

# Entrepreneurship

## VAPAAEHTOINEN- JA PAKKOYRITTÄJYYS

*Part time  
entrepreneur*

*"Light"  
entrepreneur*

*Solo  
entrepreneur*



*Part time  
job*

*Multiple job  
holding*

*Freelancer  
entrepreneur*



## MONIMUOTOISET TYÖSUHTEET

Entrepreneurial  
learning



Intra  
entrepre-  
neursip



Entrepreneurial  
attitude



Entrepreneurial  
working culture



*Sales  
agent*

*Franchising  
entrepreneur*

*Business  
acquisition*

*Start-  
Up  
entrepreneu*



Requires a lot to  
success

Easy first steps

# Salary work

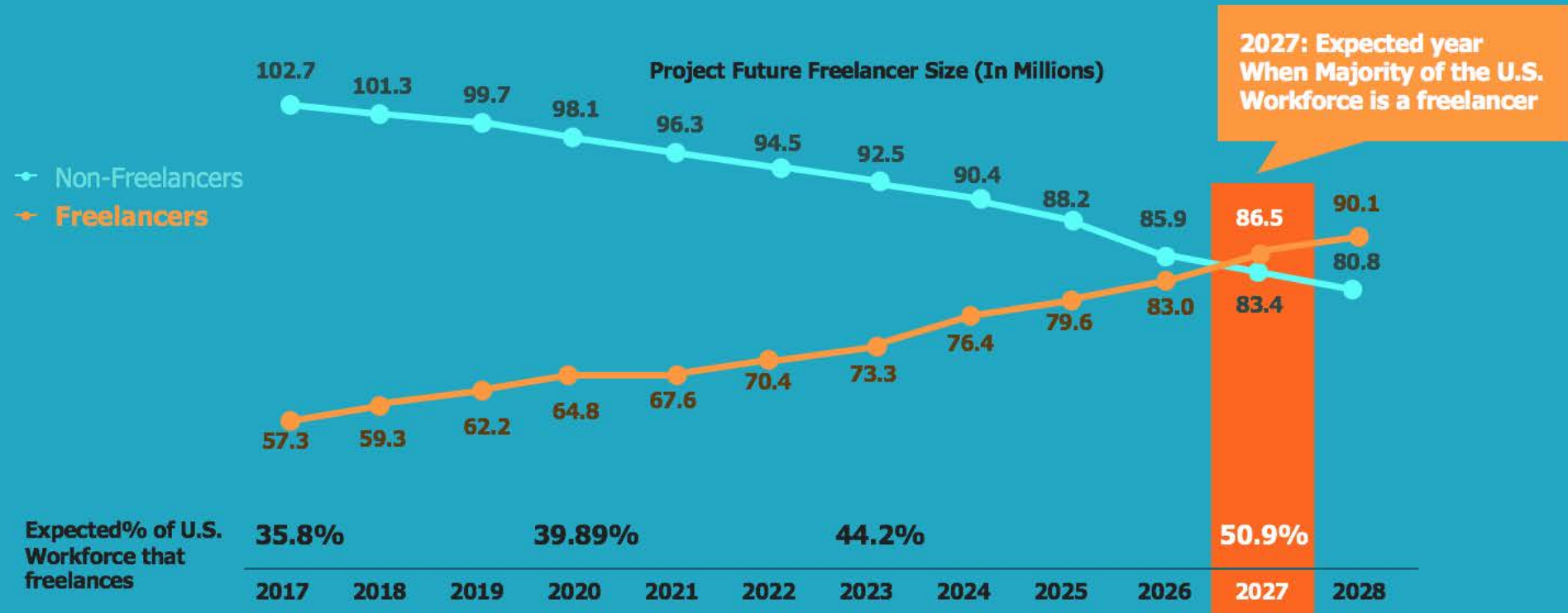
INVOICING  
PLATFORMS

PLATFORM  
ECONOMY

SHARING  
ECONOMY

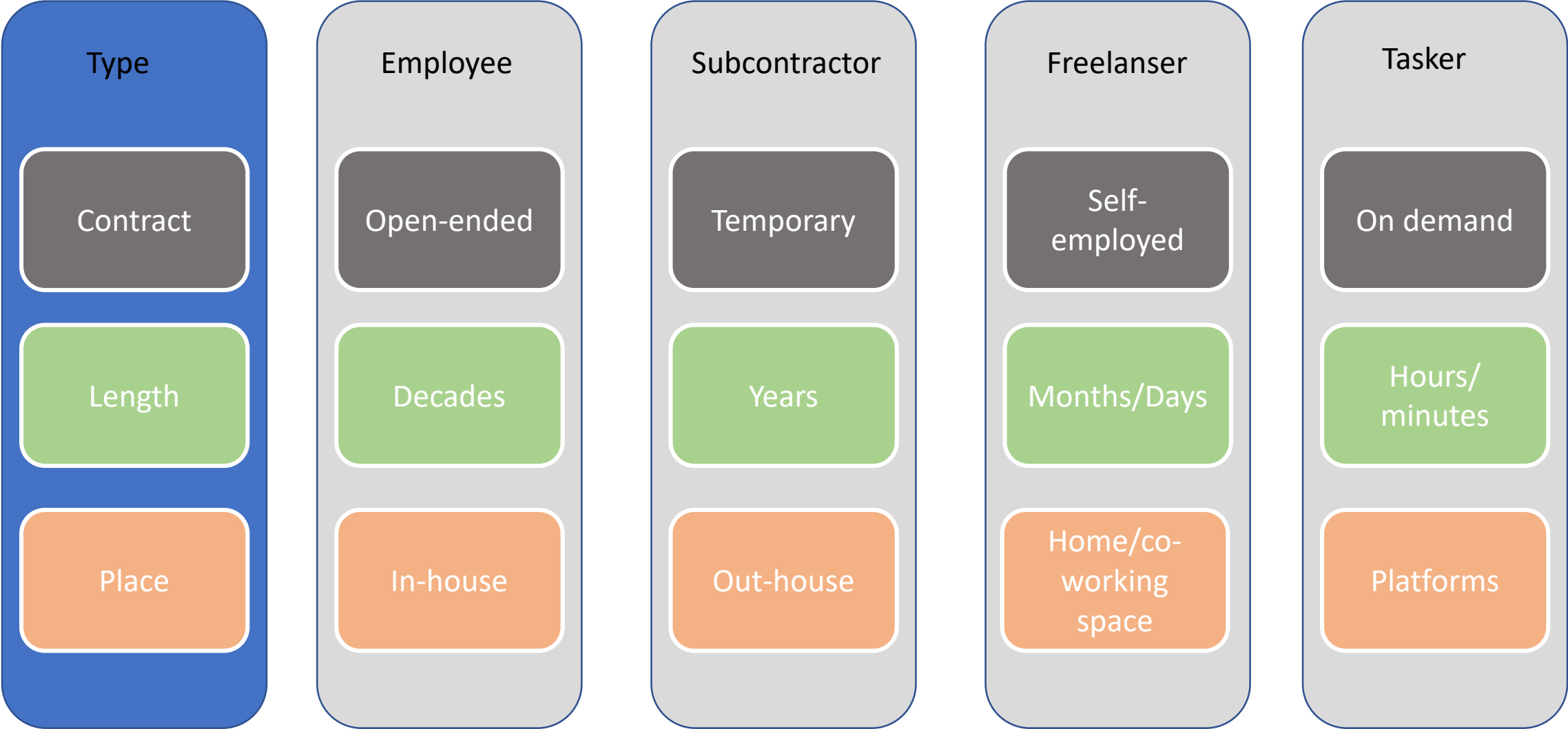
# The Rise of the Freelance Economy

Around 50% of American residents would be independent contractors by 2027



*Predictions for the Future of Independent Work, MBO Partners, 2016*

**Works assignments are shortening.....**



Adapted from Thomas Malone (The spectrum of jobs)

# Examples of freelancers

- Consultants
- Real estate professionals
- Football players
- Interior designers
- Social workers
- Social media professionals
- Bloggers
- Senior carera/nannies
- PR/marketing professionals
- Artists
- Top Models
- Meteorologists
- Detectives
- Exotic dancrs
- Opera singers
- Yoga instructors
- Chiropractors
- IT professionals
- Tranlators / interpreters
- Headhunters
- Virtual assistants
- Fitness trainers
- Actors/Film makers
- Tour guides
- Landscape gardeners
- Web developers
- Journalists/Cartoonists
- Magicianins
- Editors
- Therapistrs
- Photographers
- Game developers
- Fortune Tellers
- Personal coaches
- Bitcoin miners

Understand the change and your own responsible related to that.....

## Work in the future

1. Understand that lifetime employment belongs to the past.
2. You will be in the school the rest of your life.
3. The days of being a boss are numbered, but you will be the boss on your own
4. Be prepared, you may not be ever promoted
5. Robots will not take over all the jobs

## Your tasks in the future

1. Start learning entrepreneurship
2. Develop differentiated skills to avoid the low-wage generalist pool
3. Start learning self-management
4. Start mapping your own future
5. Start learning emotional intelligence

# Examples of different kind of platforms

- Solved (<https://www.solved.fi/>)
- Sumpli (<https://sumpli.com/>)
- WorkPilots (<https://workpilots.fi/>)
- IndustryHacks (<https://industryhack.com/>)
- SkillsHive (<http://www.skills-hive.co.uk/>)
- Treamer (<https://www.treamer.com/>)
- Freska (<https://www.freska.fi/>)
- Wolt (<https://wolt.com/fi/>)
- Freelanser (<https://www.freelancer.com/>)
- Fiverr (<https://www.fiverr.com/>)
- Uber (<https://www.uber.com/fi/fi/>)
- Amazon (<https://www.amazon.com/>)
- Airbnb  
([https://www.airbnb.fi/s/Helsinki/experiences?refinement\\_paths%5B%5D=%2Fexperiences&query=Helsinki&place\\_id=ChIJkQYhscLkkYRYfiO4S9Ts0&search\\_type=autocomplete\\_click](https://www.airbnb.fi/s/Helsinki/experiences?refinement_paths%5B%5D=%2Fexperiences&query=Helsinki&place_id=ChIJkQYhscLkkYRYfiO4S9Ts0&search_type=autocomplete_click))



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*Yhdessä enemmän*

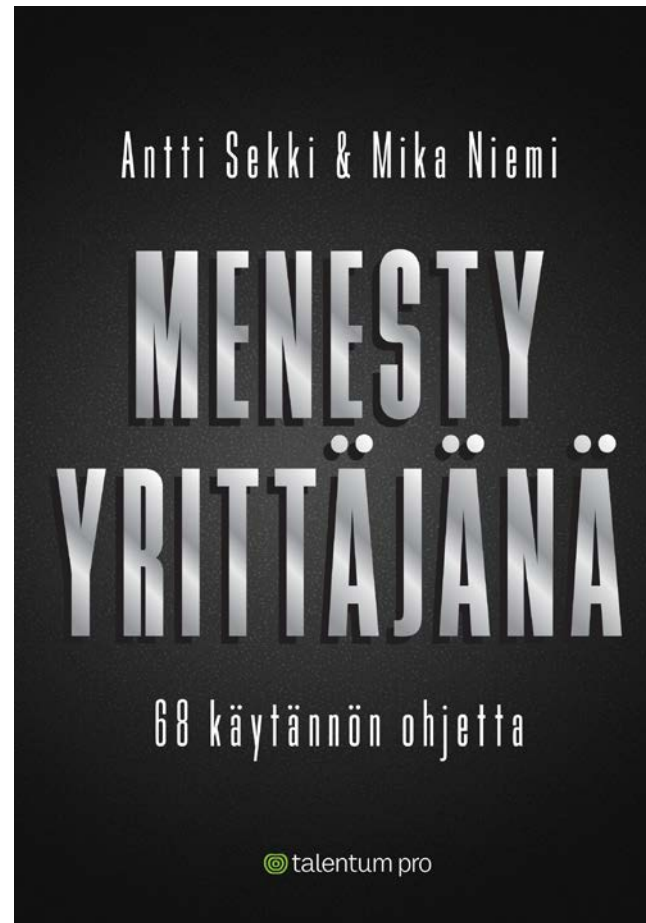
# Success factors

# What is success?

- ▶ The most essential question in entrepreneurship is "*why some companies success and others not?*"
- ▶ BUT what is success?



My exploratory survey with 300 different companies.....



# BE SUCCESSFULL AS AN ENTREPRENEUR – 68 practical advices

- ▶ **14 three star (★ ★ ★) advices**
  - ▶ Solid scientific understanding among all the researchers
- ▶ **21 two star (★ ★) advices**
  - ▶ Quantitative scientific evidence
- ▶ **33 one star (★) advices**
  - ▶ Qualitative scientific evidence

# Three star advices

- ▶ Team, team, team
- ▶ Get feedback from your customer
- ▶ Practice first with others money
- ▶ Strategic focus area - find your niché
- ▶ Strategic focus area - scalable business
- ▶ Differentiate, differentiate, differentiate
- ▶ Understand the stage of the development of your industry
- ▶ Take care of your cashflow
- ▶ Find your passion
- ▶ Utilize your personality
- ▶ Define your vision
- ▶ Location, location, location
- ▶ Put effort on recruitment
- ▶ Get a degree



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# Internationalization

Antti Sekki



..I want to export,  
but where??

# Researching markets

The first step is to start evaluating opportunities in promising export markets.

It involves the screening of large lists of countries in order to arrive at a short list of two to five.

The shorting method should be done on the basis of various will potentially affect export operations in chosen market.

# Range of information required

The demand for product/service.

The size of the potential audience.

Whether the target audience can afford product.

What the regulatory issues are that impact on exports of product.

Ease of access to this market – proximity/freight.

Are there appropriate distribution channels for product/service.

The environment for doing business – language, culture, politics etc.

Is it financially viable to export to selected market.

# Range of information required

## CONTINUES

### EXAMPLES OF MARKET RESEARCH

- Market size
- Growth rate
- Trends in the industry
- Technological trends
- Customer insight
- Product requirements
- Competition (companies, technologies)
- Pricing level (or possible scale)
- Possible barriers to sell the product
- Finding out actual customers
- End users and different kind of conditions to use the product
- Customer segments
- Where the customers spend time
- Where customers are looking for information (or possible solution)
- Customer expectations
- Best timing to go to the market (or do the campaigning)
- Consumer behaviour, trends, or possible opinion leaders
- Factors that influence on purchasing decision
- Other products, distribution channels, technologies, business concepts, etc.
- Industry value chain, and possible alliances
- Way to do business
- Regulatory issues
- Cultural factors



# PESTE(C)- analyse

- **P**olitical (poliittinen)
- **E**conomic ((kansan)taloudellinen)
- **S**ocial (sosiaalinen)
- **T**echnological (teknologinen)
- **E**cological (ekologinen)
- **C**onsumer (kuluttaja)

# PESTE(C) – analyse

Year 2019

Iraq      Russia      Sweden      Baltics      Germany

- **Political**

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- **Economic**

---

- **Social**

---

- **Technological**

---

- **Ecological**

---

- **Consumer**

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# Other "tool" for the comparison

Target countries	+	-
1. _____	_____	_____
	_____	_____
	_____	_____
2. _____	_____	_____
	_____	_____
	_____	_____
3. _____	_____	_____
	_____	_____
	_____	_____

## ...more arguments

Product/service

Why??

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

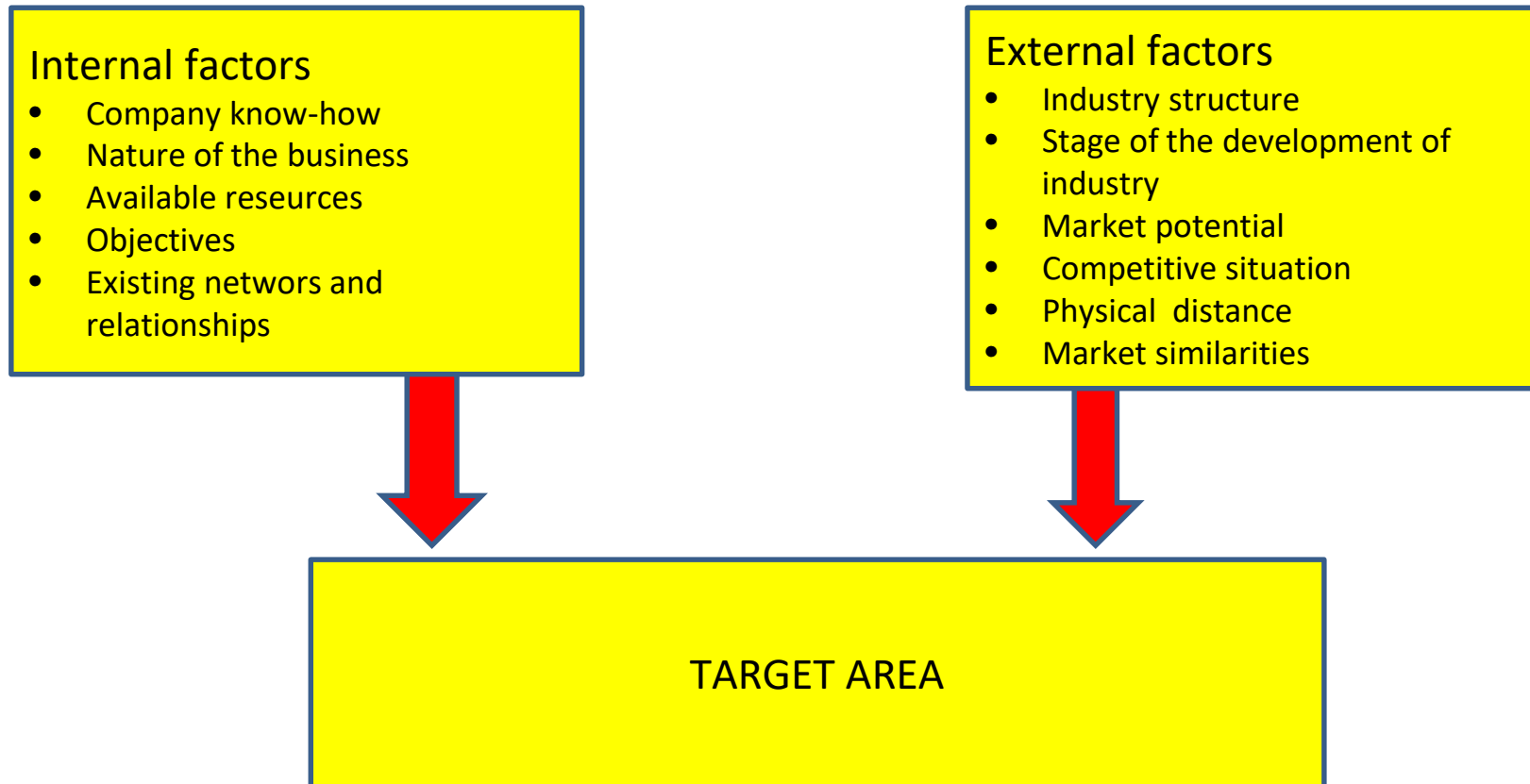
\_\_\_\_\_

5. \_\_\_\_\_

\_\_\_\_\_

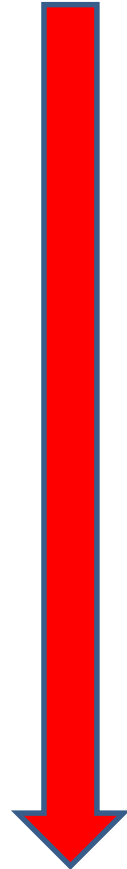
# Choosing the target area

CONTINUES..



# Choosing the target area

CONTINUES..



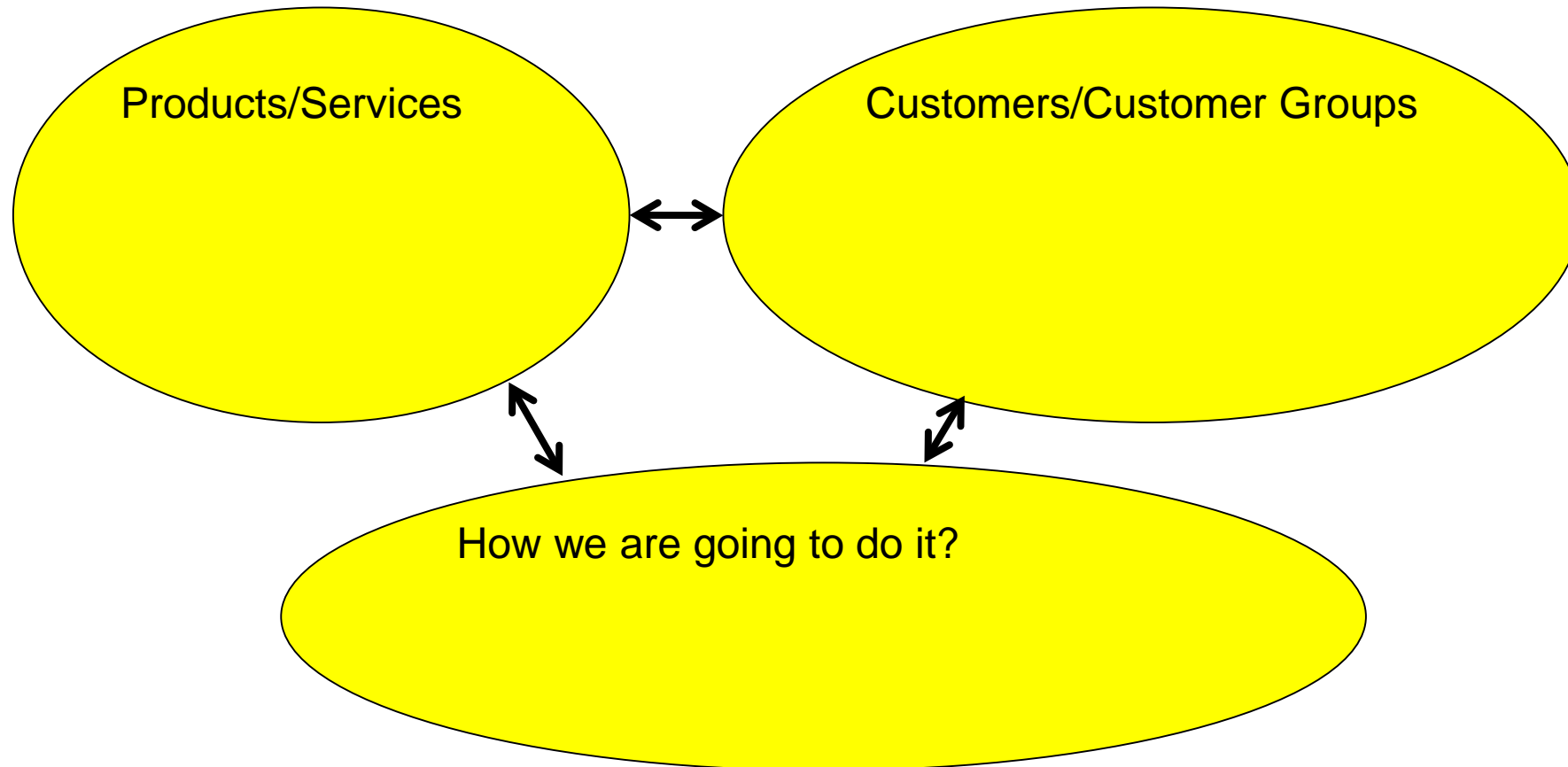
"All the countries"  
Preliminary overview  
Just a general country specific factors

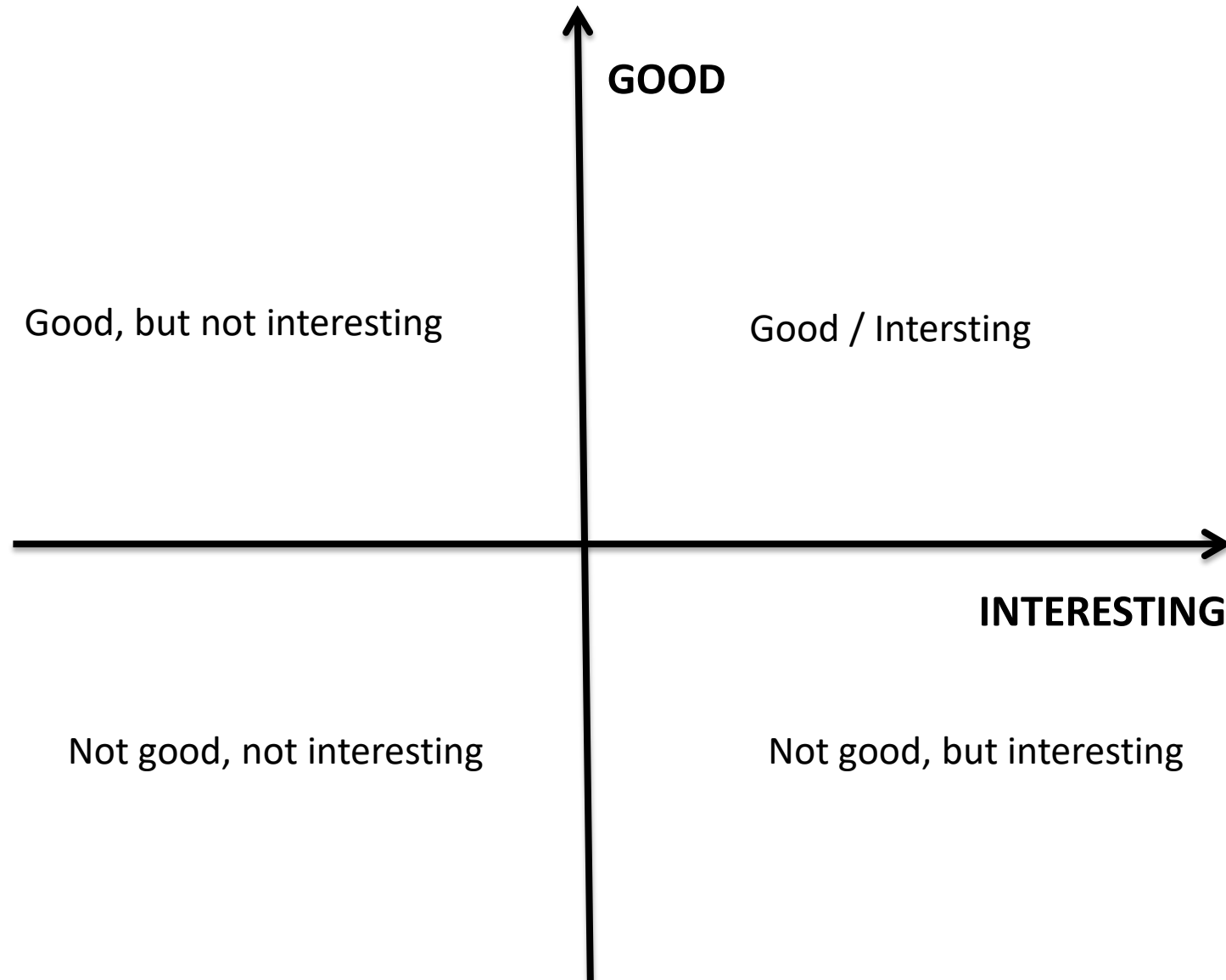
Possible target countries  
Size of the market  
Market potential

Potential target countries (1-3)  
Sales potential estimation  
Comparison with existing products and competitors  
Consumer- and/or customer analysis  
Distribution analysis

Target country  
Recognize, and choose the correct segment(s)  
Start internationalization, if it feels right!!

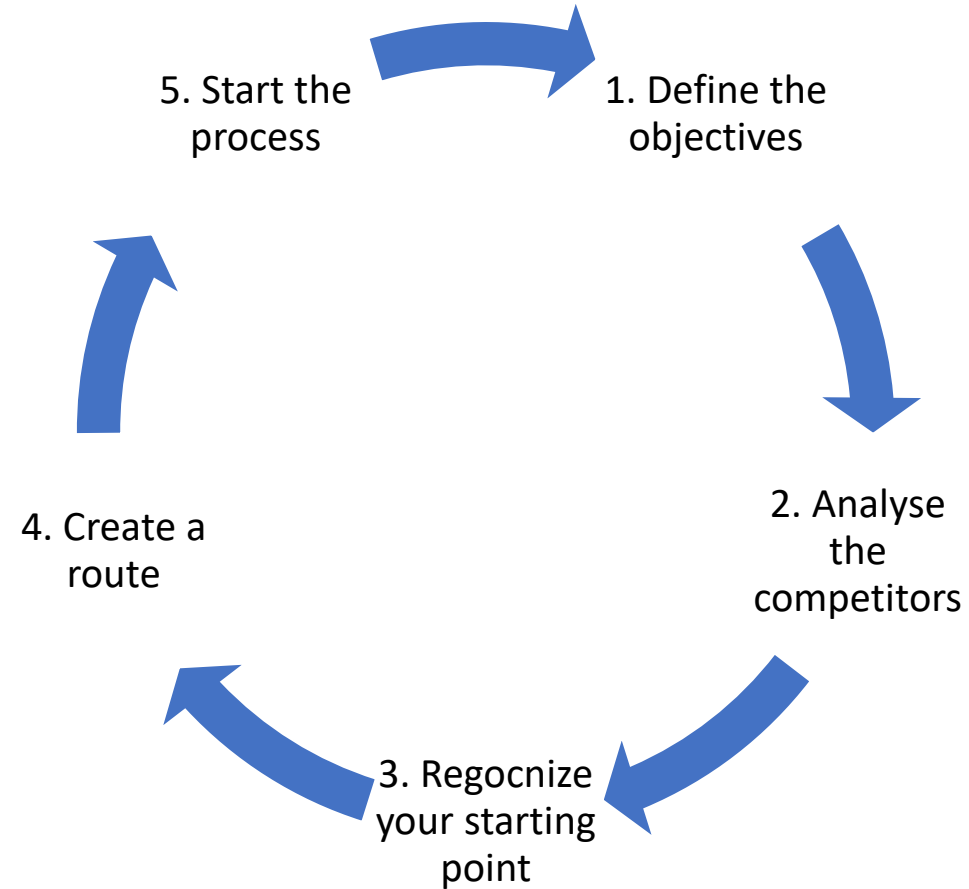
# The Business Idea of Internationalisation







# Five steps model to start internationalization





# Pricing

Antti Sekki



# Pricing

Pricing decisions influence about the price and terms of payment at which a product / service is sold.

Price is one of the most important strategic decisions of a company because it influences on various things:

- the image of the product
- product sales volume
- other marketing tools
- business profitability

# Pricing tasks

- Ensuring sufficient sales
- Ensuring sufficient market share
- Ensuring profitability
- Preventing destructive price competition
- Create the desired price image


# Pricing

The price is set by the market.


The costs determine the lower limit.

# Pricing your own competence

The hospital district organize a public tender for 4-hour outpatient rehabilitation. Treatment takes place in the patients' home and travel costs should be included in the offer. All rehabilitation patients are within your hospital district. The company has fixed costs of € 700 per month and the entrepreneur would like to pay a monthly salary of € 2,500. At what cost is the entrepreneur able to provide services to keep operations at a reasonable level?



**Phase 1:**  
*Counting fixed costs*



**Vaihe 2:**  
*Counting variable costs*



**Vaihe 3:**  
*Billing rate*



**Vaihe 4:**  
*Own cost price*



**Vaihe 5:**  
*Price that includes entrepreneur "reward"*



**Vaihe 6:**  
*VAT or import tax*



**Vaihe 7:**  
*Entrepreneur "reward" after income tax*



# Pricing a product

You are acting as a sales representative. You have agreed with the principal the terms of purchase as follows. You buy products for €50 (VAT 0%) per piece and the selling price (recommended) is €70 (VAT 0%) per piece. The target gross margin is 40%. How much monthly turnover do you need to support yourself?

You have purchased a leasing car for your company at a cost of around €1100 per month. Other fixed costs are around €400 perkk.



**Phase 1:**  
*Counting fixed costs*



**Phase 2:**  
*Countin variable costs*



**Phase 3:**  
*Break-even*



**Phase 4:**  
*Profit that includes entrepreneur "reward"*



**Phase 5:**  
*VAT or import tax*



**Phase 6:**  
*Entrepreneur "reward" after income tax*



# We should understand the importance of sales margin

Cost structure	Sales margin (%)	Needed turnover
91 605 €	20 %	458 025 €
91 605 €	30 %	305 350 €
91 605 €	40 %	229 013 €
91 605 €	50 %	183 210 €
91 605 €	60 %	152 675 €

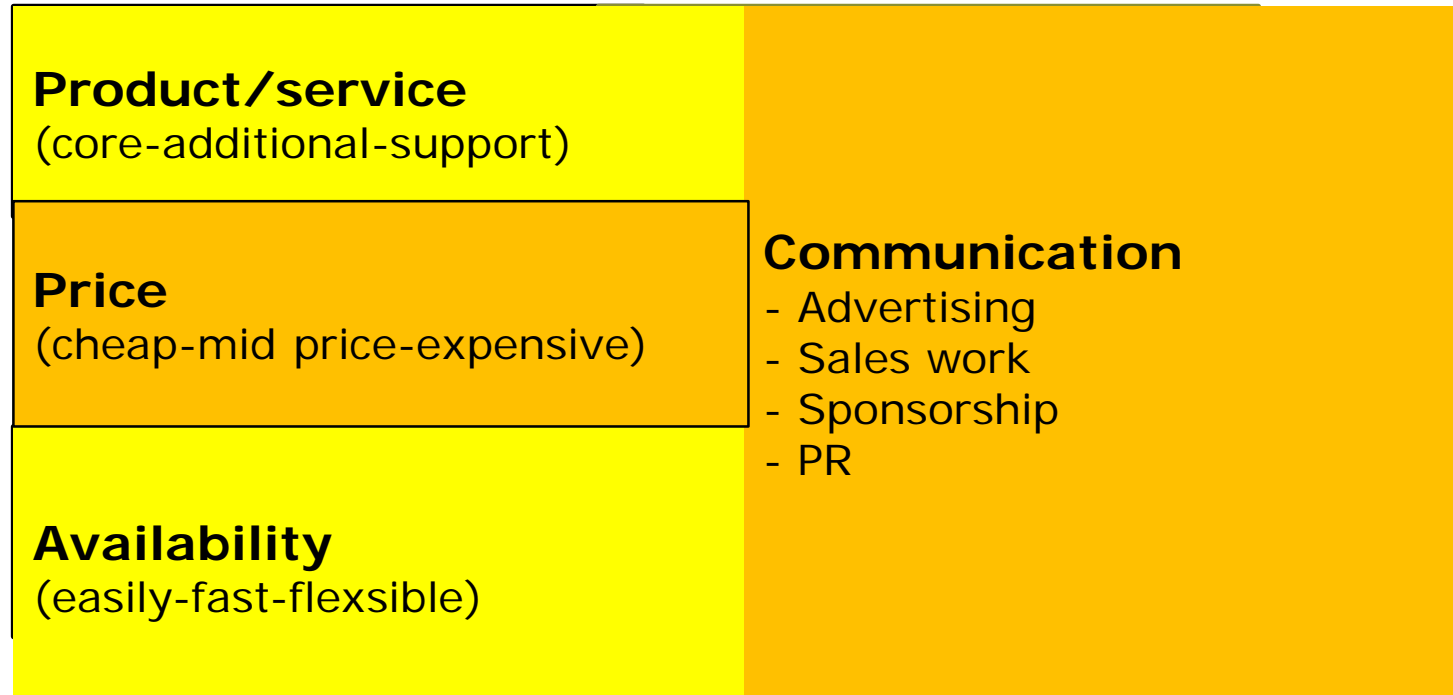


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# Practical sales work

Antti Sekki

# The core elements for competition



# Definitions of Personal Sales work

- ▶ *"Personal selling is the process of informing customer and persuading them to purchase product through personal communication in and exchange situation" (Dibb et al. 1998)*
- ▶ *"It is not something you do to someone, it's something you do for and with someone"*
- ▶ *"Selling starts by selling your personality"*

# The seller's theses

- **Seller's success factors**
  - ▶ **Entuastic** 51 %
  - ▶ **Product Information** 15 %
  - ▶ **Social skills** 19 %
  - ▶ **Product/price** 15 %
- **Be honest!**
- **Emphasize the things that work!**
- **Eliminate those that don't work!**
- **Remember the difference between power and threat, and the importance of humility!**
- **The seller is responsible for himself, his results and the customer's decisions!**
- **Find out how and where you will get the best results!**

# Sales process

1. The preparatory stage

+

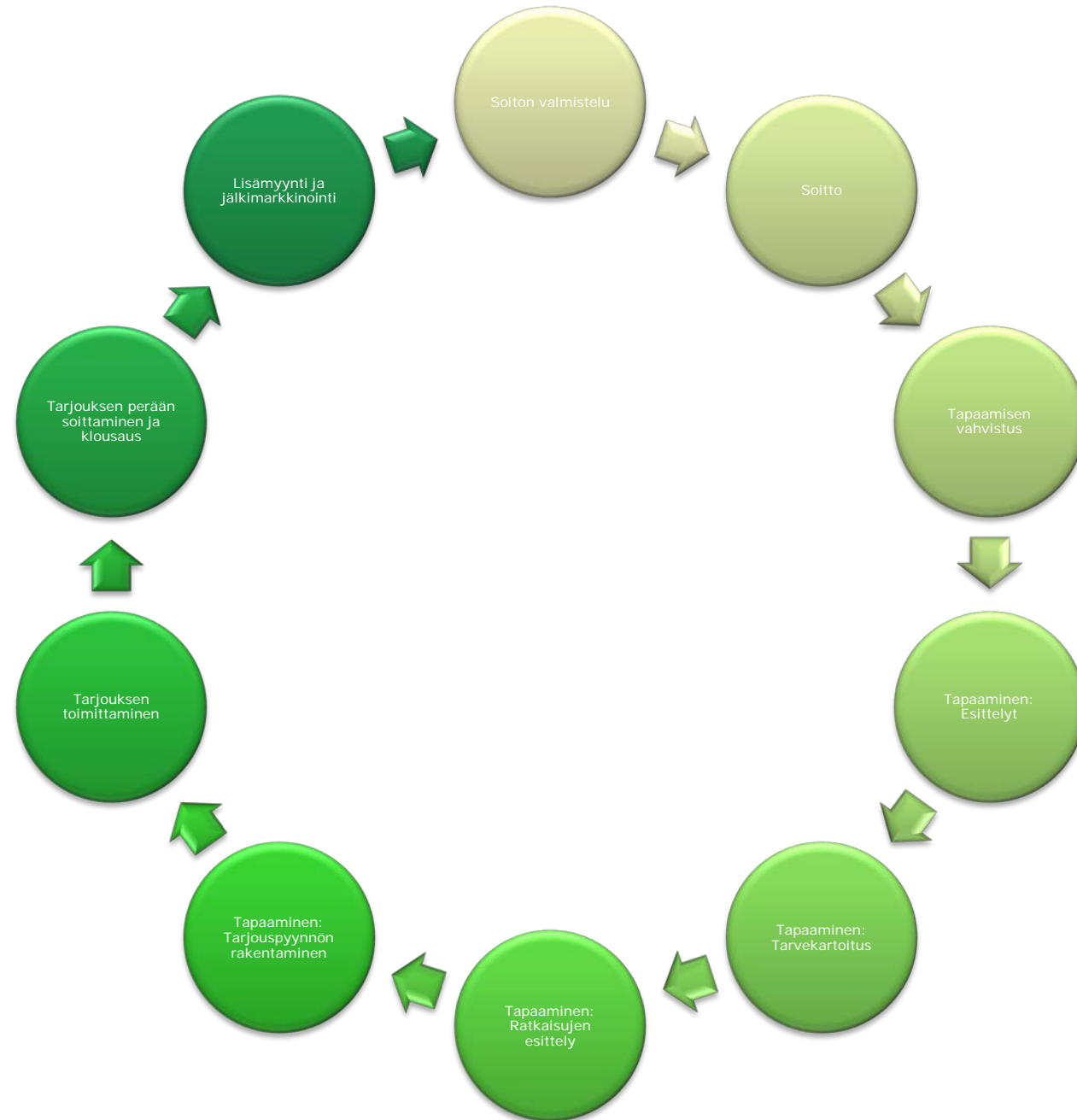
2. Sales situation

+

3. Aftermarket

=

**Sales work**



# Sales Work “Marching Order”

M (mapping phase)	100 %
M (proposal)	70 %
-----	
D (demo)	50 %
C (consideration)	30 %
C (close)	15 %
O (order)	8 %

- The Seller Requires Determination and Hard Work→
- Success as a reward



# How is a Good Seller?

- Believes in his own products
- Is able to “read” the situation
- Friendly
- Service oriented
- Honest
- Sincere
- Respects the customer
- Recognize mistakes

# Closing a deal

**...the target is trade**

**Your job is**

Evaluate the right moment for decision making

Help and encourages the customer to make decisions

Maintain a good “negotiating” atmosphere

Take decision-making as a natural matter

# "Closing" techniques

- Direct question
- Two positive options
- Suppose the trade is clear

## buying signals

- Questions
- Body language
- Customer opinions

# Basics of Sales Psychology

- Not a product but a benefit.
- The product must meet customer needs (some might be hidden ones).
- Not with reason, but with emotion.
- Objections are OK.
- Don't argue with your customer!
- Remember expression and listening skills!
- Make sure the customer's expectations are realistic!

# Why does the sales situation fail?

- The seller talks too much.
- The seller is self-centered.
- The seller does not understand his field.
- The seller praises too much.
- The seller criticizes the competitors.
- The seller / buyer is having a bad day.
- The item does not meet customer needs.

# Required from seller

## **The right attitude**

- To themselves
- To their work

## **Positive attitude**

- To themselves
- To their work

# Sales situation

## Set for negotiation:

1. The main objective
2. The secondary objective

# Classroom exercise

- ▶ Discuss in a group
  - a successful sales situation, what did the seller do correctly?
  - a failed sales situation, what did the seller do wrong?
- ▶ Did these activities influence your purchasing decision?



Thanks

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