**ITLP AT EASE**

**Steps to create a mini company / mini business**

1) Hold the first meeting:

a) Find a market niche: what is it we are going to sell? Do a marketing survey and SWOT (strengths, weaknesses opportunities, threats) analysis. Select an initial product or service: cheaper, better, and more desirable… (product/service evaluation sheets)

b) Create a name and a logo.

c) Draw up the statutes.

2) Hold the second meeting:

a) Research on the legal requirements of the company.

b) Students apply for a post in the company (job application form).Skills-based selection criteria. They can put in a C.V. Definition, duties and skills of each post. Posts: General Director, Directors of departments or areas (Finances, Human Resources, Marketing and Production), Directors’ secretaries, accountants, advertising manager, employees who produce and sell the product or service…

c) Company organization chart.

c) Sale of shares (share certificate)

**This is the BUSINESS PLAN taken from the book “Junior Achievement miniempresas.es student book”**

3) **Business plan** is a company policy, which is a summary of the goals and objectives and strategies to reach them. The key factor is to control how the objectives are being achieved in order to avoid improvisation.

It has 5 basic points:

3.1) **Executive Summary.**  It is a brief introduction to the business:

a) Basic characteristics of the product or service and the market target.

b) What we do and how we do it, fill needs and differences with other similar competitive products.

c) Where to market and growth prospects of the product.

4) Key success factors affecting consumer purchase intention.

5) Business direction: decision making process, direction skills,…

3.2) **Production Plan**. Here you have to stress on all technical and organizational aspects taking part in manufacturing the product or service production. Production Direction: business progress control, production and sale of the product or service. It deals with three main aspects: productivity, quality and environmental respect.

a) Manufacturing process description: give details about where to buy raw materials, how and where they are transported, how they are stored and used in the manufacturing process, and what this process is consisted of.

b) Location of your business premises and facilities. When you are starting out, it may be possible to operate your business from home until you become more established, especially if you provide a service.

c) Equipment and machinery needed.

d) Production costs.

e) Subcontracting other companies to take part in the production process. Subcontractors do a partial work to another company. You can use subcontracting both ways, to have subcontractors work for you to fabricate components of your finished product or service, or for you to act as subcontractor for other manufacturers.

f) Quality control.

g) Other controls to guarantee the efficiency of the product or service and meet or exceed customers’ expectations.

3.3 **Marketing Plan.** A marketing mix to improve your commercialization strategies (product, price, place or distribution and promotion).

a) Market Analysis:

-a description of the industry sector and the position we hope achieve.

-the most important competitors and market positioning of them.

-how is my product or service different to those offered by my competitors?

-why will customers purchase the product or service from me rather than my competitors?

-are there any barriers to me entering the market?

-what makes my competitors successful?

b) Marketing Strategy:

-define the market target and the market-oriented pricing strategies.

-to do an advertising plan and how the product or service is going to be distributed.

- sale strategies.

-steps to close a sale.

3.4) **Human Resources Plan.** It includes the company organization chart and a brief description of the posts of each employee and how much you are going to pay every one. Human resources direction:

a) Staff policy: staff problems, how to prevent them, problem solving process, social responsibility of the business.

-jobs, salaries and organization.

3.5) **Financial Plan**. Finances Direction: company economic balance, financial risks. Shareholders, bankers and investors will be particularly interested in the financial needs of your business. They will want you to do a short or medium term income statement study to estimate profitability and check the financial feasibility of your business. A income statement is an accounting scorecard on the financial performance of your business that reflects quantity of sales, expenses incurred and net profit. It illustrates just how much income your company makes or loses during the year subtracting cost of goods and expenses from total revenue ( the amount of money that a company actually receives during a specific period) to arrive at a net result, which can be either a profit or a loss.

4) **Winding up or Liquidation**. It is a formal and legal process of dissolving a business, ending its corporate existence, by selling off its assets and paying the creditors from the proceeds of the sale. This process is initiated either by shareholders ( voluntary liquidation) or by the creditors after obtaining court’s permission (compulsory liquidation).