

Future Companies Innovation Programs

Part One:

Establishment of Small and Medium Businesses





Session No. 2

Choosing My Appropriate Project & Preliminary Feasibility Study (PFS)

At the end of the session, we expect the following:



- Identify the most important challenges in the world of entrepreneurship.
- Identify the entrepreneurial tendencies.
- The ability to choose the appropriate project.
- Acquiring the necessary skills to study the feasibility of small and micro projects.
- Practical application of the feasibility study in one of the projects and graduating with an integrated feasibility study.

Training Methodology



Business
Models and
Tests



Brainstorming



PowerPoint
Presentation



Group
Discussion



Ask Direct
Questions

Training Topics



Entrepreneurship challenges



Entrepreneurial capabilities tests



Choose the appropriate project



Preliminary feasibility study of the project



Participants' Expectations



Write down expectations
on the wallpaper

Program Rules



Turn off your phone
or put it on silent mode

Listen carefully



Participate in working groups



Respect the time



Speak in a clear voice



Pre-Test



My Challenges, My Abilities, My Idea



Entrepreneurship Challenges



Do I have leadership capabilities?



Choose a project idea

What types of
challenges do
entrepreneurs face?

Write the question
on the wallpaper

Direct Question to Participants

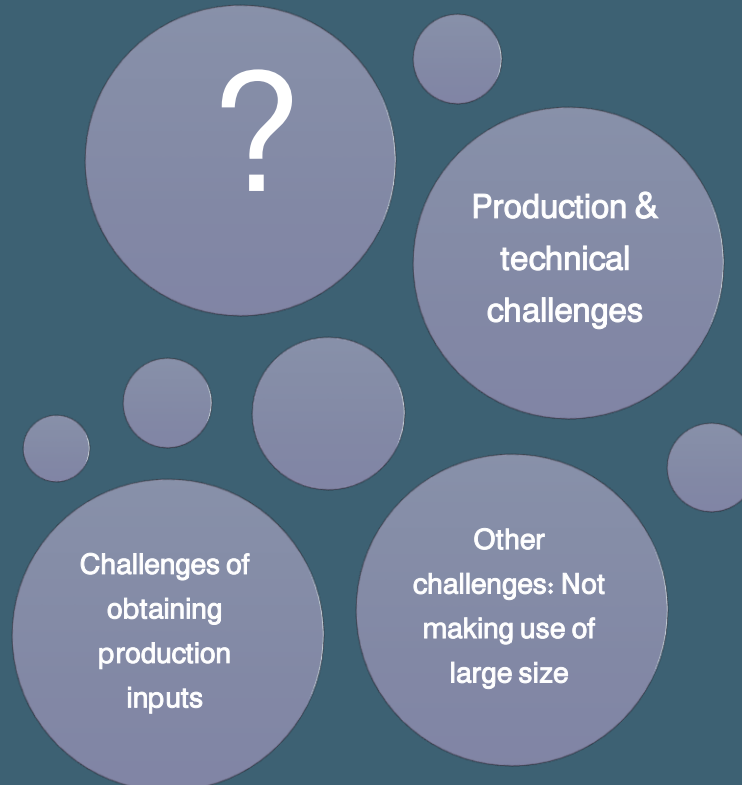


The Most Prominent Challenges of Entrepreneurs and Project Owners



Challenges of Small and Medium Enterprises

The Most Prominent Challenges of Entrepreneurs and Project Owners



Challenges of Small and Medium Enterprises

After learning about the types of challenges, what are the details of the challenges at the level of each type?

Write the question on the wallpaper

Group Workshop



Personal Capabilities & Skills Challenges of Entrepreneurs:

1



- The personal capabilities and skills of male and female owners of small and medium enterprises play an essential role in the success and prosperity of their projects, especially since most entrepreneurs in their beginnings rely primarily on self-management and making every effort to achieve their goals and objectives.



What are the personal capabilities and skills of entrepreneurs? What is the difference between skills and capabilities? How does this affect the success of their small and medium enterprises?

Write the question
on the wallpaper

Direct Question to Participants



Personal Capabilities & Skills Challenges of Entrepreneurs:

1



Personal Skills:

Effective communication and relationship building skills

- Persuasion skills
- Negotiation skills
- Leadership skills
- Problem solving skills
- Motivational skills
- Adaptation skills and flexibility to all circumstances...etc

Administrative Capabilities:

- Data collection and analysis capabilities
- Strategic capabilities
- Administrative capabilities (planning, organizing, directing, controlling)
- People management capabilities
- Accounting and financial capabilities
- Marketing capabilities
- Selling capabilities
- Development capabilities
- Risk management capabilities

Specialized Technical Capabilities:

- Technical capabilities
- Technological capabilities
- Innovative and creative capabilities
- Specialized capabilities

Personal Capabilities & Skills Challenges of Entrepreneurs:

1



From the figure above, it is clear that any successful project is based on three pillars: **personal skills, administrative capabilities, and technical capabilities.**

Since entrepreneurs and project owners usually rely in their beginnings on self-management, the most prominent challenges they may face is their lack of the minimum capabilities and skills necessary to manage their projects and steer them to safety, especially with the diversity of challenges in the introduction and launch phase of their own businesses.

How do the personal capabilities and skills of business owners, male and female, affect the success of their businesses?

Write the question on the wallpaper

Group Discussion



Personal Capabilities & Skills Challenges of Entrepreneurs:

1



The First Scenario: Total weakness at the level of all capabilities and skills:

In this case, small and medium business owners are completely dependent on others, and here it is expected that the project will be delayed in reaching safety (achieving the break-even point: at which costs are equal to revenues), and in some cases the project may exit the market if the project owner does not have the necessary financing capacity to cover the expected losses.



Personal Capabilities & Skills Challenges of Entrepreneurs:

1

Second Scenario: Possessing the minimum capabilities and skills necessary for success:

Here, small and medium business owners rely on themselves to manage their businesses while seeking help from others in capabilities that they do not have, and here the time period required to reach safety (achieving the break-even point: at which costs are equal to revenues) is reduced, with a high probability of not exiting the market.



Personal Capabilities & Skills Challenges of Entrepreneurs:

1

Third Scenario: Possessing distinguished skills and capabilities:

Here, small and medium business owners rely almost entirely on themselves in managing their businesses, with the assistance of others partially and simply. Here, the time period required to reach the break-even point is very short, and this helps project owners to grow rapidly in the world of business.



Financing Challenges



One of the most prominent challenges for small and medium business owners is the availability of financing to launch their businesses in the market. Therefore, small business owners resort to relying on more than one source of financing, whether through a partner, or through borrowing, or through selling personal property such as: gold, house, land. .. Some small and medium business owners may go to put everything they own on the line to launch their business and enter the world business.

Administrative Challenges

Small and medium business owners face administrative challenges such as:

- High costs of attracting skilled labor.
- Inability to afford employee salaries and benefits.
- Incomplete institutional construction.
- Incomplete methodology, manuals and work procedures, inability to bear the costs of training and development for employees.
- Difficulty in controlling the quality of work according to the principle of efficient management of resources, and the presence of gaps between the planned and the actual work.

Administrative Challenges



- Low experience curve in dealing with administrative problems.
- Low revenues.
- Unexpected costs arise.
- The emergence of internal and external environmental variables, especially those that directly affect the performance and results of small and medium businesses.
- Slow response to challenges, low experience curve in risk management, etc.

Marketing and Sales Challenges

Small and medium business owners face many marketing and sales challenges, the most important of which are:

- Difficulty in obtaining market data and relying heavily on estimated numbers and experience in determining market size and expected demand.
- High prices of products and services.
- Small business owners incur the costs of marketing and promoting services and products.
- The reaction of competitors is unpredictable.

Marketing and Sales Challenges



- Customers' loyalty to competing products and services.
- High costs of presence and spread at the level of distribution outlets.
- Low cash sales.
- High credit sales.
- Inability to adopt sales and incentive policies.
- High purchasing power of customers, consumers, etc.

Production and Operations Challenges



Production and operations management for small and medium enterprises is of particular importance as it constitutes the cornerstone of providing services and products with appropriate specifications, quality and price to consumers and customers. Small and medium business owners face many challenges such as:

- Availability of skilled labor.
- Control product/service quality.
- High costs of machines and technology used in providing the product or service.
- Problems related to production capacity.

Production and Operations Challenges



- High fixed costs.
- High variable costs.
- Fluctuations in price of raw materials, especially for production and industrial projects.
- Transportation costs.
- Storage costs for products.
- Slow response to requests.
- Lack of optimal exploitation of resources (waste of resources).
- Administrative problems in applying standards in providing products and services to consumers and customers.

Challenges of Obtaining Production Inputs



The process of obtaining production inputs is considered one of the most prominent challenges that entrepreneurs face, especially with the sensitivity of raw material prices to surrounding environmental variables and their high prices, and the inability to raise the prices of products and services as a result of the high prices of raw materials, in addition to the expenses of customs, taxes, transportation, storage, etc.

Not taking Advantage of the Large Size



When launching a small and medium business, the sales rate is usually low, resulting in the inability to benefit from the large volume of sales, which in turn reduces costs. The greater the production, the higher rate of covering fixed costs, and achieving remunerative profit rates as a result.

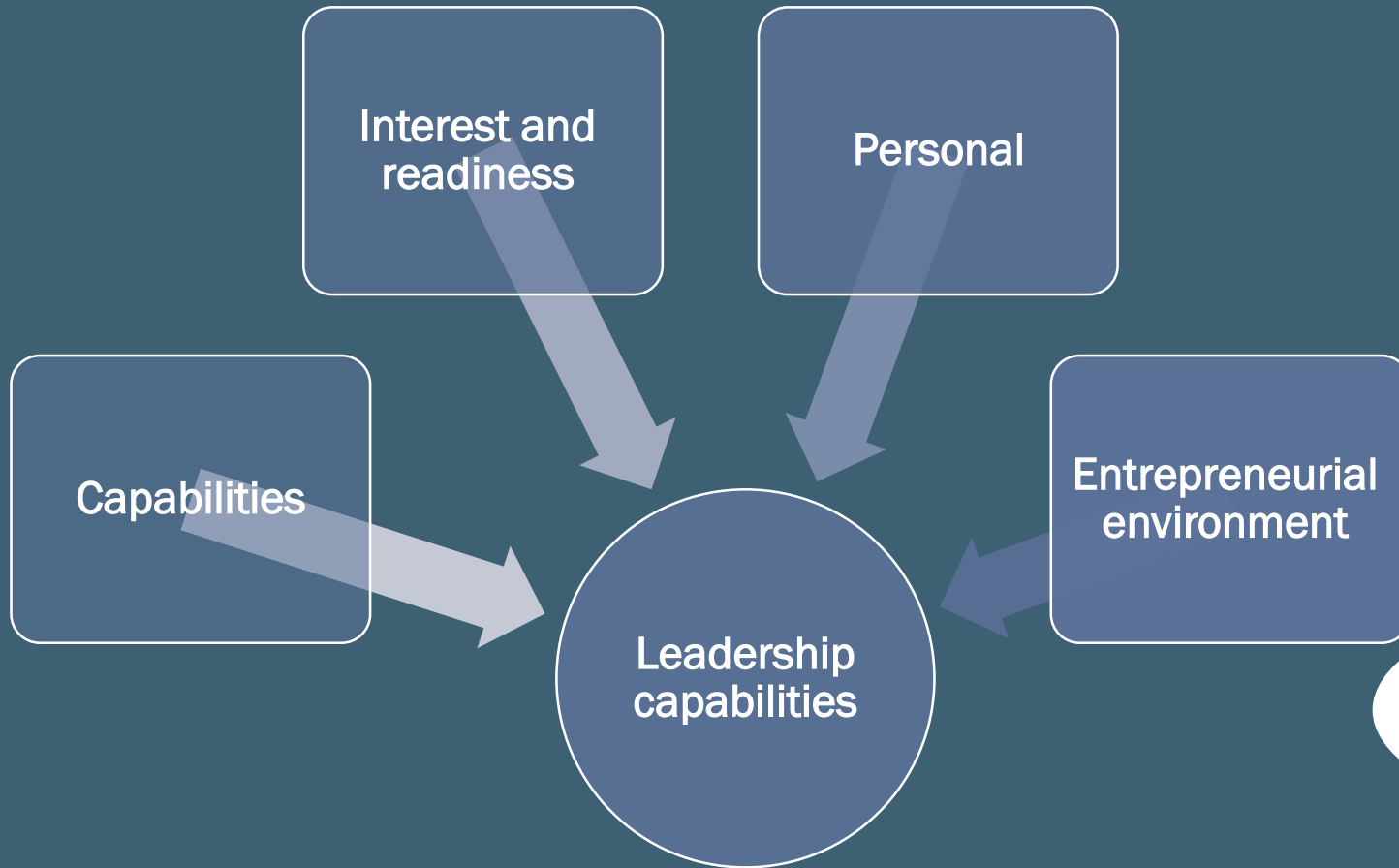
Can you briefly describe the most prominent challenges from your point of view? And why? How can the impact of these challenges be reduced?

Write the question
on the wallpaper

Review: Direct Questions



Entrepreneurial Capabilities Test



Choose Project Idea



How do you generate and choose your project idea ?

The idea is the first building block of the project, and each of us may have many ideas that, if studied well, can lead to successful projects.

Whatever activity you choose, make sure that you love doing it, and that others are willing to pay the price in order to obtain your products or services.

Consider these 10 ideas to help get an idea that suits your abilities:

Choosing My Project Idea

First: Do you have a hobby?! ...turn it into a project

If you love sports, open a sports equipment store, and turn your love for sports into a love for making tools. When you put yourself in the customer's place, you increase your chances of success as a businessman.

Choosing My Project Idea

Second: Are you looking for a product or a service and did not find it in our country?! ... Try to provide what you need and cannot find.

One of the most famous film printing companies in Uzbekistan was started by its owner when he could not find a place to print his films there. Today his company is worth nearly \$100 million .

Choosing My Project Idea

Third: Search for problems...and search for solutions in your own way

Ask everyone around you about the daily problems they face, as they may suggest new ideas to you.

Choosing My Project Idea

Fourth: Come up with a new idea

When you offer something different from what others offer, you will attract a segment of the market that targets this difference. This means that the product or service you provide must acquire a unique characteristic you must know it and you must introduce it to your customers. The results of this adventure do not recognize compromise solutions as it will either succeed brilliantly or fail miserably.



Choosing My Project Idea

Fifth: Provide useful work

When you look at your local community and feel its needs, you can come up with a good idea for your project.



Choosing My Project Idea

Sixth: start where others had stopped

You can benefit from the developments in the world around you.



Choosing My Project Idea

Seventh: Look for emerging markets

Start in the frontier markets where the big players did not pay attention to, and do not forget that these big players started small.



Choosing My Project Idea

Eighth: Implement an old idea in a new way



Choosing My Project Idea

Ninth: Make improvements to what others offer

This is considered an alternative approach to creating new ideas. For example, Singer sewing machine did not invent the machine, but it added to it the development of mechanical movement with the leg instead of the hand.



Choosing My Project Idea

Tenth: Creating new ideas

Tamima Company is considered an example of innovation, as it purchases patents, then manufactures them in small quantities and markets them through a special and innovative marketing system.

Procter & Gamble also created a new type of washing powder to solve the problem of changing colors after repeated washing, which increased the demand for the product.



Stages of Choosing My Project Idea

Generating Project Ideas

Testing Project Ideas

Project Selection

Project Analysis



Generating Ideas



If you are one of the people who do not have an existing project and want to create a special project, but there is no specific idea or there are many ideas whose feasibility or benefit you do not know, then at this stage you must ask yourself the following questions:

Generating Ideas



- What type of business sectors are you seeking to implement? Is it industrial, service, commercial, agricultural, etc.?
- Why do you think this type of business sector suits your entrepreneurial tendencies?
- Do you think that the project you have chosen will be sustainable? Why?
- Do you have the skills, knowledge, and experience necessary to start your own business? Do you think that there are other skills that you should acquire that you think will help you in starting your project?

Generating Ideas



- What are your goals that you seek to achieve from your project?
- Do you have all the financial fundamentals, including capital, assets, location, etc., that will help you to establish your project?
- What are your strength and weakness points that you think need to be accurately identified?
- Are you an adventurous person? What kind of risks do you think you will be able to overcome to succeed in your project?
- Do you think that your idea now is the final idea that you will rely on to start your project? What made you saying Yes or No?



Individual Activity: Generating Ideas



Examine Ideas



After answering the above questions, you will have taken a step forward in defining your project idea or ideas in a better way. You may have identified a list of 10 ideas, for example, and you may have formed the first vision for the project idea that you believe will be the most appropriate, but before setting hypotheses, you must know the following:

Examine Ideas



- Have you identified the sector that best suits your entrepreneurial tendencies?
- What are the skills and abilities that you are proficient in and that you think will be a helpful factor in your project?
- What are the problems or needs that people are looking for that you think your project will solve or cover?
- Have you identified who the target group is? Or in other words, do you have knowledge of B2C and B2B terms?
 - ✓ Can you now define both (B2C) and (B2B)?
- Have you conducted an initial market study? Have you studied competitors? Do you initially believe that your project idea will have a competitive advantage? If yes, what is it?

Project Selection



- After obtaining sufficient information through market research that you studied and analyzed.
- By also ensuring that there is a good opportunity in the business market for your project idea and that the target group that you chose is the desired group.
- Ensuring that there is a competitive advantage for your project that will make it have a greater share in the business market.
- It is time to make the decision to choose the best project idea from the ideas you have come up with.
- To begin the process of implementing the project idea, make a price list for the products or services related to your project and make sure to add the lists of expenses, revenues, and profit margins (estimated).



Individual Activity: Choosing Ideas



Project Analysis

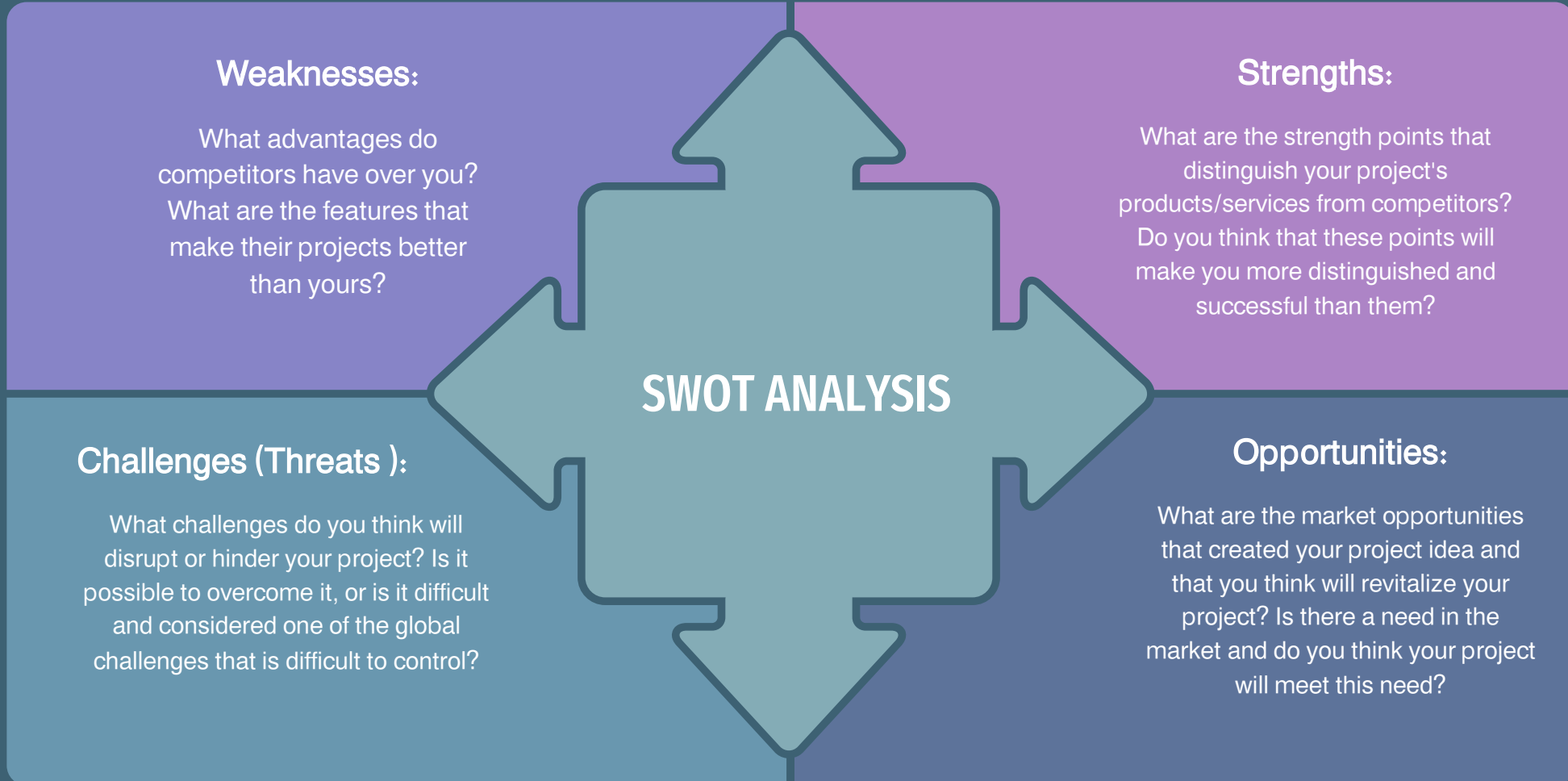
At this stage, make sure that your choice of your project idea is based on the financial analysis you have conducted.



Finally, make sure that your successful idea should include most (if not all) of the following factors:

- ✓ The idea is easy, uncomplicated, and workable.
- ✓ It must have a competitive advantage.
- ✓ You will achieve financial returns.
- ✓ You will achieve continuity and permanence.

Project Analysis



SWOT

	Management and operational capabilities	Physical Aspects	Financial Aspects
Market <ul style="list-style-type: none">. About the target market. Competitor's marketing plans. Market shares. Product features/quality. Market expansion, stagnation, or contraction. Demand and supply (past, present and future)	<ul style="list-style-type: none">• Administrative capacity• Age and experience• Available skills• Technical knowledge• Managing communications and creating business networks• The art of selling to the owner and employees• Human Resource Management	<ul style="list-style-type: none">• Building• Workshops, machines and devices• Technology/Incubator• Site• Transportation• Infrastructure and facilities (public services such as water, electricity, etc.)	<ul style="list-style-type: none">• Capital• Expected cash flows• Possibility of obtaining additional sources• Investment requirements• Profitability• Risks

SWOT

Production Processes Will the product be mass-produced? Does production require a lot of manpower? Is production dependent on demand or is it a continuous process?	Social Environment Are the community and customers accepting the product? Is there any particular bias, things customers like about the product, things customers hate about the product?	Raw Materials Supply Are the material sources sufficient in terms of quantity, quality and price? Will the availability of materials help the project? Will the materials continue to be available?	Information Is the required information available? Do you have time to make a decision or take corrective action?
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Individual Activity: Project Analysis



Preliminary Feasibility Study of the Project Idea

The preliminary feasibility study of the project answers the following:



- What are there social or legal obstacles to establish the project?
- The extent of the need for the project through studying: a general description of the market to estimate consumption, market trends, prevailing prices, consumer tastes, etc.
- The availability of basic production factors such as raw materials, labor, and wage levels in the market.
- An initial estimate of the expected investment amount and operating costs.

Preliminary Feasibility Study of the Project Idea



- A preliminary estimate of expected profits.
- A summary of the problems and risks that the project may face.
- Determine the stages that require focus during the detailed feasibility study (market study, technical study, financial study, etc.)
- Estimating the costs of a detailed feasibility study.

The story of Elon Musk during the foundation of **SpaceX**.

Video

Success Story

