

TOPIC 3. Self-Employment and Entrepreneurship Plan in the Sharing Economy Context



CO¹
LABOURative
LAB



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INDEX

<i>Introduction</i>	<i>1</i>
<i>Self-Employment and Entrepreneurship</i>	<i>3</i>
What is it?	3
Relevance and Benefits	3
Barriers and Drivers	4
Linkage with SHE and NFE	6
Self-Employment	6
Entrepreneurship	6
<i>Self-Assessment of Self-Employment and Entrepreneurship Capabilities and Competences in the Sharing Economy Context</i>	<i>8</i>
<i>Development of my Self-Employment or Entrepreneurship Plan</i>	<i>14</i>
<i>Study cases.....</i>	<i>17</i>
<i>Videos.....</i>	<i>18</i>
<i>Complementary readings.....</i>	<i>19</i>



Introduction

What is this Topic about?

This Topic is about how to plan and launch a Self-Employment or Entrepreneurship initiative with the Sharing Economy context.

Why is this Topic interesting?

According to the global approach of co-Labourative Project, and also to labour law restrictions, you need to be Self-Employed for participating in the Sharing Economy. But, it's not only a legal issue, you need to align the experience within Sharing Economy with your own personal strategy, and get profit from them in order to really increase your employability in the medium term. This is why you need to develop a Self-Employment Plan and use Sharing Economy for boosting them.

In a second stage, it's also possible to go further and develop an Entrepreneurship project where a company could be created, like a new Sharing Economy Business Model or a company that could exploit the existing ones as part of their activity.

What are you going to learn here?


Through this Topic you will learn about;

- Relevance, Benefits, Drivers and Barriers of Entrepreneurship and its linkage with Sharing Economy and New Forms of Employment
- Main competences related with Self-Assessment of Self-Employment and Entrepreneurship Capabilities and Competences in the Sharing Economy Context
- How to develop your own Self Employment or Entrepreneurship Plan

Added Value for

- **Unemployed persons**

Launching a Self-Employment Plan is the first stage for getting to a new labour situation with more success possibilities. It's not only a matter of working but finding a way that could make you grow more and more in the future.



In addition, for Unemployed persons, the process of building a Self-Employment Plan, will be also positive for analysing their competences and how to improve and get profit from them, even if it take them to be employed and not purely Self-Employed.

- **Entrepreneurs**

Sharing Economy is also an opportunity for entrepreneurs where a company could be created, like a new Sharing Economy Business Model or a company that could exploit the existing ones as part of their activity

- **Human Resources Staff**

This Topic has not specific added value for Human Resources Staff

What will you able to do after work on this Topic?

After this Topic, you will be able to evaluate your own potential as Self-Employed or Entrepreneur and to build your plan for launching your personal project

What are you going to find here?

- ❖ **Text Materials; PDF**
- ❖ **Presentation; ppt.**
- ❖ **Practical Activities**



Self-Employment and Entrepreneurship

What is it?

Self-employment and entrepreneurship is an important way of creating new jobs and enhancing the labourmarket opportunities for the unemployed and other disadvantaged groups.

The Europe 2020 strategy (adopted in 2010) recognizes that entrepreneurship and self-employment are crucial in promoting employment growth by addressing opportunities and challenges stemming from ongoing structural changes.

Self-employed persons are those who work in their own business, farm or professional practice. While the self-employed usually perform routine tasks, entrepreneurs attempt to develop something new, hence entrepreneurs are more likely to create additional jobs. People can be pushed into self-employment because no alternative (other than unemployment) is available, 'the necessity entrepreneur', or people can be pulled to self-employment through entrepreneurial opportunities, 'the opportunity entrepreneur'¹.


Relevance and Benefits

Looking beyond monetary incentives, people's decision to become self-employed or entrepreneurs is also driven by psychological (such as a desire for more autonomy and self-control) as well as socio-cultural factors (such as education).

Self-employment is one of the options for unemployed people to get back to work. However, the unemployed (especially the long-term unemployed) often lack the expertise and experience to establish supplier and customer networks, or access finance.

Ongoing structural changes such as the further digitalization of the economy create new business opportunities for young people. Self-employment among young people

¹Chapter 1.1 'Boosting Job Creation through Self-Employment and Entrepreneurship' of Employment and Social Developments in Europe 2015



is associated with personality traits, characterized by creativity and innovative tendencies and lower risk aversion.

Postponing retirement and working longer will be a necessary (but not sufficient) condition to sustain the European social market economy. Facilitating and encouraging older employees' transition to self-employment is one way to strengthen their labour market participation and to help them remain active members of an inclusive society.


Older workers often acquire a unique range of skills during their professional life, knowledge, experience and contacts that they may want to valorize by starting their own business. At the same time, older workers may be looking for more flexibility to accommodate specific needs in terms of workload and work organization. These may be a strong incentive for older workers to become self-employed entrepreneurs. However, older workers may also be pushed into self-employment, as in the case of layoffs following company restructuring and not being offered a new job or another option (such as pre-retirement).

Barriers and Drivers

The stigmatization of business failure has an adverse impact on EU entrepreneurship. Older generations from the new EU Member States, with their background of a centrally-planned economy with a strong emphasis on dependence and conformity, show a strong reluctance to display the key characteristics of self-employment and entrepreneurship (such as self-reliance and individualism).

Ongoing ICT innovations (such as cloud computing or digital platforms to buy and sell goods and services) reduce business start-up costs, create new business opportunities when products and services get a global reach and may attract crowd sourcing, whereby tasks (such as data management and software development) are outsourced to microenterprises via online platforms.

Nevertheless, this potential will not be realized automatically since entrepreneurs face several barriers in the EU, including limited access to capital, slow internet access



across the EU, inconsistent regulatory policies across the EU, as well as a lack of clarity and knowledge regarding relevant legal frameworks.

More specifically from a labour market perspective, barriers to entrepreneurship and self-employment in the digital economy include a lack of e-skills (such as app development and e-leadership), finance and the low bargaining power of single digital entrepreneurs. These barriers call for labour market policies that promote e-skills and digital entrepreneurship (to exploit new technologies and markets) as well as knowledge of cloud computing and relevant social platforms.

Ongoing ICT innovations will create opportunities for highly skilled self-employed individuals who work without employees, such as journalists, consultants, etc. (i.e., the independent professional or iPros).

A basic characteristic of their work is that they are flexible and innovative and operate in high-value, high-knowledge professional sectors, thereby offering cost efficiency for their clients. However, while iPros behave entrepreneurially they do not plan to employ people but their activities can lead indirectly to additional job creation if they improve the clients' growth potential.

Surviving as self-employed or an entrepreneur is not straightforward in an ever-changing world.

Personal characteristics can have an important impact on survival in self-employment as they have a direct impact on a person's motivation, ability, effort and risk-taking. Empirical research has identified the following.

- More years of education increases survival prospects significantly.
- Employees who learn more about their business before starting have a stronger likelihood of surviving.
- Opportunity entrepreneurs have a stronger probability of surviving since they are usually better prepared than necessity entrepreneurs.
- Nevertheless, necessity entrepreneurs' likelihood of surviving increases significantly if the venture is connected with previous professional expertise.

Linkage with SHE and NFE

Self-Employment

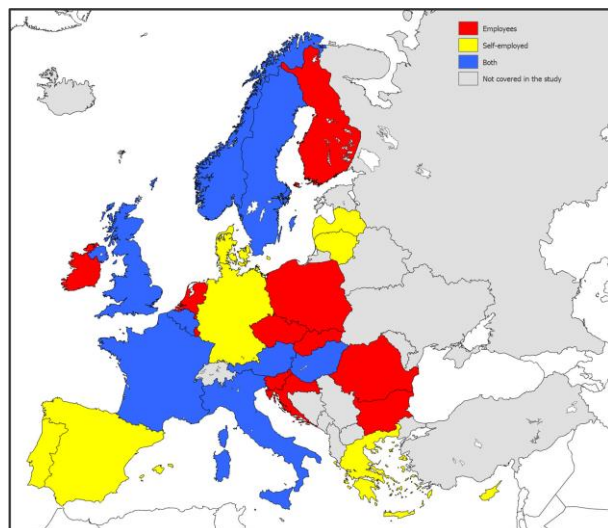
For self-employed, portfolio work, crowd employment and collaborative employment may enrich work content through diversification.

New Forms of Employment (see Topic 1) forms can be differentiated by whether they pertain to employees or to the self-employed and freelancers; they might also apply to both groups. Overlaps between these nine types are possible, and an individual employment can fall into more than one category.

For the **self-employed**, **crowd employment** is a new option; this is also characterized by not being place-bound. Virtual platforms match a large number of buyers and sellers of services or products, often with larger tasks being broken down into small jobs. In a similar way, **portfolio work** done by the **self-employed** refers to situations in which they work for a large number of clients, providing just small amounts of work for each of them.

Finally, **new patterns of self-employment** in the form of **new collaborative models** that go beyond traditional business partner relationships were found in a variety of countries.

Figure 3: New forms of employment, by categorization (pertaining to employees or self-employed) and country



Entrepreneurship

Driven by innovation, new business models have a significant potential to contribute to competitiveness, growth, job creation and well-being. Gross revenue in the EU from collaborative platforms and providers was estimated to be EUR 28 billion in 2015. Revenues in the EU in five key sectors almost doubled compared with the previous



year and are set to continue expanding robustly. Growth has been strong since 2013 and accelerated in 2015 as large platforms invested significantly in expanding their European operations. Going forward, some experts estimate that the collaborative economy could add EUR 160-572 billion to the EU economy.

Therefore, there *is a high potential for new businesses to capture these fast-growing markets*. In addition, *other types of business can also make significant gains in competitiveness by integrating the sharing economy into business processes and supply chains where appropriate*.

Looking beyond economic gains, the collaborative economy can also be a vehicle for addressing societal challenges. As Europe's collaborative economy grows in size and influence, there is a need to ensure positive impact for participants and society in general. While profit-making companies in the collaborative economy have actively sought to demonstrate their impact and lobby for favourable conditions, comparatively little has been said about the specificities of *socially driven initiatives and platforms*.



Self-Assessment of Self-Employment and Entrepreneurship Capabilities and Competences in the Sharing Economy Context

Before starting with their business path in the Sharing Economy context, self-employees and entrepreneurs must know who they are at human level, and to reflect about a lot of aspects related with their business project.

There are some specific competences which must be analyzed²:

1. **Adaptability;** *Maintaining effectiveness when experiencing major changes in work tasks or the work environment; adjusting effectively to work within new work structures, processes, requirements, or cultures.*

Some **examples** of attitudes showing this competence are:

- a. Actively seeking information about new work situations.
- b. Quickly modifying behaviour to deal effectively with changes in the work environment.
- c. Focuses on the beneficial aspects of change.

2. **Building Partnerships;** *Identifying opportunities and taking action to build strategic relationships between one's area and other areas, teams, departments, units, or organizations to help achieve business goals.*

Some **examples** of attitudes showing this competence are:

- a. Analyzing the organization and own area to identify key relationships that should be initiated or improved to further the attainment of own area's goals.
- b. Collaboratively determining courses of action to realize mutual goals; facilitating agreement on each partner's responsibilities and needed support.
- c. Placing higher priority on Partnership's goals than on own area's goals; anticipating effects of own area's actions and decisions on partners; influencing others to support partnership objectives.

²Harvard University. Competency Dictionary



3. Building Positive Working Relationships (Teamwork/Collaboration).; *Developing and using collaborative relationships to facilitate the accomplishment of work goals.*

Some **examples** of attitudes showing this competence are:

- a. Proactively trying to build effective working relationships with other people
- b. Seeking and expanding on original ideas, enhancing others' ideas, and contributing own ideas about the issues at hand
- c. Placing higher priority on team or organization goals than on own goals

4. Building Trust; *Interacting with others in a way that gives them confidence in one's intentions and those of the organization.*

Some **examples** of attitudes showing this competence are:


- a. Demonstrating honesty; keeps commitments; behaves in a consistent manner
- b. Listening to others and objectively considers others' ideas and opinions, even when they conflict with one's own.
- c. Supporting others, treating people with dignity, respect, and fairness; giving proper credit to others; standing up for deserving others and their ideas even in the face of resistance or challenge.

5. Communication.; *Clearly conveying information and ideas through a variety of media to individuals or groups in a manner that engages the audience and helps them understand and retain the message.*

Some **examples** of attitudes showing this competence are:

- a. Ensures understanding; Seeking input from audience; checking understanding; presenting message in different ways to enhance understanding
- b. Comprehending communication from others; Attending to messages from others; correctly interpreting messages and responding appropriately
- c. Capacity for the sale of the corresponding products or services

6. Continuous Learning; *Actively identifying new areas for learning; regularly creating and taking advantage of learning opportunities; using newly gained knowledge and skill on the job and learning through their application*



Some **examples** of attitudes showing this competence are:

- a. Seeking and using feedback and other sources of information to identify appropriate areas for learning
- b. Actively participating in learning activities in a way that makes the most of the learning experience (e.g., takes notes, asks questions, critically analyzes information, keeps on-the-job application in mind, does required tasks).
- c. Applying knowledge or skill; Putting new knowledge, understanding, or skill to practical use on the job; furthers learning through trial and error

7. Decision Making; *Identifying and understanding issues, problems, and opportunities; comparing data from different sources to draw conclusions; using effective approaches for choosing a course of action or developing appropriate solutions; taking action that is consistent with available facts, constraints, and probable consequences*


Some **examples** of attitudes showing this competence are:

- a. Recognizes issues, problems, or opportunities and determines whether action is needed.
- b. Creates relevant options for addressing problems/opportunities and achieving desired outcomes
- c. Choosing appropriate actions; Formulating clear decision criteria; evaluating options by considering implications and consequences; choosing an effective option.

8. Facilitating Change; *Encouraging others to seek opportunities for different and innovative approaches to addressing problems and opportunities; facilitating the implementation and acceptance of change within the workplace*

Some **examples** of attitudes showing this competence are:

- a. Encouraging boundary breaking; Encourages partners to question established work processes or assumptions; challenging partners to ask “why” until underlying cause is discovered; involving stakeholders in continuous improvement actions and alternatives

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- b. Consistently remaining open to ideas offered by others; supporting and uses good ideas to solve problems or address issues
 - c. Managing complexity and contradictions; trying to minimize complexities, contradictions, and paradoxes or reduce their impact; clarifying direction and smoothing the process of change.

9. Gaining Commitment; *Using appropriate interpersonal styles and techniques to gain acceptance of ideas or plans; modifying one's own behaviour to accommodate tasks, situations, and individuals involved.*

Some **examples** of attitudes showing this competence are:


- a. Establishing good interpersonal relationships by helping people feel valued, appreciated, and included in discussions (enhances self-esteem, empathizes, involves, discloses, supports)
- b. Using appropriate influence strategies (such as demonstrating benefits or giving rewards) to gain genuine agreement; persists by using different approaches as needed to gain commitment
- c. Describing expectations, goals, requests, or future states in a way that provides clarity and excites interest.

10. Initiative (Initiating Action); *Taking prompt action to accomplish objectives; taking action to achieve goals beyond what is required; being proactive.*

Some **examples** of attitudes showing this competence are:

- a. Responding quickly; Taking immediate action when confronted with a problem or when made aware of a situation.
- b. Taking independent action; Implementing new ideas or potential solutions without prompting; does not wait for others to take action or to request action.
- c. Going above and beyond; Taking action that goes beyond job requirements in order to achieve objectives.

11. Innovation; *Generating innovative solutions in work situations; trying different and novel ways to deal with work problems and opportunities.*



Some **examples** of attitudes showing this competence are:

- a. Challenging paradigms; Identifying implicit assumptions in the way problems or situations are defined or presented; seeing alternative ways to view or define problems; not to be constrained by the thoughts or approaches of others.
- b. Thinking expansively; Combining ideas in unique ways or making connections between disparate ideas; exploring different lines of thought; viewing situations from multiple perspectives; brainstorming multiple approaches/solutions
- c. Evaluating multiple solutions; Examining numerous potential solutions and evaluating each before accepting any.

12. Planning and Organizing; *Establishing courses of action for self and others to ensure that work is completed efficiently.*

Some **examples** of attitudes showing this competence are:

- a. Determining tasks and resources; Determining project/assignment requirements by breaking them down into tasks; identifying equipment, materials, and people needed; and coordinating with internal and external partners
- b. Scheduling; Allocating appropriate amounts of time for completing own and others' work; avoiding scheduling conflicts; developing timelines and milestones
- c. Leveraging resources; Taking advantage of available resources (individuals, processes, departments, and tools) to complete work efficiently.

13. Risk Taking; *Initiating action that tries to achieve a recognized benefit or advantage when potential negative consequences are understood.*

Some **examples** of attitudes showing this competence are:

- d. Actively seeking opportunities; Pursuing situations or opportunities that can lead to either substantial benefit or significant negative consequence.



- e. Calculating risk; Gathers information to understand probability of success, benefits of success, and consequences of failure.
- f. Committing to action; Initiating action despite uncertainty of outcome; is willing to accept the consequences of failure.



Development of my Self-Employment or Entrepreneurship Plan

Generally, a Business Plan for Self-Employment should be from two to four pages. It should be a good guide but *not so complex* that you won't want to change it, because it will change. Updating your Business Plan as your business grows is important if it's to remain relevant to your evolving business needs and priorities.

The Self-Employment Plan cannot be a rigid and bureaucratic model created in a laboratory, but a flexible, logical and incremental scheme that evolves with the reality of the person itself, its markets and its customers.

A *typical Business Plan for someone becoming self-employed* should include the following sections.

1. Mission Statement

A short mission statement of 30 words or so should succinctly state why your company/professional activity exists, what services it will provide, and to whom.

2. Business Goals & Objectives

This section should describe the top three to five goals and objectives you have for your business. For example: To achieve at least a 30% increase in annual revenues every year; To make more than 30.000 € annually

3. Products and Services Offered

This section should list the full range of products and services you will provide.

Evaluation of potential Sharing Economy Platforms linked to the Products and Services Offered should be included at this stage

4. Target Market

This section should provide details about your ideal target client.

Evaluation of potential Sharing Economy Platforms linked to the Target Market should be include at this stage



5. Competition

A competitor is anyone or anything a prospect can and will spend money on that they perceive will achieve the same or similar results and benefits as you state that your services will provide. Consequently, while the most obvious competition will be other individuals and business doing what you do, you may also have competition from other individuals and companies who offer products and services designed to address the same issues you help your clients address.

Evaluation of competition to be found in potential Sharing Economy Platforms should be include at this stage

6. Professional Background and Personal Traits

Based on the previous internal diagnosis and self-assessment of self-employment and entrepreneurs competences, you should summarize the strengths that you have for giving added value to your target market through the commercialization of the determined products and/or services

7. Sales & Marketing Strategy

Here is where you list all the different marketing techniques and strategies you will use to identify prospects and land new clients.

Evaluation of potential Sharing Economy Platforms should be including at this stage


8. Resources and Planning

Resources needed for the achievement of the objectives of the Business Plan must be outlined. This could include equipments, training, marketing, etc...

9. Financial Forecasts

This is often the scariest part of writing a business plan. One of the reasons start-up businesses fail is lack of available funding to keep the business going. This section should include the following:

- The funds you currently have available (cash in hand for expenses)

- 
- A 12-month timetable in which you estimate how much revenue you will bring in per month
 - A comprehensive list of all expenditure
 - A simple profit-and-loss (P&L) statement in which you subtract your anticipated expenses from your anticipated revenues. This should give you a good idea of how much money you need to have on hand to properly fund your business.

Often, the easiest way to write up and keep track of these financial statements is by using Excel or another spreadsheet programme, but the most important part is the actual process of calculating the numbers.

Evaluation and realistic scenarios of how Sharing Economy Platforms can contribute to this Financial Forecasts should be include at this stage



Study cases

8 Great Entrepreneurial Success Stories

<https://www.entrepreneur.com/article/243099>

Self-Employed Success Stories

http://www.mk.undp.org/content/dam/the_former_yugoslav_republic_of_macedonia/docs/SuccessStories_fullPreview.pdf



Videos

BEST AND WORST THINGS ABOUT BEING SELF-EMPLOYED | artTALK

<https://www.youtube.com/watch?v=M7zAUysk2F4>

Being Self Employed -ETCG1

<https://www.youtube.com/watch?v=1KjH3DF8Ics>

BEING SELF EMPLOYED || PROS AND CONS

https://www.youtube.com/watch?v=dvkbUX_nPCY



Complementary readings

Self-Diagnosis Tools for Entrepreneurs

<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business-assessments/pages/entrepreneurial-potential-self-assessment.aspx>

Self-employed vs employed – a case study

<https://www.winstonsolicitors.co.uk/blog/self-employed-vs-employment-case-study.html>

Eurofound (2017), Exploring self-employment in the European Union, Publications Office of the European Union, Luxembourg.



Επιμελητήριο Αρκαδίας



COORDINA Organización de Empresas y Recursos Humanos, S.L.



CPU - Gospodarska zbornica Slovenije Center za poslovno usposabljanje



FORBA - Forschungs- und Beratungsstelle Arbeitswelt



RCCI - Ruse Chamber of Commerce and Industry



Cámara Oficial de Comercio, Industria, Servicios y Navegación de Valencia

