



BUSINESS 02

Human-Business coherence

The key element of creating a business

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A man and a woman are in a meeting. The man is in the foreground, looking at the camera, with his hand near a red scribble on a glass surface. The woman is in the background, looking down. The word 'Target' is written in large, red, cursive letters on the glass.

Target



BUSINESS **MODULE 2**

Human-Business coherence

In this module, you will learn why the key element of creating a business is coherence. You will learn to assess how much your motivations, skills and needs are coherent with what a SHAFE business requires.

What will you learn in this module

- 1 Why businesses exist and why entrepreneurs create businesses.
- 2 The distinction between creating a business for economic and for personal reasons.
- 3 The 7 different functions of the entrepreneur.
- 4 Why the Human-Business coherence is the keystone of any business creation process.
- 5 How to assess your Human-Business coherence.



Chapters in this module

1

What is a Business?

2

Entrepreneur: A multifaceted job

3

Assessment of Human-Business coherence

4

Finding help to assess your Human-Business coherence



BUSINESS

MODULE 2

CHAPTER 1

What is a business

We all think that a business is a structure that sells goods and services. But are you sure that's all it is? It's what we will see in this chapter.

What will you learn in this chapter

- 1 What is the purpose of a business
- 2 The purpose of the entrepreneur
- 3 The main motivations to create a business



What is a business?

You have a business idea in mind?

Congratulations!

But... what do you really know about business?



What is a business?

A for-profit business is an organisation where goods/services are bought and sold to meet some identified and financially valuable needs for users.

Meeting the needs of the customers is therefore the real purpose of a business.

But not just any needs. A company has to meet the needs for which the customers are willing to pay. This is the concept of solvency.

If a business offers goods & services for which people do not pay, it is a non-profit organisation. Nevertheless, if you plan to launch a non-profit organisation, building your product offering is exactly the same as a lucrative business.



Target

Did you know?

Customers' needs are the core reason why businesses exist.

The motivations and desires of entrepreneurs are not the main motive for business creation.

The purpose of a business

Be careful! A customer's interest in a good or service and their willingness to pay for it are not the same thing.

In fact, no matter what you want to sell, there is a good chance that people will be interested/attracted by it. But a multitude of factors influence their decision to pay for it:

- your prices
- your terms and conditions of selling
- the place of your good/service in the hierarchy of their needs
- the socio-economic context
- etc.

Furthermore, it's not because people need your product or service that they are willing to pay for it.

As mentioned above, a multitude of factors can influence their decision whether to pay for it or not.

So, make sure you don't confuse meeting the needs of your potential customers with your sales capacity.

To evaluate your sales capacity, intuition is not enough, you need to conduct a market study.

The purpose of a business

Now we saw that the main goal for a business is to offer goods/services for which people are willing to pay. It's important to understand that all of the other goals of a business, for instance:

- Selling more goods & services
- Communicating effectively on social network
- Innovating by creating new goods & services
- Investing in new equipment to produce more

are also “secondary” goals in the sense that they are the logical outcomes of the main goal of being financially viable.

As a matter of fact, why would you launch a communication campaign or invest in new equipment if nobody is willing to pay for what you offer?

In a company, managers/deciders decide to produce, invest or advertise only, and only if, they are sure they are meeting identified and solvent needs.

The purpose of the entrepreneur

Numerous motivations drive entrepreneurs to create a business. The most common are:

- Working for oneself and not for a boss
- Looking for freedom (self-organisation)
- Self-fulfillment/self-accomplishment
- Earning more money

However, it is very dangerous to confuse the business' purpose we just saw previously and the entrepreneur's purpose.

Here is an example of two situations where these purposes are confused.



Erick's case

Erick is very creative and passionate about life-size games. For years and years he has created tens of different games similar to Cluedo, Jumanji, etc.

Some weeks ago, Erick got fired from his job as a seller in a multimedia shop because all of the companies in his city are experiencing a major economic recession. After some quick thought, Erick realised that he doesn't want to find a new job in a shop, because

there is no job offer (economic recession in his city) and furthermore, he hates that job.

Erick has no diploma and no other experience than in-store salesman.

Erick has one passion in life : board games and life-sized games.

Therefore, he thinks about creating a business that consists of offering different sessions of life-size games to the companies of his city.

He thinks that his idea could strengthen cohesion and trust between employees and managers in the context of team-building weekends which are increasingly popular within big firms. But he is not sure about that and has not studied the potential needs of the firms of his city.

When he is asked why he wants to create this business, Erick answers that he's passionate about life-size games, and he has just been fired so it's the right moment for him, to start a business and live from his passion.

What is wrong with Erick's case

In fact, Erick wants to start a business mainly for personal motivations.

He mainly wants to create a business because he just got fired and there is no job offer and he doesn't want to work any more as a seller anyway.

He doesn't have any other professional experience and he has no diploma. Life-size games are his only hobby which explains his choice to create an activity in that field.

We saw before that the purpose of a business is to meet financially valuable purchasing needs. Are companies in his city currently willing to pay for life-sized games to potentially strengthen trust and cohesion between employees and managers?

In a different context maybe, but in the case of a major economic recession in Erick's home city, while a lot of people are getting fired, we can suppose that firms won't be willing to spend money on life-size games sessions.

Erick confused his personal needs and motivations with the purpose of a business. In fact, he decided to create a business without having studied his potential customers' needs

William's case

William is a part-time baker and works in an industrial bakery. He lives in a small city that has 5,000 inhabitants.

He likes his job, but he has more and more difficulties working because of health and family issues. In fact, William has an advanced cancer (that explains why he works only part-time) and just initiated divorce proceedings. Furthermore, William has serious financial problems (gambling debts).

In his city, there is no bakery and people are driving 20 Kilometers to

buy bread in the closest bakery.

For months and months, people keep asking William to open a bakery, everyone in the city wants a bakery, it will be a big success because the demand is so strong. People will certainly be willing to pay for the bakery's products. Requests after requests come in, William decides to open the bakery.

What is wrong with William's case?

William's focus is mainly on the business: meeting his customers' purchasing needs.

But he totally forgot his personal situation: health, family and financial issues that will probably disrupt (or, worst, collapse) the sustainability and the development of his activity.

In this example, William does not mistake his goals with the business purpose. He actually meets the purpose of a business but he just misses completely his weak personal situation. Starting a business with advanced cancer and financial debts is probably inappropriate.

The matter with these two cases

These two situations highlight something very important.

It's dangerous and potentially detrimental for your activity to create a business only for personal needs & goals (creating a new activity because you just got fired e.g.) as in Erick's case.

But it is equally detrimental to create a business only for economic reasons (e.g. emerging market or important customers' requests) totally ignoring your personal situation as William's case.

Creating a business in appropriate conditions starts with creating it for personal AND for economic reasons.

If one of these two blocks of motivations is too dominant or one is absent, you should probably question your motivations to create a business.

The reasons for creating a business

Creating a business for only one of these two reasons is potentially dangerous and detrimental.

It means you take the risk to miss why a business should exist (= meeting solvent needs) or to create a situation of the incompatibility between your personal situations (motivations, constraints, skills e.g.) and what your business requires from yourself.



Business creation for economic reasons

- A lot of demand from customers
- Emerging market
- ...

Business creation for personal reasons:

- Finding a new job
- Earning more money
- Doing something you like
- ...

If only one, then 

If both, then 

Chapter summary

1

The purpose of a business is meeting people needs by offering products and/or services.

2

Whatever your motivations, it is dangerous to confuse your personal motivations with the purpose of the business.

Chapter completed!

Congratulations! You have successfully completed this chapter!

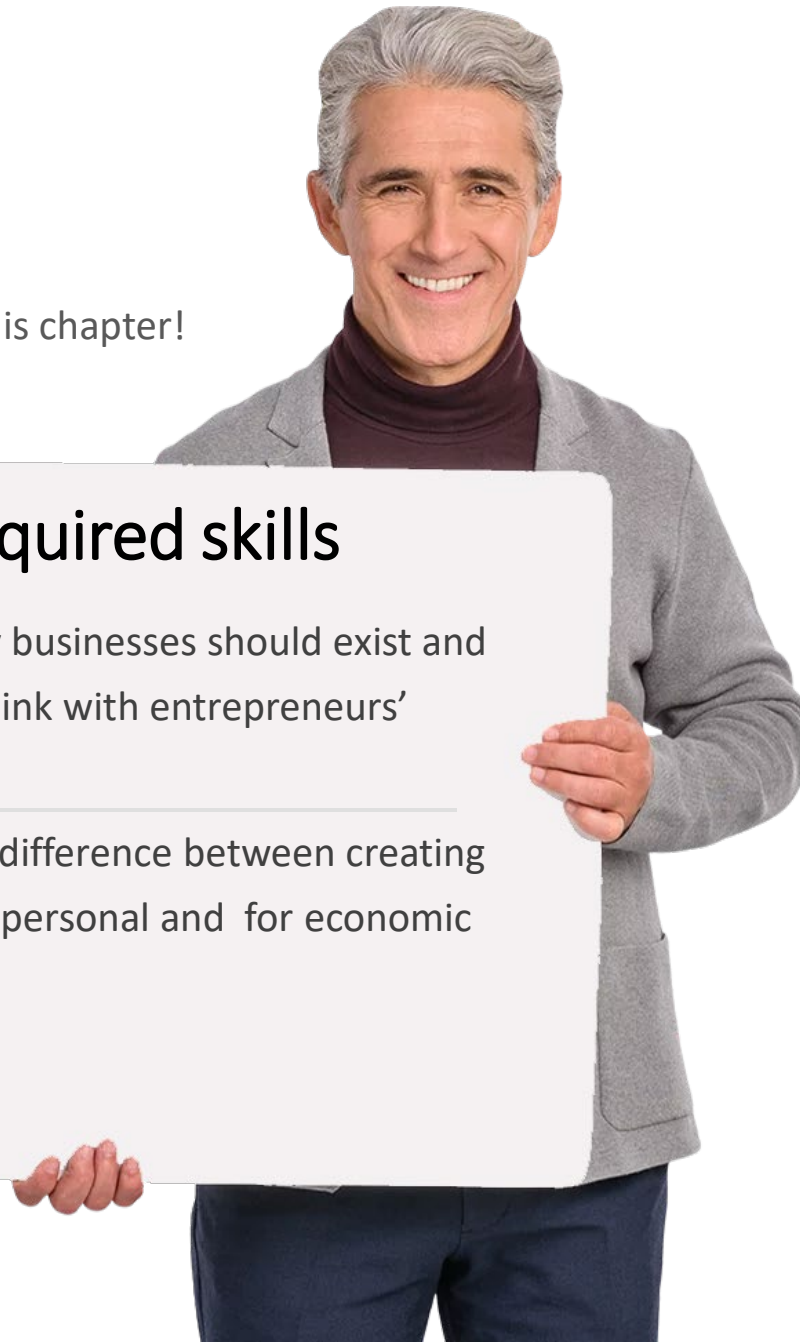
Summary of acquired skills

1

You know why businesses should exist and why it has no link with entrepreneurs' motivation.

2

You know the difference between creating a business for personal and for economic motivations



What is next?

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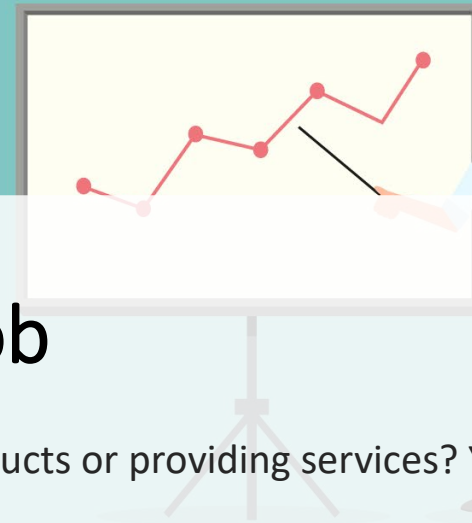
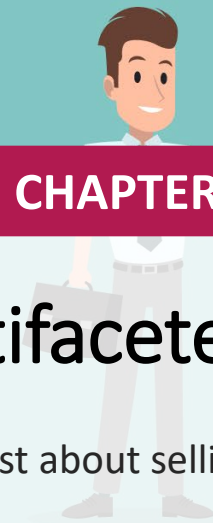
BUSINESS

MODULE 2

CHAPTER 2

Entrepreneur: a multifaceted job

Do you think being an entrepreneur is just about selling products or providing services? You may be surprised about this chapter.



What will you learn in this chapter

- 1 Being an entrepreneur is a lot more than selling goods and providing services.
- 2 The 7 different roles of the entrepreneur.



Entrepreneur : A multifaceted job

The life of an entrepreneur is rarely routine. As a future entrepreneur, your daily tasks are likely be diverse.

Diversity will give rhythm to your days.



Entrepreneur : A multifaceted job

We saw previously that the main purpose of a company is to meet the financially valuable needs of the customers.

But which tasks and activities have to be implemented to meet identified and financially valuable needs of customers?

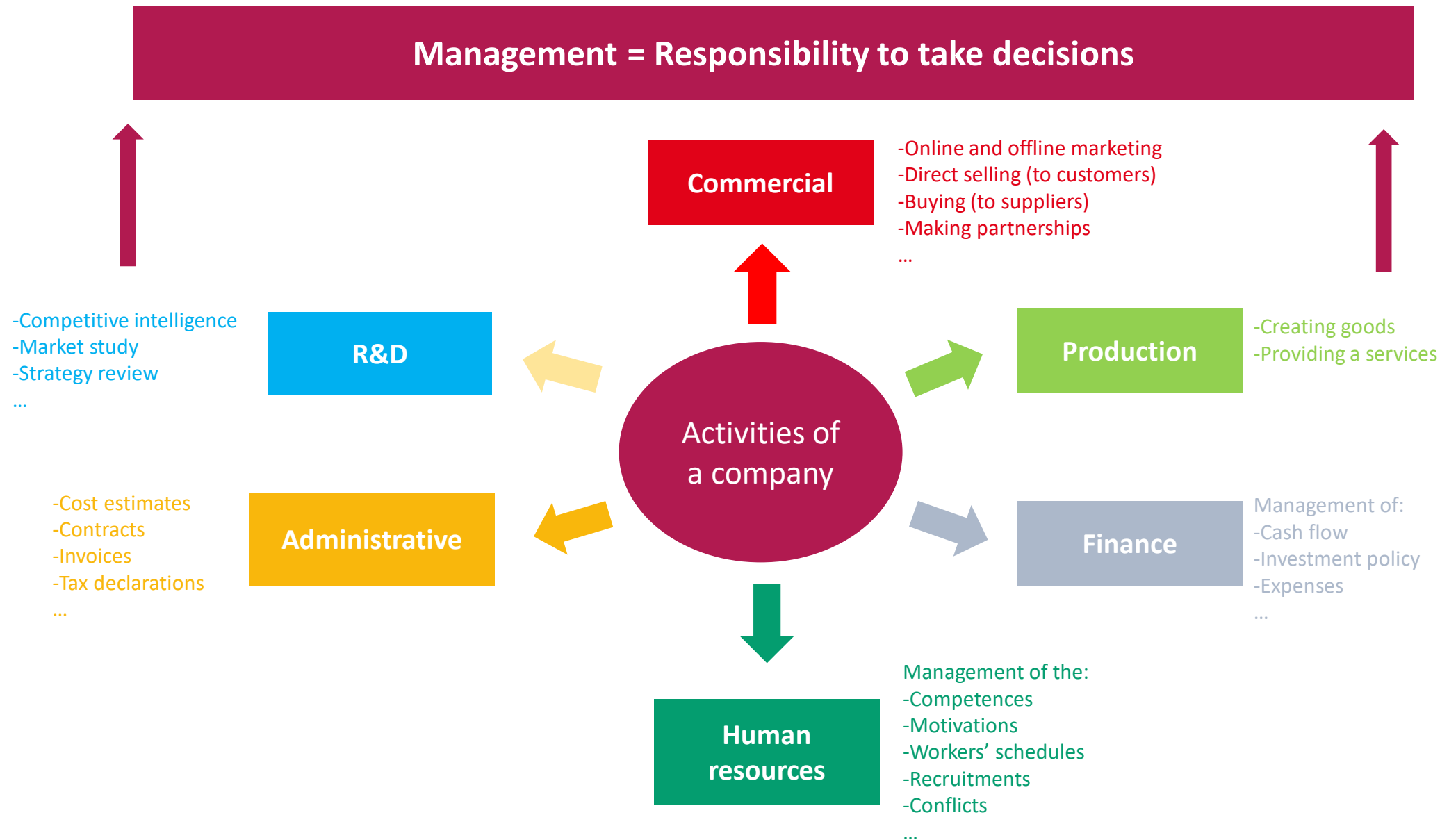
- Producing/Selling goods and services. Obviously, producing/selling is the keystone of a company.

But is it the only function that workers in a company are dedicated to?

- No! Producing and selling products/services are just a part of a company's activities. An entrepreneur is multidisciplinary, they implement various different daily tasks and functions.

Let's take a look at an entrepreneur's everyday roles.





The 7 roles of the entrepreneur

As you can see, we have identified seven different functions in a company. Six of them could be entrusted to other people (employees, contractors...) but one of them has always to be in your control: the management. It means the responsibility to take decisions.

This function means it's your responsibility to set the course of your business and to take decisions to stay the course or turn around.

Management is a matter of analysing, anticipating and taking decisions. As the main decision-maker, it will be your major role.

In any case, whether you handle by yourself all of the functions or entrust one or more to your employees/contractors, it's very important you realise that producing or selling products or services is just one part of the job.

Generally, producing/selling represents 2/3 of your time (if you're working alone without entrusting any task).

In some sectors or in different contexts, some other functions, such as commercial activities, could occupy most of your time.

The shopkeeper example

For instance, if you work as a shopkeeper, your major function will be commercial (including greeting, advising and selling, buying products from suppliers) and administrative (e.g. making, organizing invoices and tax returns and filing them).



The house cleaner example

If you're working as a house cleaner, on the other hand, the major function that will fill your time is providing a skills-based service.

As a matter of fact, the commercial and administrative functions will be less important in terms of time spent on them than a shopkeeper for instance.



The 7 roles of the entrepreneur

Alright! We just saw that your future life as an entrepreneur will be multifaceted. According to what type of business you want to create, you will be more likely to fill the function of salesperson or producer or team manager (if you have many employees).

But in any case, you will be concerned directly or indirectly with all of the seven functions which are all very important for your business sustainability and growth.

Now you know a little more about what running a business in everyday life looks like but... are you cut out for the business you want to run ?

We'll see this in the next chapter!



Chapter summary

1

As a future entrepreneur, your daily tasks are likely be diverse.

2

Providing services and selling goods are just a part of a company's activities.

3

One function has always to be in your control: the management. It means the responsibility to take decisions.

Chapter completed!

Congratulations! You have successfully completed this chapter!

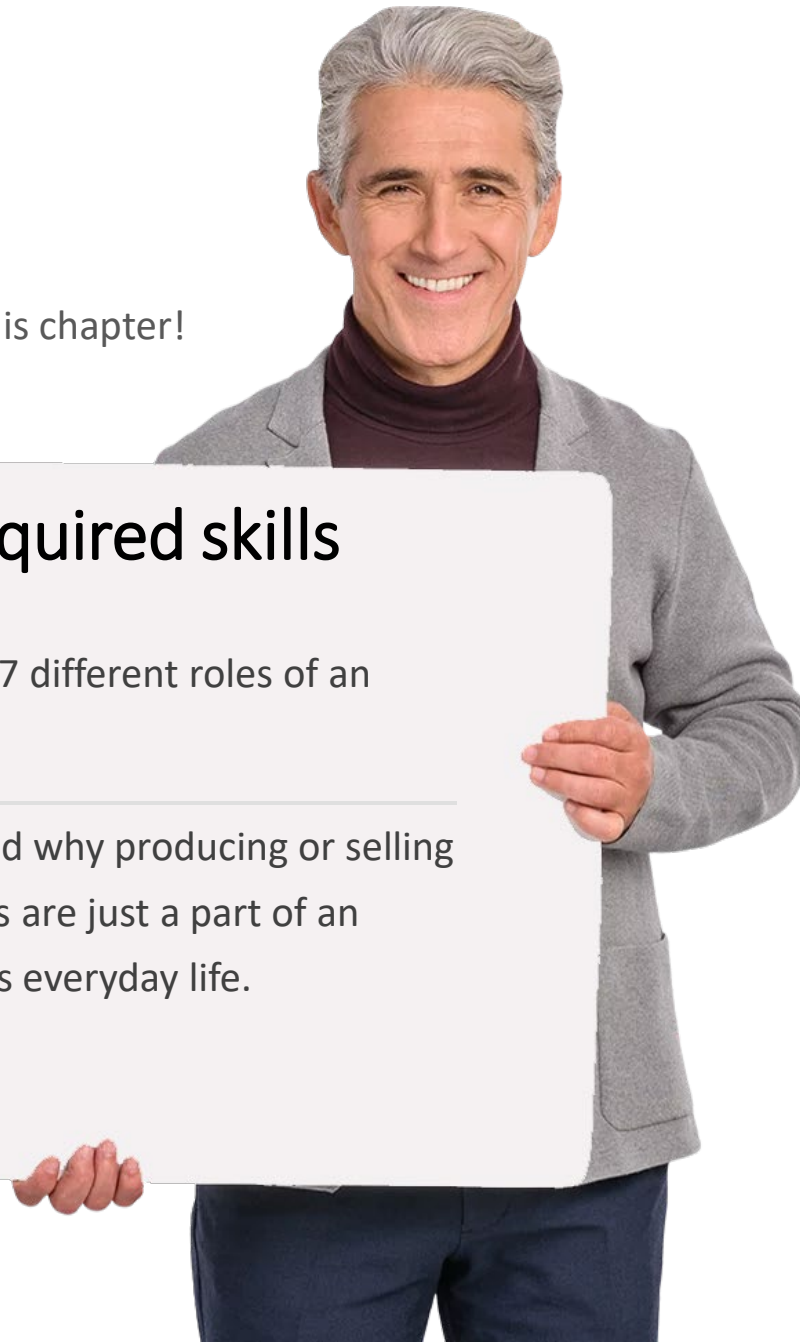
Summary of acquired skills

1

You know the 7 different roles of an entrepreneur.

2

You understand why producing or selling goods/services are just a part of an entrepreneur's everyday life.



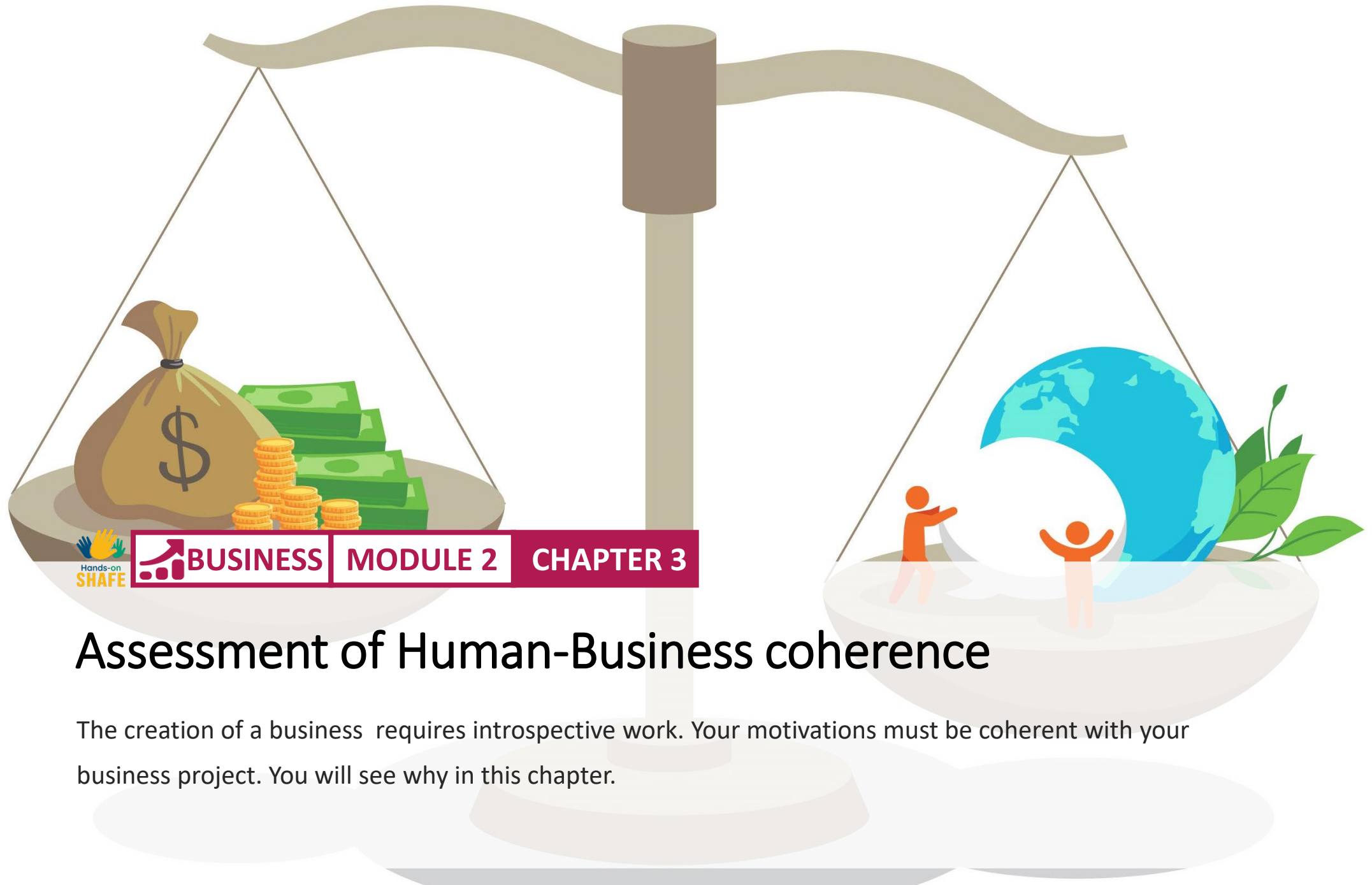
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BUSINESS **MODULE 2** **CHAPTER 3**

Assessment of Human-Business coherence

The creation of a business requires introspective work. Your motivations must be coherent with your business project. You will see why in this chapter.

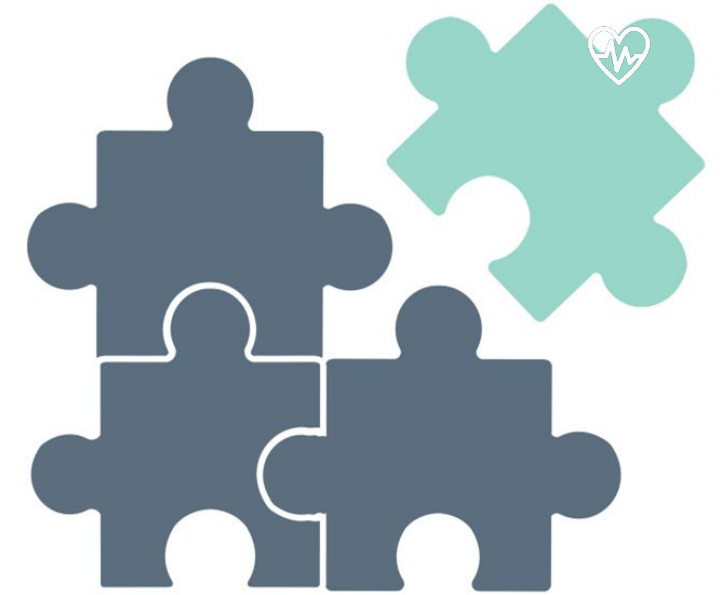
What will you learn in this chapter

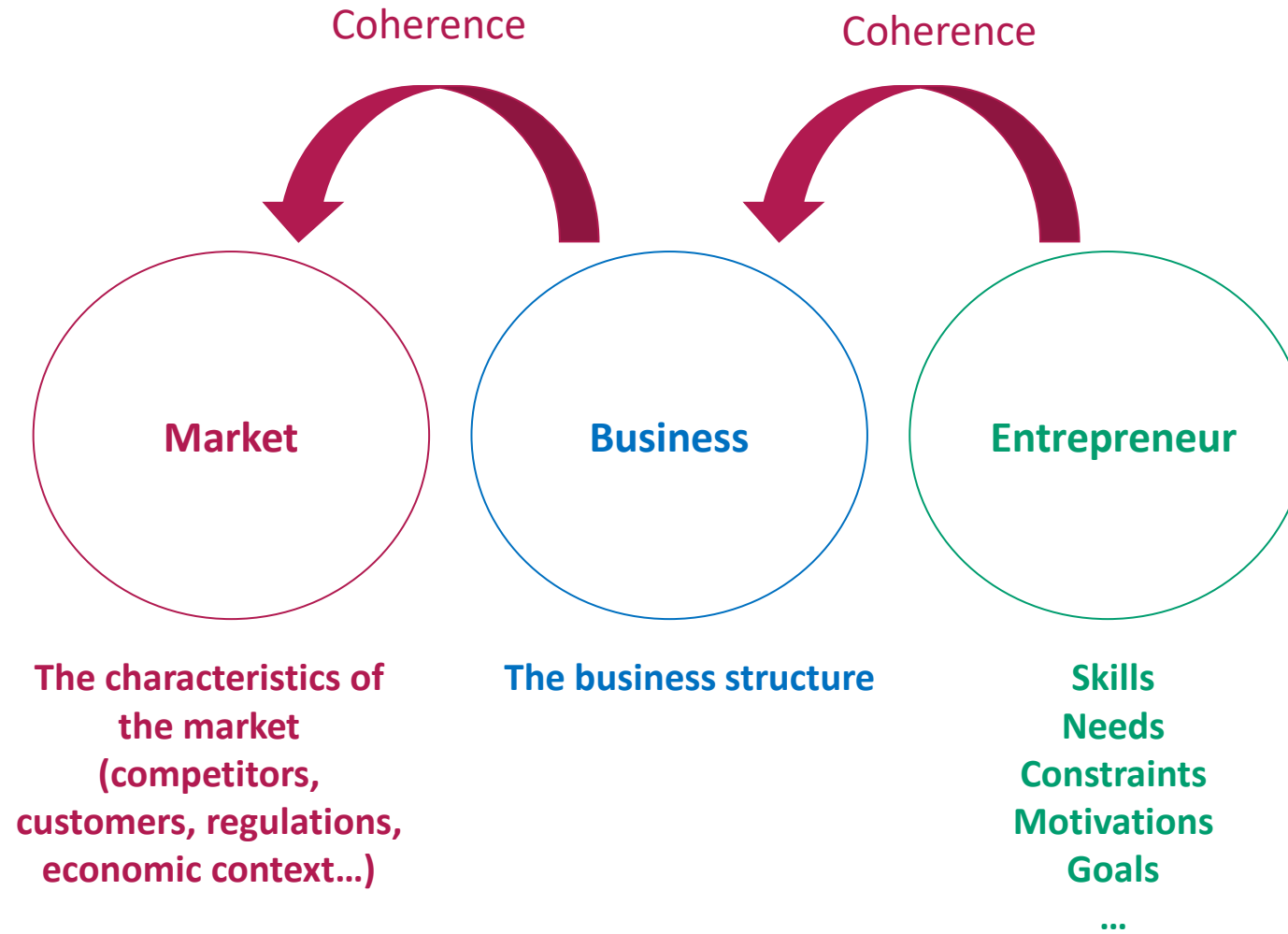
- 1 Why human-business coherence a fundamental of the creation of an activity.
- 2 How to work on your Human-Business coherence.
- 3 Mastering a simple tool to assess your human-business coherence.



Assessment of Human-Business coherence

As we have seen previously with William's case, if your motivation, your skills or even your personal life are not coherent with what your business requires from you, the sustainability of your business is at risk.





Working on Human-Business coherence

As we said in the previous training unit, when you first think about creating a business you need to consider three cornerstones:

- You
- The business environment (competitors, potential customers etc.)
- Your business itself (its organization).

At the beginning, there is probably a lack of coherence in the way you consider these three interdependent cornerstones.

Maybe your skills, your constraints (family, health issues e.g.), your personal goals (finances, self

-accomplishment e.g.) are not so coherent with what is expected from you to lead a SHAPE business.

For instance, if you don't yet have the relevant skills, if you have serious health issues and if you want to create a SHAPE business mainly because the silver economy is flourishing, there is probably what we call a lack of coherence between you and the business project.

In most of the cases, creating a SHAPE business requires certain specific skills, it requires you to be in good shape and it's often a vocation, a job of passion.

What to do if there is a lack of

coherence between you and your business project? Stop everything? Of course not, don't worry, we'll speak about that later in this chapter.

We can also mention the lack of coherence between your business project and your business environment. But we'll talk about that in another training unit.

For this training unit, let's focus on the Human-Business coherence. It means checking that your motivation, your goals, your skills, your experiences, your constraints, your strengths and your weaknesses match with your business idea.

KNOWLEDGE

EXPERIENCE

MONEY

GOAL

FAMILY

SKILLS

HEALTH

MOTIVATION



ENTREPRENEURSHIP



A grain of sand in the gear can cause the project to collapse!

Example of what it could require to be a SHAFE entrepreneur

Knowledge and technical skills	Interpersonal skills	Personal characteristics
Being aware of the challenges faced by ageing people and their caregivers	Benevolence and thoughtfulness	Stress and fatigue tolerance
Monitoring emerging opportunities	Patience	Appropriate physical condition
	Serenity and kindness	Willing to do extra hours
		Emotional resilience

Tool to assess your human-business coherence

Next you will find an example of a tool to assess your human-business coherence.

This tool could be, for instance, a simple chart with multiple-choice questionnaire.

Here is how it could be filled out.



Example of a tool to evaluate human-business coherence

Topic	Assessment	To do (Example of actions to implement)
Training	Insufficient or inappropriate Incomplete Adequate	1 – Identify appropriate and/or sufficient training 2 – Following the training ...
Professional experience	Insufficient or inappropriate Incomplete Adequate	1 – Finding a professional experience to gain experience and skills in that field ...
Family	Against the project Neutral Actively supportive	1 – Open a discussion with family members to reach an approval ...

Tool to assess your human-business coherence

The first column allows you to list different topics related to your personal means and resources to lead a business. For instance, your motivations, your skills, your strengths, your room for improvement. In other words, this column is designed to take an inventory of all of the personal resources that are important and need to be taken into account when launching a business.

The second column is designed for the evaluation of each topic: how comfortable are you with each topic?

Finally, the third column is designed to identify the actions to be taken to make progress in each topic.

For instance, if the assessment of the topic “professional experience” (first column) is considered as “inappropriate” or “insufficient” (second column), this third column enables you to make a list of different actions to implement in order to make this topic more appropriate.

Let’s take a look to this tool.

Example of a tool to evaluate human-business coherence

Topic	Assessment	To do
Personal constraints	Health/physical condition Financial issues Time issues	<ul style="list-style-type: none"> - Get treatment / Await health recovery - Save money ...
Motivation	Money Self-sufficiency Passion	
Strengths	Skills Personal network Financial contribution	
To be completed*...		

*this chart is an example of tools used to evaluate entrepreneur/business coherence. More completed tools are available in the working document "tool n°1".

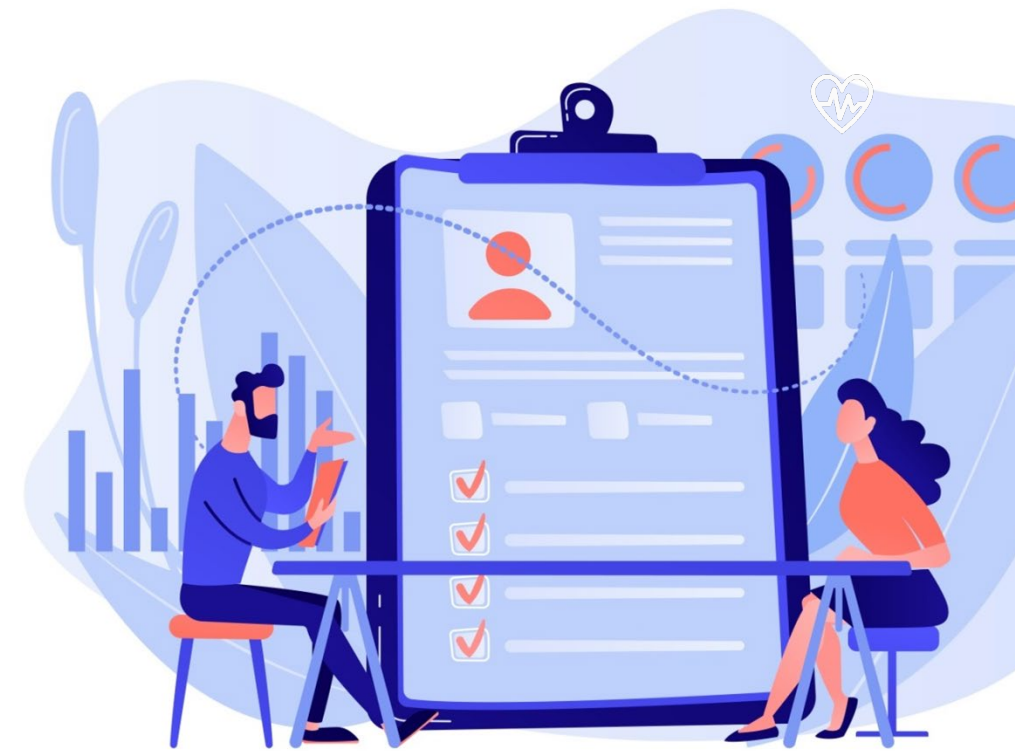
Fill your human-business assessment tool

The charts we just saw are just some simple examples of a basic tool for assessing your human-business coherence.

You're invited to download the tool to assess your Human-Business coherence and fill the document.

If you want to, you can also create your own assessment tools using a pencil and a piece of paper or a software like a spreadsheet for instance.

Once, you have filled the document “Tool n°1 for TU 2_ Assessment of human-business coherence”, please, return to this training unit.



**Download
assessment tool**

Chapter summary

1 If your personal life is not coherent with what your business requires from you, the sustainability of your business is at risk.

2 Working on your human-business coherence means working on your: motivations, skills, strengths and weaknesses.

Chapter completed!

Congratulations! You have successfully completed this chapter!

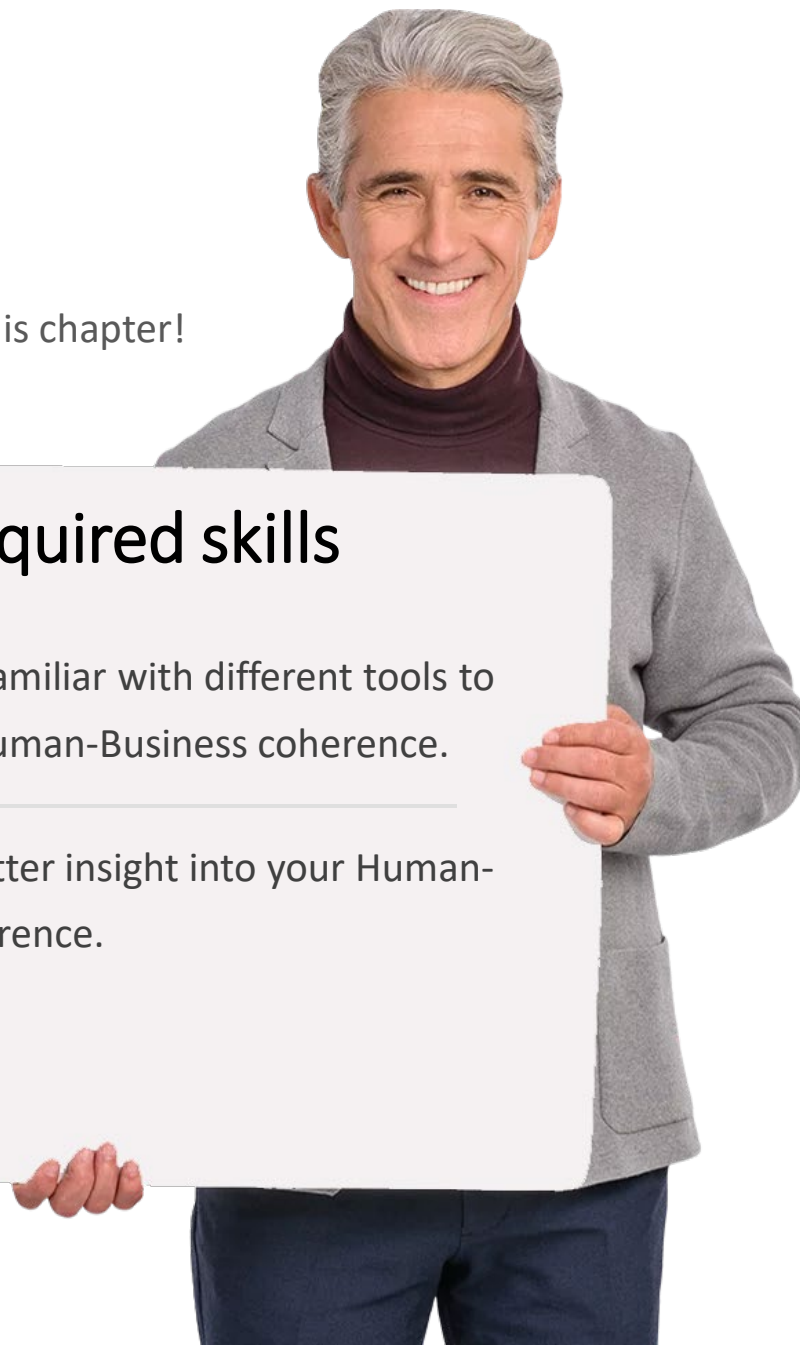
Summary of acquired skills

1

You are now familiar with different tools to assess your Human-Business coherence.

2

You have a better insight into your Human-Business coherence.



What is next?

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BUSINESS

MODULE 2

CHAPTER 4

Finding help to assess your Human-Business coherence

Working on your human-business coherence is not easy. Fortunately, some people are there to help you.

We will see who.

What will you learn in this chapter

- 1 Numerous supports can help you to assess your human-business coherence.



Finding help to assess your Human-Business coherence

Congratulations! You went through assessing your Human-Business coherence. You may have noticed that your coherence is not very clear. Maybe there are some topics to work on.

Don't worry, this is absolutely normal.

Regarding the type of issue you're facing, there are probably many supports you can avail of.

Here is a non-exhaustive list of the type of supports that you can meet to solve your problem.



Help to assess your Human-Business coherence

Issue	Source of help	Potential work
Training / work experience	<ul style="list-style-type: none"> Career advisor Professional training centre 	<ul style="list-style-type: none"> Starting a training program Get a salaried job to gain experience
Personal constraints	<ul style="list-style-type: none"> Social worker Doctor Network of entrepreneurs Specific association 	<ul style="list-style-type: none"> Making a specific program to get of the constraints
Financial	<ul style="list-style-type: none"> Funding organization Public agency for entrepreneurship development 	<ul style="list-style-type: none"> Applying to a specific program that provide grants/subsidies or loan facilities
Motivation	<ul style="list-style-type: none"> Career advisor Business creation advisor Network of entrepreneurs 	<ul style="list-style-type: none"> Finding help for asking the right questions

Chapter summary

1

A lot of supports can help you to assess and improve your human-business coherence: career advisors, networks of entrepreneurs and many more.

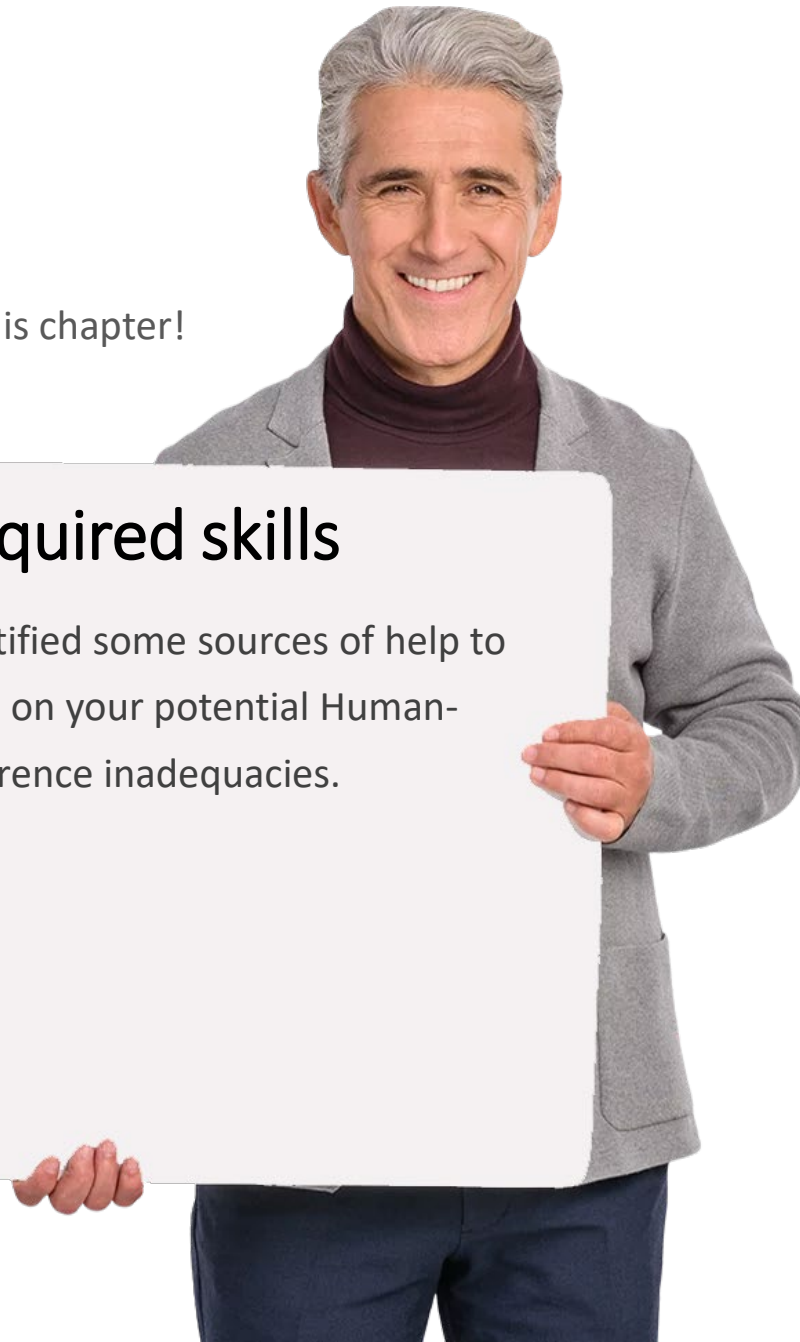
Chapter completed!

Congratulations! You have successfully completed this chapter!

Summary of acquired skills

1

You have identified some sources of help to work with you on your potential Human-Business coherence inadequacies.



What is next?

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Module summary

1

In summary, it's important to remember that running a business is a multifaceted activity.

2

You will spend your time between different functions like producing, doing administrative tasks, thinking about your marketing or managing your stock, finances and eventually employees.

3

Therefore, assessing all your skills, strengths, room for improvement and your motivation is fundamental to judge whether you will be comfortable with all of these functions.



Go to the quiz

Hopefully you now have a better insight about the nature of Human-Business coherence and why it's very important to assess it before going any further.

To finish with this topic, we invite you to go to the quiz to assess your understanding of this training unit.



QUIZ in progress...

Module completed!

Congratulations! You have successfully completed this module!

Summary of acquired skills

1

Knowledge about Human-Business coherence

2

Capacity to make your own Human-Business coherence assessment

What is next?

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