcorporation.eu/>
- ✓ Italian B Corps: https://nativallab.com/cms/wp-content/uploads/2020/08/The_B_Book_202008.pdf
- ✓ B Corp as a legal subject in Italy: <https://www.societabenefit.net/>

3.3 Lifelong learning

Definition

A Lifelong learning is a form of self-initiated education focused on personal development, which consists in the process of gaining knowledge and skills throughout the entire life of a person, with the objective of pursuing knowledge for either personal or professional reasons. While there is no standardized definition of lifelong learning, it has generally been taken to refer to the learning that occurs outside of a formal educational institute (such as a school, university or corporate training), for instance the informal education are things that you can learn in homes, workplaces, and even locations where people pursue leisure activities⁸⁵.

Lifelong learning differs from the concept of continuing education in the sense that it has a broader scope. Unlike the latter, which is oriented towards adult education developed for the needs of schools and industries, this type of learning is concerned with the development of human potential, recognizing each individual's capacity for it.



Figure 16: Lifelong learning

Lifelong learning not only enhances social inclusion, active citizenship, and personal development, but also self-sustainability, as well as competitiveness and employability.

Lifelong learning encompasses holistic education and focuses on two dimensions: lifelong and broad learning opportunities; the latter not only indicate traditional educational proposals and modern opportunities, but also encourage people to learn how to select content, processes and methodologies that pursue self-design and self-improvement.

⁸⁵ Valamis, “Develop and maintain strategy- driven learning culture”,
<https://www.valamis.com/resources/publications/develop-and-maintain-strategy-driven-learning-culture>



Whether pursuing personal interests and passions or chasing professional ambitions, lifelong learning can help us to achieve personal fulfilment and satisfaction. It recognizes that humans have a natural drive to explore, learn and grow and encourages us to improve our own quality of life and sense of self-worth by paying attention to the ideas and goals that inspire us.

Key features and examples

The key features of this kind of learning are the fact that it is voluntary, self-motivated, self-initiated and self-taught; it does not always require a cost and it is often informal.

Some examples of lifelong learning are developing a new skill, self-taught study, learning a new sport or activity, learning to use a new technology, acquiring new knowledge etc.

Benefits of lifelong learning

Incorporating lifelong learning in your life can offer many long-term benefits, including:

Renewed self-motivation: sometimes we do things only because we have to do them, like going to work or cleaning the house. Figuring out what inspires us is a reminder that we can really do things in life that we want to do.

Recognition of personal interests and goals: re-igniting what makes you tick as a person reduces boredom, makes life more interesting, and can even open future opportunities. You never know where your interests will lead you if you focus on them. For example, having a new hobby, be it reading, playing sports, cooking, means not being afraid to experiment, investing in yourself, identifying your strengths and weaknesses and understanding your added value. Having a hobby in your life helps both privately and professionally, as you can put it on your EU CV.

Improvement in other personal and professional skills: while we're busy learning a new skill or acquiring new knowledge, we're also building other valuable skills that can help us in our personal and professional lives. This is because we utilize other skills in order to learn something new. For example, learning to sew requires problem-solving. Learning to draw involves developing creativity. Skill development can include interpersonal skills, creativity, problem-solving, critical thinking, leadership, reflection, adaptability and much more. For tracking learning outcomes and acquiring new skills, there is a tool developed and organized by European programmes. Youthpass⁸⁶ is a recognition tool for non-formal and informal learning in youth projects, such as ERASMUS+ projects.

Improved self-confidence: becoming more knowledgeable or skilled in something can increase our self-confidence in both our personal and professional lives. In our personal lives, this confidence can stem from the satisfaction of devoting time and effort to learning and improving, giving us a sense of accomplishment. In our professional lives, this self-confidence can be the feeling of trust we have in our knowledge and the ability to apply what we've learned. For example, learning a new foreign language with an EU certification allows you to gain more self-confidence, manage daily stress and keep your mind stimulated, contributing to your well-being and good mood.

⁸⁶ <https://www.youthpass.eu/en/>

3.3.1 *The importance of personal self development and growth*

Networking and webinars

Nowadays, professional networking is an essential activity to create synergies, contacts, useful collaborations in an increasingly competitive context.

In support of this thesis, for those who still don't believe, the studies are different. An example is an investigation conducted by the *Harvard Business Review* that involved 165 lawyers from a large North American law firm. The data showed their professional success was largely determined by their ability to do professional networking, an activity they carried out outside of their office, so they could acquire new clients from the outside. The lawyers who decided to neglect this operation carried out a reduced number of consulting hours and were therefore “penalized” compared to the most connected colleagues.

What does it mean to create a network?

It means developing and cultivating relationships and contacts, creating one's own personal and professional network, expanding it in an effective and targeted way, feeding it over time. It means creating new and strong synergies. The link that will unite you to the people of your network, in fact, is that of reciprocity, based on giving and receiving, on the exchange of time, advice, suggestions, support, sharing, know-how, references and above all trust.

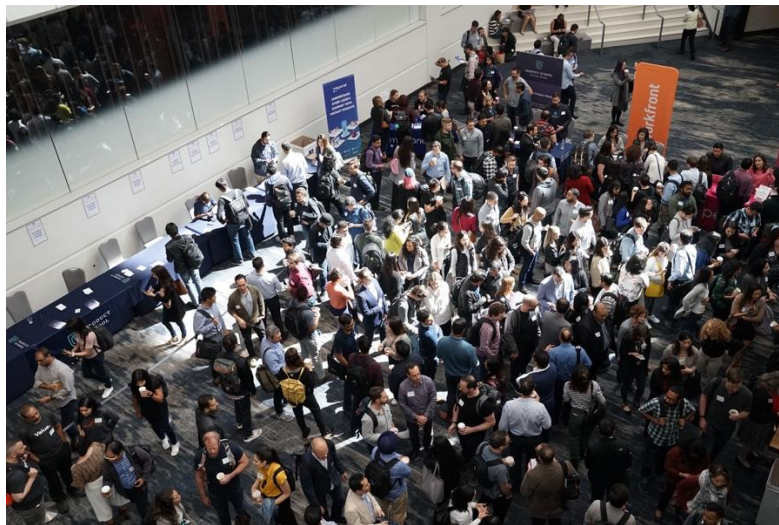


Figure 17: Networking

In creating an effective network, it's important to think of your network as a not-too-narrow but selected audience, that may belong to your own sector or, if nothing else, to what you want to be on in the next few years. Eliminate the superfluous: only the circle of trust remains. In short, keep good those with whom you share certain values, professional philosophies and who have a certain kind of reputation in your field.

In summary, we could say that a punctual networking activity will allow companies, managers, and young entrepreneurs to build new professional relationships, useful for:



- ✓ Systematize the implementation of new contacts. In this way he will define a real multi-level activity, thanks to which he will be able to relate to a person never impacted before, thanks to a bridge contact, common to both. And so on to subsequent contacts.
- ✓ Find new job opportunities.
- ✓ Do talent scouting of people who can play roles in the company they belong to.
- ✓ Reinforce relationships for potential co-marketing or collaboration opportunities.
- ✓ Share information on the sector and market that will allow the entrepreneur to operate with more awareness and to be more competitive.
- ✓ Exchange opinions and points of view, through focus groups online and offline (social networks, but also trade fairs, industry events...)

To achieve these goals, the young entrepreneur will have to be constant in carrying out different activities in parallel, through the now innumerable tools and useful options to create value interlocutions: E-mail, LinkedIn, Twitter, offline events, Webinar. All are functional to the maintenance, creation, and governance of relations with other parties in an organized and conscious way.

The recent lockdown situation to which we had to adapt due to the COVID-19 health emergency has led us to change many of our habits. Among these, the absence of physical interactions was certainly the one that had the most impact. Fortunately, the modern media have come to our rescue: video conferencing systems such as Zoom, Skype, Teams, WebEx, or GoToMeeting - just to mention a few examples - have proved essential not only to continue working, but often also to keep “alive” our network of contacts.

Due to the acceleration caused by the lockdown, webinars have become the hot topic of the moment. More and more organizations are discovering the potential of webinars for effective and personal communication with employees, partners, customers, citizens and/or other stakeholders.

The main advantages that a webinar can offer are:

- ✓ INTERACTION: both with speakers and other participants
- ✓ TARGETED AND/OR WIDER AND LONG-TERM SCOPE: the seminar will also be available after the live
- ✓ ACCESSIBILITY: they are easily accessible, and it is easy to take part in them (all you need is an internet connection); this saves time but above all in terms of travel costs
- ✓ SIMULTANEITY
- ✓ CONSERVATION AND SHARING OF KNOWLEDGE
- ✓ LEARNING: in a webinar, the impact of the message for communication increases enormously through the combination of different factors, such as: listening and seeing the speaker, observing the slides of the presentation, and interacting through interactive elements.
- ✓ MEASURABLE: everything about the webinar is measurable: the number of viewers, the duration and times of viewing, conversion, chats, surveys and recording moments. This means that, you can measure very precisely what worked well and what worked less, as well as what a webinar offered.



Figure 18: Social networking

One of the fundamental points is always the creation of a network through webinars; interaction with participants, in fact, offers opportunities for social networking through the educational online experience shared by participants. Some webinars have a community portal, or a group of post-webinar members supported by the hosts. Combine these with LinkedIn, Facebook, and other Web social network channels to establish mutually beneficial relationships with speakers and attendees.

3.4 Stakeholder Mapping

3.4.1 Who is a stakeholder?

A stakeholder is whoever takes an interest in your activity- whoever is influenced by it, both directly (e.g. a client) and indirectly (e.g. the community) and whoever has an impact on it, both directly (e.g. a supplier) and indirectly (e.g. the public administration). Identifying and mapping your stakeholders is crucial for many reasons:

- ✓ it fosters awareness on the complexity the environment surrounding your business and on how it interacts with you;
- ✓ it helps you visualize those stakeholders who are closer to you and therefore more influent on your decisions;
- ✓ it allows you to plan future strategies in order to start involving crucial partners;
- ✓ it helps growing consciousness on the social, environmental and economical impact of your business both locally and globally.

3.4.2 How to include communities in Business Development

The community surrounding a sustainable business, both locally and globally, is one of its main stakeholders. A business and a community can reciprocally thrive from their own actions by generating social, economical and environmental value for each other.

A community that is in direct touch with a business helps it:

- ✓ read the needs of its potential customers and their changes in real time;
- ✓ build a solid marketing basis;
- ✓ attract skills, talents and motivated workers;
- ✓ maintain the support of institutions;
- ✓ etc.

A business that takes care of a community can signify:

- ✓ better results in terms of occupation;
- ✓ a positive social impact on the territory thanks to welfare policies;
- ✓ a positive economic impact on the territory;
- ✓ etc.

Communities can be included in the business' decision process in many different ways - whether to design better solutions for its own customers or to solve together some challenges that have an impact on both company and community.

Here are some innovative initiatives that a company can organize in order to do that.

Hackathons

Hackathons are intense, brief competitions where external participants (e.g. students, start-uppers, professionals, families...) focus on a challenge proposed by the organizers. They have a really short

time at their disposal (24 hours or more) to work in teams in order to pitch an idea that could solve the challenge. There is usually a jury involved, and the teams pitching the best ideas can win a prize and take active part in the realization of their own project.

Hackathons are successful when they can actively inspire their participants and make them feel like they are playing “for real”.

- ✓ The organizer could be a business or an institution as well.
- ✓ Before organizing a Hackathon make sure you have a clear and compelling challenge in mind and possibly some precise targets you would like to involve.
- ✓ Make sure you want to invest some resources in marketing and event management activities.

Project Works

Project Works are often the result of a partnership between a company and one or more educational subjects (schools, universities etc.). They are longer challenges that a company can propose to a group of students of any age. While developing their project, the students are tutored by their teacher and by some mentors belonging to the company.

During the process, the participants have the chance of developing their skills and school knowledge by practicing them on a real life case, while the hosting company can benefit from their external perspective and their innovative attitude.

Among the outputs of a project work, apart from some interesting new ideas, there could also be the chance of spotting students who might start an internship or a collaboration inside the company.

- ✓ A project work is functional as long as there is an actual, effective and collaborative tutorship responsibility shared by the involved parties (school and company).
- ✓ The length of a project work depends on the age of the students and the complexity of the challenge they are facing. It can vary from 20 up to 100 hours (or more, when necessary) spread over a consistent period of time.

Generative Workshops

Sometimes a company may “just” need to explore new perspectives on how to tackle a complex problem, or to open a conversation and collect feedbacks about a new line of services. In these cases, generative workshops could be an interesting solution.

A generative workshop is a proactive experience involving heterogeneous participants.

It is normally a shorter, in-depth experience where the participants discuss and practice activities related to a specific topic proposed by the hosting organization. There always has to be one or more facilitators to conduct the game and register the findings. These workshops normally combine games and icebreaking experiences with brainstorming and prototyping activities- all of them are instruments that facilitate empathy and lateral thinking skills within the group of participants.

- ✓ Generative workshops are a good way both for companies and institutions to get in contact with their beneficiaries.
- ✓ They normally involve the closest, more affectionate part of one’s stakeholder map (the so-called community).



- ✓ One workshop normally lasts 8-10 hours (e.g. over a weekend).
- ✓ They need to be carefully planned and conducted by professionals who are able to “read the room”, maintain a friendly environment, observe and report the outputs.

Focus Groups

Focus groups compared to generative workshops are shorter and mainly based on conversation instead of prototyping activities. They are normally well suited for collecting feedbacks, on the contrary they are not ideal for the generation of innovative solutions to a problem.

They normally last not more than an hour. Each focus group should involve 3- 10 participants max. A bigger group would be dispersive and it would make it difficult for the facilitators to efficiently collect the group’s outputs.