

## #Costs Management

Running a business give opportunity to earn money through selling the products (f.e. Eco bags) or provide certain services (providing workshops for children, students or adults). You are earning money (profit) when you sell products or services for more money than costs of maintaining the company, materials, tax, employees, rents etc.

### Income

Income of the company is the amount of money which have been earned from selling the services of productcs.

### Profit

Is the income minus all of the costs which company had to sell the products and services.

Costs of production company might be different than costs of the service company. It's important to be aware of all the costs of the company in short and long term (f.e. You know that in 6 months you need to buy new sewing machine or you pay for website one time per year). Knowing your costs would help you to set the minimum prices for your products or services, keeping in mind that it needs to be higher than costs and the profit needs to cover the tax and your sallery.

Regular costs of the company focusing on the production (f.e. Eco bags) could be easily predicted f.e.:

- rental of office
- rental of warehouse where you stack your products
- rental of production of warehouse
- rental of shop or server for online shop
- costs of accounting
- costs of materials to produce ecobags (f.e. textiles, strings, threads, buttons)
- costs of maintaing the production equipment f.e. Sewing machines (oil, needles, reperation)
- costs of employees
- costs of production machines (f.e. tables, sewing machines, chairs)

Regular costs of the company focusing on the services (f.e. Workshops for adults about communication):

- rental of workshop room (either monthly either per workshop)
- costs of employees

Regular costs of running the companies

- costs of bank account and its transfers
- costs of accounting
- costs of marketing
- costs of Insurance and social services
- taxes
- costs of electricity, internet etc

Additional costs of the company

- creating the logo
- creating the website
- updating the website
- training of employees

Unexpected costs

- moving the warehouse
- flood in the warehouse
- production stop due to lack of materials

- increased prices of rent/petrol/salleries
- changes in the law regarding the employment of people or rental of spaces
- new taxes for companies
- new regulation for companies

## # Costs management

You can lower the costs of the company through better management of resources (materials, electricity, employees)

## Lean management

Lean management is an approach to managing an organization which supports the atmosphere of continuous improvement, its a long-term approach of systematic work to seek small changes in process of developing the products or services to increase its efficiency and quality.

The main goal of the lean management is to create the valued product or service which is sought by the customer in the most optimal way, through optimising the resources. It support to eliminate waste of time, materials, efforts, money, optimising the worktime by cutting every step in the process which is not needed and do not bring the sought value to customer.

### 5 principles of lean management

- 1) Identify value - finding the problem that the customer is struggling with and our product or service is the solution for the problem. It helps to see what do not bring value to the customer, what may be useless for customer and/or the company.
- 2) Value stream mapping - mapping all of the processes in company which are needed to create, develop or deliver the product or service to the customer. The visualisation helps to see what part of the process are not giving the value to the workflow
- 3) Creating a continuous workflow - ensuring that each team or team members are working without interruptions, the communication flow is good and the process of development the product or service is constant. Understanding small processes and team members involved in them helps to understand where could be some interruptions which could be removed.
- 4) Developing a pull system - developing the continuous workflow which is stable and ensure the development of the product or service faster and with less effort. It decrease the waste of any production process and resources needed for that.
- 5) Facilitating continuous improvement - engage the team for constant evaluating and improvement of the processes. The constant evaluation helps to spot the waste of capacities, resources and foresees any possible conflicts or interruptions.

## 5S

Workspace organisation method which refers to Seiri (sort), Seiton (set in order), Seison (shine), Seiketsu (standardise), Shitsuke (standardize). It is a basic lean concept as it stands for constant improvements of the workplace and creating the clean, well organised, effective and quality workplace. As a result it lower the losses and failures, improve the safety and quality of the workspace.

The 5S elements are:

- Sort (Seiri) – when its needed to decide and separate or remove the unnecessary things in the workplace
- Set in order (Seiton) – which create the logical order for each often used item and assign it a proper place in the workplace
- Shine (Seison) – which request deep cleaning to eliminate the sources of dirt and simplify cleaning process
- Standardize (Seiketsu) – which creates the storage areas which are easy to use by making the supportive visual rules along with team training to maintain standards to reduce search time and avoid mistakes
- Sustain (Shitsuke) – which engage to constant monitoring and evaluation of the activities to improve them

### *Bibliography:*

F C Filip and V Marascu-Klein 2015 IOP Conf. Ser.: Mater. Sci. Eng. 95 012127

Full article:

<https://iopscience.iop.org/article/10.1088/1757-899X/95/1/012127/pdf>

Resources:

<https://www.techtarget.com/searchcio/definition/lean-management>

## # Working alone or with a team

Running a company means that there is lots of tasks to do to deliver the services or products with desire quality to the customers, often it require more work and time than the owner has.

### **Working with a team**

It is possible to open company with a partner then you have a team who is working together to reach the common goal. It has pluses and minuses as it might require more time to discuss different issues and agree on further actions, it brings support in crises or in taking the decision, it bring more people to work on your goal. The team members could specialise in specific sector so each is doing something different to reach the same goal or they could cooperate in the same sort of activities.

### **Outsourcing**

It is possible to hire an employee or outsource some tasks to external companies or freelancers. It is popular solution when the specialised competencies are required. It is also possible to outsource the simple tasks which amount is big (f.e. Packing boxes, checking the emails, sending the requests for materials, generating the invoices, making posts on social media). There are also services which you can outsource once for a while f.e. Creating a website, logo, creating the marketing strategy.

## # Communication in the team

### **Worth to mention - Feedback**

Feedback is well known word, however sometimes people who use it are not aware of its meaning. The feedback is the direct information after some activity to the person who perform some activity to support their development in reaching better outcomes in future. Feedback is not a tool to punish somebody, feedback is the tool to support the person in growth and development through giving that person information from our perspective about the impact of the persons activity. Following on that there is no negative or positive feedback as the feedback is to help someone to develop their competencies.

Running the company requires good cooperation and team work between the company members, customers, services providers, suppliers. Good communication is very important, when everything goes well its usually good and once there is a problem which is not adressed and not solved it can create unhealthy athmosphere or create some crisis.

There are many different stereotypes about feedback and feedbacking, we recomend to use the AID model which consist of three parts: Action, Impact, Desire Behaviour.

To give feedback we recomend to use direct communication (speak directly to person f.e. 'When you shook my hand' not 'When Mark shook my hand'). Feedback is always personal and individual as the same action can have diverse impact on different people.

### **Action**

First part is dedicated to describe the action as precise as possible, describe the action/activity/behaviour which feedback is about.

f.e.

"While describing the concept of the lean management you were moving your legs."

### **Impact**

Second part is dedicated to describe the impact of this action on you, how did it make you feel.

f.e.

"Your moving legs reminded me of dance what make me feel comfortable and relax as I felt that i could be natural in my movements during the meeting"

Or

“Movements of your legs made me feel nervous and impatient as i felt that we are running out of time”

**Desire behaviour**

The third part is dedicated to description of the behaviour which you would desire in future, the behaviours which would help you to reach the goal or the activity.

f.e.

“In future the presentation and moving legs would help me to concentrate and feel comfortable, please keep it on doing”

Or

“in future pleas stand still or stand behind a table so i do not see the moving legs while presenting.”

More about entrepreneurs with Harvard Business Review:

<https://hbr.org/topic/subject/entrepreneurship>

## #Marketing

John Wanamaker, an American entrepreneur called a pioneer of high-profile advertising, said once a phrase that has become a permanent fixture in marketing textbooks: "Half of the money spent on advertising is thrown down the drain. The problem is that I don't know , which half it is." The quote is now more than a century old, and it hasn't just lost its relevance. On the one hand, measuring efficiency is still a debatable issue - because. either it is difficult to measure it (e.g., in off-line channels), or it is not clear which parameter is really crucial. On the other hand, there are many more potential outreach channels. Today, the cake called budget marketing budget is being sliced into even finer pieces - ATL, BTL, social media, content marketing, public and media relations, social listening, influencer marketing, real time marketing, growth hacking, marketing automation, email marketing... From the names alone can make your head spin. Add to that the growing appetite of the creators of the most popular platforms - read: declining organic reach and constant changes in algorithms - as well as modest budgets for promoting budding entrepreneurs and it would seem that today without millions in the account it is impossible to reach to potential customers. To paraphrase a classic: nothing could be further from the truth!

Let's get to know each other on monitoring When you launch a new product or service You have some idea of who your target audience is. target group. Reality, however, shows, that they are often completely different than you initially assumed, they are in different places and expect completely different things than you thought, and even your first customers use your service completely differently than you planned. Over time, you realize how little you knew about your audience. What then you need to do? Get to know them! Awareness of your target audience and the ability to empathize with a potential customer is the first and one of the most important things determining whether you will succeed in reaching them and gaining their trust. There are many tools available on the market that allow you to get to know the network behaviour of your audience. We are talking primarily about monitoring tools, thanks to which:

- find out what recipients are saying about you, your brand, as well as the service itself;
- catch potentially crisis situations before they develop;
- find out what Internet users are writing about your competitors - maybe thanks to this you will notice mistakes that you too make and eliminate them faster;
- you will learn how people use services similar to yours - it may turn out to be completely different than you thought;
- you'll learn about the places where your customers hang out and the tools, platforms and communication channels they use;
- you'll identify places to be, but also advertisers... who you shouldn't pay - seriously, Facebook is not always the best option; - you will be the first to know when customers are looking for a service such as yours, and by responding quickly you will show that you have your finger on the pulse and really know your stuff.
- Importantly, contacting customers when they themselves is looking for a service like yours, is not only not pushy, but actually desirable - after all, you are reaching out to a customer who needs it right now and right now.

There are many tools available on the market - paid and free. In the former group, the most popular are Brand24, SentiOne or NapoleonCat. Each of them works differently and monitors in different areas. The ideal situation is to use of several, complementing each other, although unfortunately this already entails involves considerable expense.

Fortunately, each of these platforms gives you the opportunity to test for a certain period of time completely for free - this is enough to choose the one best for us.

At the same time, it is worth remembering that the monitoring tools give the the ability to monitor PHRASES, which can be any word or combination of words, not just the company name.

JadeZabione, for example, monitors the network for phrases such as "is someone coming" and "could someone take", so it catches situations where someone needs to send an urgent shipment, but can't rely on the help of a courier company or post office. Of course, there are also a number of free tools available, such as Google Alerts, Talkwalker Alerts and Mention.net.

They are not as functional as the aforementioned, but for a start, to get to know your target audience, they will suffice. So think about what questions people who are looking for a product or service like yours might be asking, start monitoring the web for phrases built from those questions, and the next time someone asks... be there with a ready recommendation. By using monitoring, you will not only get to know your audience better, but also where a paid campaign is money thrown down the drain.

We said at the beginning what you don't have, and what you have in excess. It's worth adding that what you also have is... your knowledge. Because if you offer a product or service, you must be an expert - and not only on your own product, but also having knowledge of the market you intend to conquer.

And this is knowledge that is really valuable - in a measurable way. Take advantage of it and share it! Content marketing, or content marketing, is currently the most rapidly growing branch of marketing. Importantly, it is appreciated not only by recipients, but also Google's algorithms or Facebook's Edge Rank, organically ranking higher those who engage the community with their content. Content marketing increases brand, product or service recognition, but also the credibility of the company, showing that your product or service is good, and your team is the best team, that is capable of delivering the service in question. I can already hear the voice: "But I don't write well enough to blog.

I make mistakes, I don't know punctuation, I don't know how to...". Let me tell you a secret: writing, is an acquired skill - no one is born with it. born with it. Besides, content marketing, is not just blogs and texts. Content can be words, images, video, audio, photos, graphics, animation, infographics... Content can finally be... you. You are also the brand and the carrier of the message. So you can write, record podcasts, run a vlog, create infographics, and even memes or out-of-the-box videos that can become go viral. Take a look at how companies like Dollar Shave Club, Blendtec or Poo-Pourri, or from the domestic backyard of - Brand24, Cupsell or more recently Allegro. Each of them has very much strongly took the principle of "Stand out or die" to heart.... and benefited a lot from it.

You can also share your knowledge directly by appearing during numerous events organized for the startup communities - such as Business Mixer or Thursdays with Social Media - or industry events. If you show that your product or service is interesting, and you are able to talk about it in an interesting way talk about it, you can count on invitations to future meetings and requests for so-called expert commentary. In this way you also build your brand, increase company recognition and reach potential customers - and almost for free.

Almost, because you are monetizing your knowledge, time and ability to thinking outside the box. This is often enough to ignite traffic and gain marketing experience that will come in handy when a larger advertising budget comes along over time.

## # Networking

Today's market is growing thanks to innovation.

The best leaders should engage not only in creating both ever better products, but also better ecosystems. In order to achieve greater profitability, they must learn to motivate others to take on new ventures and collaboration. It's hard to be innovative if customers, distribution channels and the network of business partners business partners don't aspire to it. The common denominator becomes not only the exchange of values, but also the search for new opportunities for cooperation. Networking is a kind of catalyst for innovation.

Networking translates into business goals. Above all, don't just set your sights on goals and quick profits. Networking is a long-term investment. The desire for immediate results can bring at most an exchange of very general information. People we have just met will talk to us superficially, for example, about the news, sports or weather, or share common information. In order for acquaintance to climb to a higher level, where networking will begin to be effective, trust is needed, and this is not bestowed on people who persistently seek immediate benefits "here and now." Above all, don't go straight to the specifics and sell. There is a different rhythm at events. Here we get to know people, we build a relationship and reputation. Once we discover the needs of the person we meet, we can schedule follow-up meetings to talk about sales. Dr. I. Misner refers to this by the acronym VCP.

**Visibility** - be visible, in person and marketing.

**Credibility** - be credible, build relationships, take interest, deliver value.

**Profitability** - be bold, ask and request, close the sales

Networking is not about selling at parties and events. This should definitely be avoided so as not to spoil the relationship. Like any behaviour, this too requires tact. You need to be able to separate the functions of different public meetings. Let's get down to business after the relationship has been established, and not at the moment of acquaintance.

This mistake is often made by novice consultants, freelancers and salespeople trying to sell at events. In doing so, they destroy relationships, their reputation and confirm the general negative perception of the companies and professions they represent. Yet people prefer to do business with those they like. First you have to make yourself known and liked. As we sometimes joke: on a first date we are not raring to kiss. Let's leave the selling to a dedicated meeting. Let's help others establish valuable relationships, and they will reciprocate.

There are many places where you can meet the right people and become skilled at networking. The easiest way to learn networking is to be a member of an organization. First, meetings are held regularly and among members. Thanks to the cyclical nature of subsequent visits, you can get to know the members of the community and quickly have a group of acquaintances rather than strangers. It is best to have introductory people who can be helpful in breaking the ice. However, this is not the hardest part. For it is much more difficult to put aside false beliefs and give ourselves the right to be dismayed about not knowing anyone at first.

This can be perfected in four types of organizations:

- associations and clubs for professionals; their purpose is to develop professional competence, such as Toastmasters, PMI;
- lobbying organizations, such as chambers of commerce and business clubs business; their members are companies, and their goal is industry or local lobbying;
- charity organizations, such as Rotary or Lions;
- non-governmental organizations, bringing together people who are interested in a cause.

It is worth attending the meeting several times.

Before going to it, it is essential to gather the relevant information. Check the list of members, maybe we have someone we know or someone of our acquaintance knows someone from this organization. It is advisable to come a little earlier, preferably before the starting time. Dress professionally. During the first visit, let's carefully observe what is going on. If we have a friend, let's ask them to introduce us to the members. Let's get to know and like each other. Freely, with interest and a smile, let's talk to the members. Let's try to understand the philosophy structure and logic of the organization. After the meeting Let's give thanks and share positive impressions. Let's avoid judgment and criticism.

Diplomatically leave negative observations to ourselves.

Let's appreciate the opportunity and possibilities group, let's ask the leader if it is possible to come a second time. After the meeting, let's consider whether we can make any contribution and how (and if at all) we will we can benefit from our presence in this organization? During the second visit, it is worth looking at details that we may have missed the first time the first time.

Networking is, as you can see, a long and delicate process. In fact, we are just learning why and how to belong to different organizations. Behind We have already had our first experiences, but we still have a long way to go We still have a long way to go... We lack awareness of how to enter an organization in a relatively painlessly. I talk more about this in my speech during TEDx "Society of Mutual Adoration." In associations, clubs or chambers we practice skills networking, while at events we develop them. Trainings, conferences, galas, business mixers are a great opportunity to meet other entrepreneurs and professionals. When going to such an event, one should set goals not only for the knowledge we will gain, but also for how many and what kind of and what kind of people we will meet. This requires preparation, coming early, being active and brave enough to make a dozen valuable relationships and exchange knowledge and experiences.