



Setting Up a Sustainable Business Service Centre

A Practitioner's Guide for LED Professionals

2014

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Author's Abstract

Business Service Centres (BSCs) can be an integral part of an open and effective local economic development system and a major catalyst to the development and support of the small and medium-sized enterprises sector. Yet the benefits of BSCs do not accrue automatically and evenly across countries, sectors, and communities. The benefits are directly attributed to the detailed planning efforts at the local level and the ability to tailor the BSC programs and services to meet the unique needs of each community.

In transition countries, small enterprises face a distinct set of challenges. In Ukraine, a long period of non-market economy and a sudden and turbulent transition led to a situation characterized by a lack of management skills, insufficient access to finance and a difficult business environment without appropriate institutions to support the development of small and medium-sized enterprises. The transition period and a rapid change from centrally planned to free market economies has driven most countries into high unemployment rates and has often caused a serious economic and social crisis. To overcome these problems one of the main aims of transition countries has been to strengthen the small and medium-sized enterprises sector, allowing it to grow and to create employment.

Business Service Centres are designed to improve the access of small and medium-sized enterprises to all kinds of different business development services in geographical areas with little or no service provision. BSCs usually take a private-sector or market focused approach to business development. This approach is based on a clear understanding of the community, its goals and objectives, intimate knowledge of the business community's needs and a responsible designing of the BSCs programs and service to meet these needs. The challenges communities are often faced with are designing BSCs that are supply driven – an approach that is based on too little community engagement, poor market assessment of true needs and lack of intimate knowledge of the market in which they are trying to serve.

This guide describes the process that helps communities develop the Business Services Centre's structure they feel most comfortable with, and contains recommendations to make such Centre sustainable.

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Table of Contents

Introduction	1
1. LED Concept and Functions	2
1.1. What is Local Economic Development?.....	2
1.2. Role Business Service Centres Play in Local Economic Development.....	5
2. Setting up a Business Service Centre: Initial Steps	6
3. Designing Organizational Structure of a Business Service Centre	8
3.1. Organizational structure	8
3.2. Governance Structure.....	9
3.3. BSC Purpose and Values	12
3.4. Incorporating Gender Dimensions into Creation and Operation of Business Service Centres	15
4. Researching Community Development and Business Community Needs.....	18
4.1. Collecting Information and Carrying out Research.....	18
4.2. Determining Community Context	21
4.3. Identifying Market Challenges, Opportunities and Priorities	22
5.1. Identifying the Service Mix	24
5.2. Incorporating Environmental Sustainability Aspects into BSC Operations	25
9.1. Funding BSCs.....	33
9.2. Writing BSC's Financial Operating Plan.....	34

List of Acronyms

BSC	Business Service Centre
LED	Local Economic Development
LGA	Local Government Authorities
BOD	Board of Directors
SME	Small and Medium-Sized Enterprises
BRE	Business Retention and Expansion
COGS	Cost of Goods Sold (Cost of Services)

Introduction

Communities are undergoing fundamental changes and as a result the role of local economic development (LED) practitioners is shifting dramatically. Often in moments of transition the political arm will focus on the attraction of more investment. However, more than ever it remains important to maintain a well balanced approach to LED. It remains true that core programs like Support to SME Development and Business Retention and Expansion are critical to community development. There are high expectations and demands on LED practitioners to do the required work to retain, grow, and attract business and investment. Many LED practitioners understand that to effectively achieve this end a proactive effort is required – one that builds on a better appreciation of those inherent challenges local enterprises face in their efforts to start or expand; one that acknowledges and supports those essential regional/local competitive strengths as defined by the private sector; and one that responds more fully to all barriers to sustainable business development.

In the spirit of fostering entrepreneurship, revitalization, and growth of the business community, and enhancing the vitality of the business climate, a popular tactic is the creation and operation of a Business Service Centre (BSC). BSCs provide a set variety of services and products using unified approaches. That is why the core services, products and approaches are common across BSCs regardless of countries and regions.

The fundamental challenge inherent in selecting and pursuing any specific development methodology or instrument, including the establishment of BSCs, is to ascertain from the very beginning “what approach will best work in our community?” This guide provides LED practitioners and community leaders with key pillars and practical tools to design, launch and operate a BSC.

The BSC guide has been designed as a self-help guide for LED practitioners and is intended to provide community leaders and local government officers interested in exploring the creation of a BSC in their community with a sound and proven methodology outlining an overview of the information they require and the issues that need to be considered in the course of BSC creation and operation. Presented in a logical and sequential way, the guide is a practical reference to be used by LED practitioners as they encounter various issues and challenges involved in establishing and running a BSC. It can also be used by entrepreneurs who will find answers to a wide range of questions that arise in their day-to-day activities and are connected with starting up and operating a business.

The guide is based on the best practices of creating sustainable BSCs, not only in Canada but internationally. The guide covers a range of topics designed to increase the readers' understanding of what it takes to set up a sustainable BSC – from a description of BSCs role and position within the system of LED institutions and a broad array of issues, tools and approaches, to BSC creation and operation: BSC plan preparation process; forming a governance structure; carrying out various researches; designing a list of services; operational planning; acquiring human resources and setting up partnerships; marketing; financial planning; risk analysis; assessing success of BSC operations.

The Practitioner's Guide to Setting up a Sustainable Business Service Centre is one of the many materials drafted by Ukraine Municipal Local Economic Development (MLED) Project. MLED Project seeks to contribute to the improvement of planning and delivery of services to facilitate economic development and growth. To fulfill this important mission, MLED Project provided assistance to partner cities in setting up and operating an array of business service centres and local development agencies. Thus, the guide summarizes Ukrainian experience and specifics of setting up a BSC, and provides examples of their operations.

Well suited to general readers and professionals alike, this guide serves as an important foundation for promoting interest in LED in general and in particular for setting up local development agencies and business service centres and raising awareness of those interested in creating BSCs within communities in Ukraine.

Figure 1 - LED Functions



1. LED Concept and Functions

A healthy and vibrant local economy depends on the development of a community's small and medium-sized enterprises. Thus, efforts aimed at helping local businesses survive and grow are the key to successful economic development.

1.1. What is Local Economic Development?

Local economic development refers to the process in which local governments engage to enhance local economic prosperity and quality of life. In an era of global competition, success in local economic development requires that communities become ever more capable, more flexible, and especially more pro-active and innovative in how they approach the challenges of enhancing economic prosperity and quality of life. Success is in large measure determined by good planning, a firm understanding of LED principles and priorities, and a concerted effort. It is thus clear that a cornerstone of LED success is that organizations and local government authorities charged with this important responsibility have the necessary resources from which they might realistically and effectively pursue development programs.

There is no standardized list of functions and responsibilities to be performed within the framework of every local economic development effort, either in Ukraine or in Canada. The functions and activities of non-governmental agencies and units of local government authorities (LGA) that tackle economic development issues differ from community to community for an endless number of reasons, not the least of which include resources available, capacity and development priorities. Where Business Service Centres fit into local economic development process also varies significantly from one organization to another.

From a theoretical perspective, in terms of local economic development implementation there are usually five general components/typical functions within the economic development process. Typical functions include enhancing local business retention and expansion, entrepreneurship development, attraction of business and investment, workforce development and community cash flow development. Each of these interrelated functions implies almost an endless array of actions, models and methods (see Table 1).

While all components suggest certain ongoing efforts, some are more short-term focused while others are longer term focused. Further, because they are “typical,” it should not be inferred that all of these broad categories imply equal weight or allocation of resources, that these weights are consistent over time, or even that these activities have to be implemented at any one time¹.

Table 1: Examples of typical LED functions, programs, instruments and actions

Key functions	Typical programs, instruments and actions
Retention and Expansion of Local Businesses	<ul style="list-style-type: none"> Arranging roundtable meetings and visiting businesses to get an insight into their problems and needs Assistance in receiving benefits or provision of loan packages Assistance in exporting local products Facilitating education and training programs for management and staff Provision of recommendations within the framework of target-oriented regional/national business support programs Facilitating improvement of infrastructure and community services required to solve business problems Protection of interests as far as the impact of licensing and regulatory decisions is concerned
Entrepreneurial development	<ul style="list-style-type: none"> Setting up business service centres and business incubators Direct counseling for new businesses on identification of opportunities and market research, feasibility studies and business planning; administrative/organizational support; regulatory and licensing aspects; advocacy, access to specialized programs/services Education/training on entrepreneurship through workshops for new entrepreneurs Direct support of entrepreneurial endeavours of vulnerable and underprivileged community members (young and disabled people) Encouraging/facilitating access to seed/venture capital
Workforce development	<ul style="list-style-type: none"> Vocational education and training Researching workforce preparedness to identify and understand the current and future workforce needs of the industry Working with local education institutions to assess the size and capacity of further education and vocational & technical training sector to better utilize local staff qualifications in light of changes dictated by the economy Facilitating more active cooperation between education sector and business community, participating in workforce development planning Encouraging education, training and professional development initiatives at national, regional and municipal levels Attracting skilled workers
Attraction of business and investment	<ul style="list-style-type: none"> Maintaining and regularly updating community’s “information package for selection of objects” Assessing community’s “investment readiness” and encouraging initiatives that improve its overall readiness Identifying and approving industry perspectives for business expansion, fostering new businesses Developing and implementing community’s marketing initiatives (e.g. trade fairs), utilizing opportunities and perspectives that are useful for the community Counseling new or potential businesses on business planning and marketing Facilitating trips of domestic and international trade delegations
Community Cash Flow Development	<ul style="list-style-type: none"> Supporting projects implemented based on the public-private partnership Profit sharing agreements Fostering inter-municipal cooperation Facilitating tourism development

¹ It should be pointed out that seldom do LED efforts exist in isolation. That is, seldom do they exist as the only LED effort within a community or region.

Retention and Expansion of Local Businesses

There is more than enough empirical evidence to support the contention that facilitating the development and growth of local businesses is fundamental to achieving strong local economies and a key component of most LED efforts in Canada. However, retention and expansion efforts tend to be undervalued in terms of financing allocations often because they yield a less visible impact than many other LED initiatives. As such, when deemed a priority and with an absence of sufficient funding, local development agencies and BSCs are limited by the range of services they might offer and are required to be very innovative in how they approach the broader issues of business retention and expansion program delivery.

Entrepreneurship Development

Enterprises and entrepreneurs have been in the centre stage of growth, transition, and modernization since the days of the Industrial Revolution. In fact, in Canada entrepreneurship has been and is the catalyst that initiates and sustains the process of development. Today, unlike in the United States, much of the programming that supports entrepreneurial development in Canada has been retained within line ministries (provincial and federal), universities and colleges, or carved off to other LED agencies and institutions such as Community Futures Organizations, Young Entrepreneurs Associations, Women's Enterprise Centres and the like. This means, quite frankly, that Canadian LGA provide little or no financing for traditional LED endeavours to directly support the entrepreneurial development process. However, they have retained a prominent role in building a business/entrepreneur friendly environment. This implies programming predominantly along the lines of advocacy, improving the regulatory regime, and designing business support initiatives.

Workforce Development

Today throughout Canada, in terms of facilitating sustainable economic development, a significant amount of time and money is being expended by federal and provincial governments on workforce development. In an increasingly competitive global economy, a skilled workforce is critical to competitiveness, and by implication sustainable economic growth and development. At the local level these workforce development efforts, while funded directly by the higher tiers of government², are usually designed and implemented by a collaboration of agencies and partners including the private sector, vocational education institutions, and various LED agencies. It should be noted that in most cases the bulk of financing targets the recipients (individuals seeking training and educational institutions that provide it) versus the agencies that initiate, design and develop LED programs.

Attraction of Business and Investment

Business attraction programs are intended to help diversify local economies by bringing in new investors and new enterprises. Amid globalization, attracting new businesses and new investment is an exercise that has garnered considerable emphasis by an increasing number of LED agencies and authorities in Canada over the past twenty years. However, of all the LED components, business/investment attraction tends to be the most costly of endeavours (to do it right, that is) though surprisingly in many cases the easiest to finance. The availability of somewhat "easy" financing exacerbates those situations that imply less focus on what needs to be done and a greater focus on where the money is.

Community Cash Flow Development

Community cash flow development has become an increasingly important LED function and is taking up an increasing amount of time and effort within many agencies. This activity is complex though highly visible and tends to attract a fair amount of financing (both directly and indirectly). The effort to seek out and take advantage of innovative financing ideas implies a high level of financial skills at the local level.

² In Canada education is a provincial responsibility though the federal government is quite active in funding directly or indirectly through the provinces a range of workforce development initiatives.

1.2. Role Business Service Centres Play in Local Economic Development

Implementation of a comprehensive program of sustainable local economic development should include an array of actions and activities to support development of local businesses. The mix of actions and activities vary from community to community reflecting local priorities and capacities (competitive advantages) premised on an understanding of local circumstances and threats. Within this context of goals, actions and activities, Business Service Centres are a popular and effective approach to accelerating a community's local economic development. In larger communities with significantly sized LED resources, these Centres are often a stand-alone effort, i.e. usually with a dedicated staff and separate budget. In smaller communities the operations of such Centres are usually embedded within the activities of economic development agencies (as a program within an organization).

Lying behind the label of being a typical development function, the strategic objectives of why a community explores the creation of a BSC are to:

1. foster entrepreneurship (business start-ups);
2. enhance business retention and expansion (support SME development).

Business Service Centres provide a wide range of assistance to small and medium-sized enterprises, and sole proprietors. By supporting business growth and sustainability and encouraging the creation of new business entities, BSCs facilitate local and regional economic development through creating and preserving jobs. Inexpensive (or free of charge), comprehensive, individual and long-term professional business counseling, reasonably priced training programs and other specialized services BSCs provide, make their establishment and operation one of the most popular directions that enjoys support of different tiers of authority across the globe.

With the assistance of professional business advisors, BSCs provide services in all dimensions of the business, e.g. development of business plans, business research, accounting and audit, human resources, day-to-day activities, regulatory, legal and credit assistance. Successful BSCs adapt their programs to local context and their establishment is a result of strategic plans for local economic development. As far as other LED functions and actions are concerned, this process requires a reasonable and knowledgeable approach, serious long-term intentions as well as vision, capacities and resources for its proper implementation.

2. Setting up a Business Service Centre: Initial Steps

Business planning is a lot cheaper and more cost effective than trial and error

Planning is one of the most important tasks an organization can conduct to make a BSC successful, irrespective of whether it is planned to open a new BSC, or run and expand an existing Business Service Centre.

If you are starting a new BSC, your plan will help make the idea of a Centre a reality. It will provide your community with an opportunity to consider what goals are realistic and achievable and help you identify what you can do with the resources available.

If the BSC is already in existence, having a business plan that is regularly reviewed and updated will help the organization take control of the direction the BSC is heading. The business plan will allow you to make the most of new opportunities and identify potential risks in order to take action before problems occur.

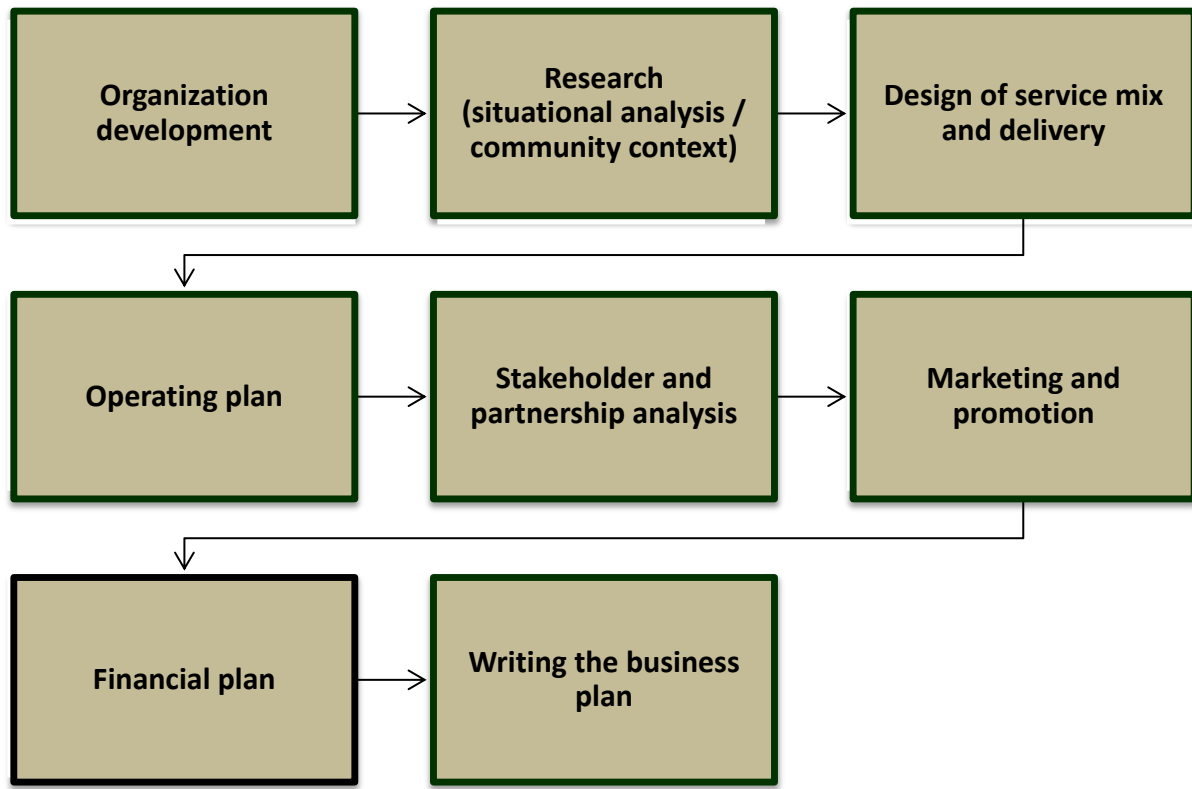
The first step towards establishing a sustainable BSC is planning. A clearly defined, properly researched and evaluated initiative for setting up a BSC has a much greater chance of success. We offer a series of steps to help not only assess the viability of your BSC, but also ensure sustainability of its operations.

Implementation of the initiative to set up a BSC also means making a decision as to what model of a BSC is the best fit for the community. Research is the foundation on which an informed decision to proceed with setting up the BSC can be made. It may be necessary at any step to revise the BSC concept, look for a different site, consider additional products or services, or look for different partners or alternative means of financing. Making these kinds of changes along the way indicates that you are giving the BSC project the critical evaluation it requires.

The success of BSC operations will be in direct proportion to the effort the organizers put into researching and preparing a high-quality business plan. Plans are developed to help ensure success. The planning process is carried out step-by-step (see Figure 1).

The most important thing to remember is that the process is designed for community leaders, LED practitioners and BSC managers to thoughtfully design the BSC. Although many view the preparation of a thorough, well-conceived plan to not be required on the short-term horizon, it can mean the difference between success and failure in the long-run. Experience has shown that it is impossible to set up an efficient and sustainable BSC without careful and thorough planning.

Figure 2. BSC Creation Process



3. Designing Organizational Structure of a Business Service Centre

Goal: to design organizational structure and articulate BSC's vision, mission and values, as well as ensure organization development

3.1. Organizational Structure

An important step in designing a sustainable BSC is to design the organizational structure in which it will provide its services. In designing the organizational structure three questions need to be answered:

1. What is the purpose of the organization?
2. What is the most appropriate organizational structure?
3. What is the most effective governance structure?

Of all the decisions that the organizers of a BSC make when starting a Centre, possibly the most important decisions, in regards to the Centre's sustainability, are the organization's design and the answers to the questions above.

There are successful examples of operating a BSC as non-profit (non-entrepreneurial and non-commercial) and for-profit organizations. The most common form of a BSC is a non-profit non-governmental organization. A non-profit centre may also be established in the form of a municipal institution.

Non-profit organizations

1. *Non-governmental organizations*

Characteristics of a non-governmental organization:

- independence from government control – an organization is managed by an independent group of people;
- an organization is established to pursue social goals rather than generate profit;
- organization's structure: Members – Board of Directors – Executive Body – Audit Committee;
- operating profit is directed at capital recovery and financing of new activities, and services set out in the Articles of Association;
- sources of funds and assets include receipts from running fee-paying events, non-refundable and refundable financial assistance, voluntary contributions in-kind, sponsorships, grants etc.

2. *Institutions and organisations established by local government authorities and supported out of funds of respective budgets (municipal institutions)*

Characteristics of a non-profit municipal institution:

- founded by municipal authorities;
- organization's structure: Supervisory Board – Board of Directors;
- assets of a municipal institution are in community ownership with the rights of operational management conferred to a territorial community;

Examples of BSCs set up as non-profit organizations and structural units of Local Development Agencies:

NGO "Agency for Economic and Social Development", Ternivka, Dnipropetrovsk Oblast, <http://aesr-ternivka.org/>

NGO "Sokal Agency for Regional Development", Sokal, Lviv Oblast, <http://www.agencija.sokal.lviv.ua/>

MI "Local Economic Development Agency" (LEDA), Rovenki, Luhansk Oblast, <http://rov.loga.gov.ua/AMER/>

Why develop an organizational structure?

- Organizational structure gives members of organization/institution clear guidelines of how to proceed. An optimally established structure is a good deterrent to sustain efficiency and resolve disagreements within your organization.
- Structure binds members together. It gives meaning and identity to the people who join the organization, as well as to the organization itself.
- Structure is a mandatory attribute of any organization. An organization, **by definition**, implies a structure. Your organization will have some structure whether you want it or not. It might as well be the structure which best matches up with the type of organization you have, people in the organization and the activities you undertake.

- sources of funds and assets include municipal funds, non-refundable financial assistance, voluntary contributions, transfers and subsidies out of the state special purpose funds (or international charity) including humanitarian assistance, etc.

Commercial organizations

Commercial centres are normally privately owned and operated with the primary goal of generating profit for the owners³. This does not preclude such organizations from having socially-oriented bottom lines (social contribution, environmental, and profit), but does not ensure them. The primary difference is the long term succession of the centre. Where a BSC has been set up by a social entrepreneur who truly shares the same values and motivations as those around which the BSC is designed, it cannot be assured that these values and purposes will be continued or committed over a long period of time, especially if the Centre is sold or handed over to a new owner.

Often in larger cities BSCs will be stand-alone organizations, while smaller communities, where resources are limited, create and operate BSCs as part of other organizations such as economic development agencies.

In answering the question: “What is the most appropriate organizational structure?” a BSC must consider the following aspects:

1. Do we want our BSC to be privately/commercially operated or as a non-profit organization within the community?
2. Do we have an agency that has similar goals, objectives and values to a BSC? Or should it be a stand-alone organization?

A good example of a commercially operated centre is Lviv Business Support Centre «NEWBIZNET», a private company, <http://newbiznet.com.ua/>

Figure 3.
Stand alone BSC Structure

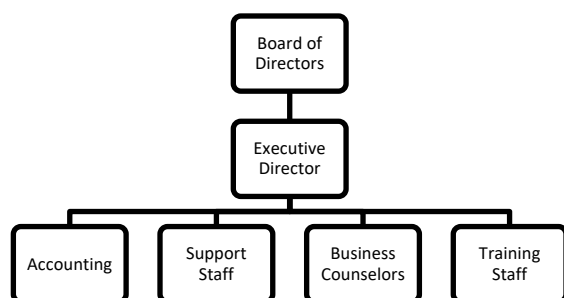
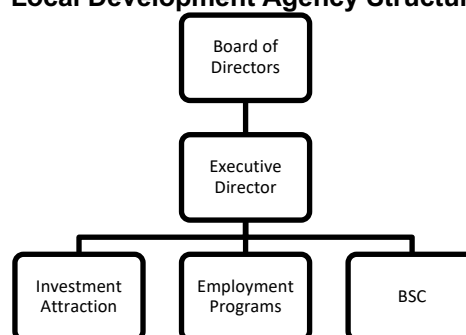


Figure 4.
BSC as a Division of Local Development Agency Structure



3.2. Governance Structure

In order to discuss and decide what the most appropriate governance structure is for the BSC, we first need to address the topic of governance. By governance structure, we mean the framework around which the services and operations of the centre are organized, the underpinnings which keep the centre functioning. It is a kind of the operating manual that explains how the organization/institution is put together and how it

³ Municipal enterprises may also fall into this category.

works. More specifically, the structure describes how members are accepted, how the management is chosen, and how decisions are made.

3.3 What is Good Governance?

“A transparent decision-making process is the process in which the management of an organization, in an effective and accountable manner, directs resources and exercises powers on the basis of shared values”

Once an organizational structure has been chosen, the decision on the governance structure needs to be made. What is meant by governance⁴? It means the processes and decisions that seek to define actions, grant power and verify performance. In relation to the creation of a BSC it speaks directly to the Board of Directors, management/staff and the levels of responsibility and decision-making abilities.

Good governance is usually associated with six (6) key elements, including:

1. Accountability;
2. Transparency;
3. Participation;
4. Adequate relationship management;
5. Efficiency;
6. Equity.

These elements are intended to reflect the ethical values that underpin decision-making and operations of any organization. They also provide some guidance defining exactly what ‘good’ governance is that requires consideration of the local context and capacities of various stakeholders within the community.

One of the BSC’s core assets is its Board of Directors/Board. The Board is a requirement in most countries (including Ukraine) to enable the Centre to register and operate legally. The Board is typically made up of volunteers and is separate from the organization’s management and paid staff. The Board’s primary function is supervising the organization’s operations including ensuring that it fulfills its mission, lives up to its values, and remains viable for the future. It may be comprised of community leaders, representatives of beneficiary groups, and/or private donors. The Board typically meets regularly (most commonly monthly) with the executive director and management team to review the organization’s progress.

Attracting a Board of Directors

The BSC Board of Directors will be seen in the community as a reflection of your organization. In this way, the Board can be both the face and fate of a BSC. Therefore, it is very important that you find Board members who will represent the organization competently and be able to attract support for the Centre’s development.

Where to look for Board members? Consider recruiting individuals who are:

- Leaders in the community your BSC serves. This is a good way to ensure that your organization’s strategy is relevant and in line with the needs of the community. In addition, such leaders often have connections to stakeholder groups that may be able to support your work.

⁴ The word “governance” is notoriously difficult to translate into Central and Eastern European languages. A major problem is that local words for “governance” are often used to translate the English word “management” too, confusing the difference between the two concepts. Furthermore, although the English philosopher John Locke introduced the notion of good governance as a “separation of powers” more than 300 years ago, an understanding of governance in this sense was introduced to Central and Eastern Europe only a little more than a decade ago. Thus the words we use to translate “governance” – such as the Bulgarian “upravlenie” and its variants in Russian and other Slavic languages – come from a very different political tradition and don’t adequately convey Locke’s meaning. This confusion can make thinking about governance difficult and complicate efforts to separate the functions of boards and staff. http://www.dochas.ie/pages/resources/documents/Governance_Handbook.pdf

- Active in professional associations such as those that represent business, accounting or law sector within which your organization works. These individuals can offer services that might otherwise be very costly for the BSC.
- Prestigious or famous. Weigh the potential benefits and disadvantages of famous Board members carefully. Before you approach them, you may want to determine whether they have expressed an interest in your cause. Also, be aware that often such celebrities may not have enough time for the proper execution of their responsibilities. In addition, consider what reflection they might have on the Centre if they fall out of favour.
- Representatives of your beneficiary/stakeholder group. Doing so will ensure that the voice of the people you serve is heard at the Board meetings.
- Representatives of partner organization. Many BSCs count on strong partnerships in delivering their services. The Centre should weigh the value of having partnership organizations on the Board, thus creating greater symbiotic relationships and synergies. For example, a well-established university can be a valuable partner who can align with the Centre in many regards and can as well be a valuable Board of Directors member.
- The Board of a BSC should ensure that local needs are adapted to and regional partnership opportunities are responded to, while at the same time appreciating the value of best practices region and country wide.

Responsibilities of Board Members

Building a good Board of Directors takes time and patience. Be clear about what type of Board member you are looking for. What skills and expertise do you need? What do you want them to do? How much time do you expect from them? How many meetings do they attend?

Even though Board members of a BSC are not paid for their work, a written job description is still useful. It can help Board members understand how to behave on the Board and prioritize their activities. It is also a good instrument for letting new Board members know what is expected of them. It is worth including the following items to a job description:

1. Know and share organization's mission.
2. Attend Board meetings regularly.
3. Prepare for meetings in advance.
4. Maintain confidentiality.
5. Offer informed and impartial recommendations.
6. Avoid conflicts of interest and obviate imposing agendas.
7. Participate in committees and special events.
8. Support the organization's management.
9. Take part in resource development.
10. Promote the organization in the community⁵.

BSC Management

Strong management is the key to a successful BSC and is of great importance to partners and donors when they are assessing whether they are going to finance the BSC's operations. Describe the key members of the management team. In a small BSC there might be few employees but specialists can be obtained for part-time help or for the implementation of special projects.

⁵ A Handbook on NGO Governance by CEE Working Group on Nonprofit Governance

Describe the duties and responsibilities of each of the members of the management team and include a brief statement of their past career accomplishments to demonstrate their ability to perform the assigned role. (See Appendix 1. BSC Sample Job Description – Business Services Coordinator).

Any BSC can benefit greatly from a knowledgeable Board of Directors. They have industry knowledge, business experience and a strong source of business contacts. List the Board members with a brief description of their accomplishments.

Professional specialists such as accountants and lawyers, bankers and management consultants should be listed to give the BSC service users an indication of the support group behind development of their businesses.

3.4. BSC Purpose and Values

It is important that members of the Board of Directors and BSC staff have a firm grasp of the purpose of the Centre and at the same time respect its internal regulations. As stated earlier, the strategic objectives of why a community explores the creation of a BSC are to 1) foster entrepreneurship (business start-ups) and 2) enhance business retention and expansion (support to SME development).

A BSC does not claim to be a solution to all business problems nor is it intended to replace or duplicate existing business services. Rather, a BSC tries to fill the “gaps” in services required by local business community. In addition, a BSC works in partnership with other community organizations in order to compliment rather than duplicate existing services and resources.

In setting up a BSC there are three elements to consider:

1. What is the vision of the BSC?
2. What is the mission of the BSC?
3. What are the values of the BSC?

Well-crafted and articulated vision, mission statement and values are important elements of setting up a successful BSC.

The vision is what guides your BSC and energizes your stakeholders; it is the “big picture” illustrating what the Centre strives to achieve.

The mission statement defines who the Centre is and where it is going.

The values state the guiding principles an organization commits to uphold in all aspects of its work.

Creating a Vision Statement

A strategic vision describes the position a BSC intends to move to. A well-conceived vision has to be distinctive and specific to the unique needs of the community. For the strategic vision to function as a managerial tool it must (1) illuminate the BSC directional path and (2) provide the management with a reference point for making strategic decisions on the way to the future.

Use the following questions to create a proper BSC vision (see Table 2):

- How do you envision your BSC in 10 years?
- How is what the BSC strives to achieve embodied in this vision?

In one or two lines, write a vision statement for your BSC.

Table 2. Characteristics of a properly worded vision

Graphic	Paints a picture of a kind of the BSC the board and the management are trying to create and defines the position in the LED landscape the BSC seeks to occupy.
Directional	Is forward looking and describes the strategic course that the board of directors and the management have charted and the types of products/services/markets/participants/technology changes that will help the BSC prepare for the future.
Focused	Is specific enough to serve as the reference point for the board and the management in making decisions.
Flexible	Is not a 'once and for all statement' – the directional course that the board and the management has charted may have to be adjusted as circumstances change.
Feasible	Is within the realm of what the BSC can reasonably expect to achieve in due time.
Desirable	Indicates a direction for development and is in line with the long-term interests of stakeholders.
Easy to communicate	Is explained in 5 minutes and can be reduced to a simple, memorable statement.

Create a vision statement

Have the Board, staff and key volunteers work in small groups. Give the groups large pieces of paper and markers to discuss and depict their vision using words, pictures or a combination of both. Questions to spark the discussion could include: What will our community look like? What will people's lives be like? What will they be doing? Then ask the groups to share their visions. Discuss them and identify common elements. Task two or three people to craft a concise vision statement.

Creating a Mission Statement

The distinction between a vision statement and a mission statement is fairly clear-cut: a strategic vision portrays a future scope of "where we are going" while a mission typically describes the present scope and purpose as well as responds to such questions as "who we are, what we do, and why we are here"

The mission statement clearly defines an organization's primary purpose, the general methods it uses to achieve its ultimate aims, and the community that it serves and in which it operates.

Create a mission statement

To develop the BSC mission statement:

Step 1. In small groups brainstorm on each of the following three questions: Why are we here? What do we stand for? Where are we going? As a large group record everything on three sheets of flipchart paper.

Action	How	Where	Who	When	What	Missing

Step 2. Go through the answers and categorize the 20 most important words under the following headings:

(The “Missing” category is for words you find you need to complete your mission statement that you have not found on the flipchart sheets).

Step 3. Using 25 words, write your mission statement ensuring it answers the above three questions.

Creating Organizational Values

Values statements spell out the core principles that guide an organization's operations. Whether or not they are officially stated, an organization's values are an important part of organization's culture. Statement of values helps define the principles and ethics by which an organization operates and which can act as a guide. It helps define what is right and wrong as well as behaviour patterns and approaches that are valued within the organization. It is often called upon to help resolve conflicts or negotiate ethical dilemmas. Community, partner organizations and customers can look to the statement of values to find out more about an organization. Not all organizations state their values, but all organizations have values.

Create a statement of organizational values

Ask each member of the leadership team (board of directors and management) to trace his or her hand on a piece of paper. Then have each person write a value they believe should guide the organization on each finger on the paper. Next, put people in pairs or small groups and ask them to share pictures of their hands. Members of each group have to agree on the five or six most important values they have in common. Then ask each group to draw its list and post it on the wall. After each list has been assessed, you will likely find a core set of values that everyone shares.

Examples of vision, mission and core values

BC Community Futures – North Okanagan, Canada

Vision Statement

Community Futures will be an integral leader in creating opportunities for growth and success in our communities.

Mission Statement

To assist the citizens of the North Okanagan to achieve significant improvements in permanent employment and sustainable development.

Core Values

We will conduct ourselves with integrity and be responsive and responsible to our communities and our Network. We will adhere to our Core Values and high professional standards.

Honesty. We will be genuine, fair, truthful and sincere in all our dealings.

Respect. We will show consideration and deference for the contribution of others.

Trust. We will behave responsibly and honourably, we will allow ourselves to be open, approachable and create an atmosphere that encourages candour.

Openness. We will share information in a timely fashion respecting the need for prudence and confidentiality.

Results. We will create positive community outcomes through innovation, entrepreneurial leadership, excellent client care and strong partnerships.

Quality Standards

Governance. Community Futures operates using a governance model based on written policies/procedures that encompass our operational needs. These policies are regularly reviewed and renewed.

Professionalism. Community Futures volunteers and staff adopt the core values, strive for excellence and seek out opportunities for continuous improvement.

Communications. Community Futures communicates both internally and externally reflecting our core values in a timely, responsive and effective manner.

Accountability. Community Futures is accountable to our communities, funders and each other to meet or exceed expectations, while reflecting our core values.

Women's Enterprise Centre – British Columbia, Canada

Vision Statement

Our passion is to empower women entrepreneurs to their business success.

Mission Statement

We exist to be the leading business resource centre for women who are, or are considering, starting, purchasing, or growing a small business in British Columbia (Canada).

Core Values

Respect. We treat everyone in the community with respect.

Integrity. We conduct ourselves with honesty and professional ethics.

Excellence. We are committed to understanding and meeting women's business needs.

Support. We understand, relate to, and respond with value to the unique circumstances of the individual.

Responsibility. We operate in an environment of teamwork and accountability.

Learning. We believe it is essential to continuously acquire new skills and knowledge.

Relationships. We are committed to strong, enduring, and trusting relationships.

Celebration. We embrace our successes, unique talents and personalities in an environment that is positive, productive and fun.

3.5 Incorporating Gender Dimensions into Creation and Operation of Business Service Centres

It is important to bring a gender perspective to business support services to clearly understand the differences and inequalities between women- and men-owned businesses.

Women-owned businesses offer economic opportunities and jobs for women, especially for those in vulnerable age groups (aged 18 to 25 and 40 to 60). Entrepreneurship gives women an opportunity to fulfill their potential and develop creative abilities, as well as strike the right balance between work and family life.

Successful BSCs make the effort to gain intimate knowledge of the women entrepreneurs' market segmented in their communities. Many BSCs use this intimate knowledge to design programs and services aimed at supporting women entrepreneurs.

Generally speaking, BSCs have the ability to influence and promote gender equality in three areas of their focus: 1) organizational structure and governance, 2) delivery of services and 3) dissemination of best practices.

Organizational Structure and Governance

BSCs are in a position to incorporate gender equality into their governance and organizational structure. This includes seeking advice from women entrepreneurs and striving to establish a gender balance of governing boards. Many BSCs go beyond the scope of merely offering a few female-targeted services or

programs, and instead have such dimensions entrenched in their activities through vision, mission and core values.

Delivery of Services

There is empirical evidence that countries which are committed to the systematic support of women entrepreneurs have much higher levels of women's participation in business ownership versus countries with minimal or no support services⁶.

Regardless of whether the Centre chooses to make gender dimensions its primary focus, the Centre can still target programming towards the unique needs of women entrepreneurs. The challenge posed to the Centre is not what services to deliver but rather how to offer these services. For example, both genders require assistance via training courses or one-to-one counselling. The uniqueness of the genders, as with all market segments, is their needs and how they are serviced. What should/could specific services for women include?

- Provision of a safe and warm environment for women.
- Flexibility in offering services (timing, child care, longer time period, etc.).
- Demonstration of sensitivity and understanding of gender differences in business ownership.
- Demonstration of understanding of the challenges that women face (juggling family and work, discrimination, etc.).
- Provision of emotional and motivational support.
- Provision of opportunities to network with other women.
- Consideration of outcomes in terms of improved self-confidence, work/business balance, and contribution to the community.

It is important to note that specific orientation and skills are required to successfully deliver services to women entrepreneurs. BSCs must invest in developing the capacity to deliver these services.

Dissemination of Best Practices

BSCs should also attempt to model good human resources (HR) practices: seek to ensure gender balance on staff, ensure non-discriminatory hiring and promotion policies, adopt HR practices that support work/life balance (flex-time, telework, etc.), and adopt anti-sexual harassment guidelines. It is worth highlighting some recommendations in this context:

- Build capacity on gender equality issues among staff. Ensure that staff are aware of why/how gender equality issues are relevant to their work and what their responsibilities are in this area.
- Make sure that all work in this area is concrete and avoid jargon.
- Promote/publicize the stories of successful women entrepreneurs. Reach out to the media, develop a specific website, prepare materials for social networking, build relationships with journalists, and identify a spokesperson within the BSC who has this specific responsibility.

⁶ Stevenson, Lois (2011) *Improving Women's Access to Non-Financial Business Services*. OECD-MENA Women's Business Forum, Paris. <http://www.oecd.org/mena/48778006.pdf>

Women's Entrepreneurship Centre in Manitoba, Canada	Women in Entrepreneurship, Lviv, Ukraine
<p>The Centre provides the following services:</p> <ul style="list-style-type: none"> • Specific training and advice for women business owners and women thinking about starting a business (specifically targeted at women). This includes online support, training workshops, individual advice, and online training • Mentoring • Conferences and public events • Networking with other women business owners (monthly networking breakfasts, for example) 	<p>Lviv's Women in Entrepreneurship initiative is designed to meet the specific needs of women interested in starting a business. Discussions with women revealed that general business support services do not always meet their needs. So a series of specific training courses for women were developed.</p> <ul style="list-style-type: none"> • Training courses were offered in how to start a business, teamwork principles, marketing, financial management, and taxation. Women also had the opportunity to learn from experienced entrepreneurs and received one-to-one counselling. • Radio programs, web campaigns and street advertising were used to attract potential participants.

4. Researching Community Development and Business Community Needs

Goal: to carry out community research and market analysis in order to gain a comprehensive understanding of the business community needs and identify gaps in services that the BSC can fill

4.1. Collecting Information and Carrying out Research

Every business should undertake market analysis in order to tailor their services to best meet the market needs. BSCs are no exception. This exercise is of critical importance as Business Service Centres' degree of success and market acceptance is largely based on an intimate understanding of the needs of the market and of the business community.

Keep in mind that the overarching goal of the BSC is to assist the local SME sector in overcoming the challenges they face in operating their business. Therefore, the purpose of the research is to obtain information required to identify interventions or strategies to address priority market problems and opportunities. The BSC market assessment is based on three research objectives:

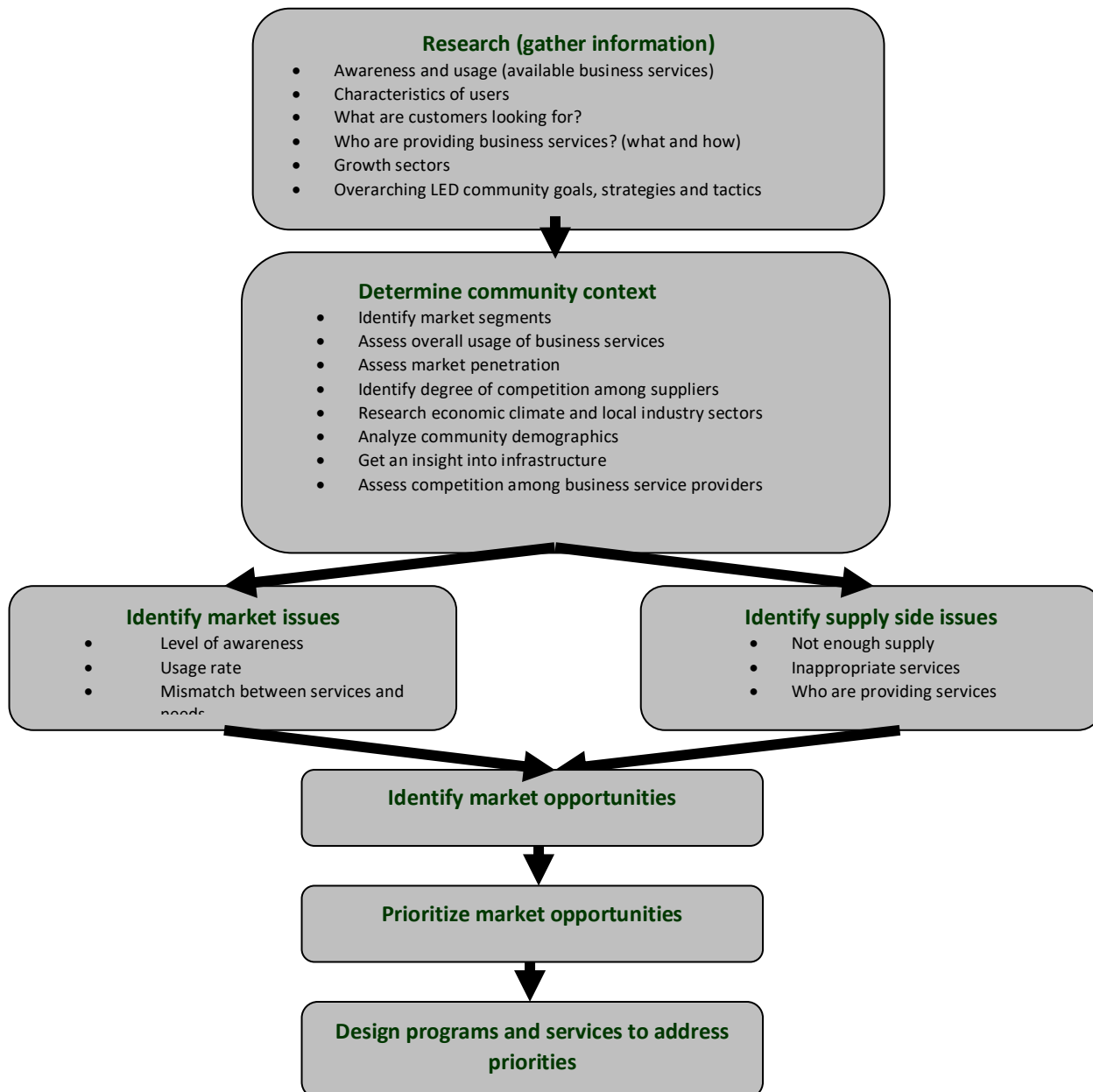
1. determine the community context;
2. determine who else is providing services to the business community, what are these services and how these services are provided;
3. determine the needs of the target customers.

All successful BSCs share two common traits: firstly, they are all strategically designed and positioned; secondly, they represent their region or community – in other words they are each tailored to address the unique challenges of the local SME community. Both of these aspects are based on a thorough and objective research and analysis component of BSC creation.

There is a whole range of sources of information as well as tools to get it. Information can come from:

- consumers (small and medium-sized enterprises),
- suppliers,
- business associations (of either consumers or suppliers),
- government agencies,
- key partners who have information.

Figure 4. Research Process Methodology



There are various sources of information and tools available to obtain it. Let's start with what information is required and then discuss information sources and research tools. In the course of setting up a BSC, the institutors may need the following information:

- Overarching community LED goals, strategies, and tactics.
- Awareness and level of usage of the existing business services.
- Characteristics of services users.
- What are customers looking for?
- Who are providing business services?
- Growing and declining sectors of local economy.

In order to obtain this information there are two types of research a BSC may utilize: primary and secondary research.

Primary research is the collection of data by the organization itself directly from the target group such as existing businesses. This source of information can be costly and time consuming, but when designed correctly will provide you with extremely valuable data that directly pertains to your particular needs. You can obtain this information using the following research methods (see Table 3).

Table 3. Research methods

Research method	Advantages	Disadvantages
Observation	<ul style="list-style-type: none"> Does not require a person's consent Does not bother customers Low cost Rather quick 	<ul style="list-style-type: none"> No opportunity to ask questions Information is obtained indirectly and thus may be incomplete Impossible to observe future plans and past behaviours Observer may bring in bias
Comments cards	<ul style="list-style-type: none"> Low cost Easy to record Allows the Centre to address an issue 	<ul style="list-style-type: none"> Tend to record extreme reactions Low response rate
Focus groups	<ul style="list-style-type: none"> Facilitator can help collect exhaustive information Can use open ended questions Complete answers by probing Can fully explore ideas and problems Group can help design questions and/or solve problems 	<ul style="list-style-type: none"> Facilitator may bring in bias Single member can influence a group People may tell you what they think you want to hear Discussions can wander Can be expensive
Interviews	<ul style="list-style-type: none"> Interviewer can help collect exhaustive information Can use open ended questions Complete answers by probing Can fully explore ideas and problems 	<ul style="list-style-type: none"> Interviewer may bring in bias People may tell you what they think you want to hear Requires significant resources and is expensive
Mystery shopper	<ul style="list-style-type: none"> Good source of information to measure level of competition 	<ul style="list-style-type: none"> Participant may bring in bias
Survey <ul style="list-style-type: none"> Telephone Mail Personal 	<ul style="list-style-type: none"> Can cover large areas inexpensively Easy to reach people Anonymity provided to respondent 	<ul style="list-style-type: none"> Low response rate Respondent may not be an average consumer No control over response

Samples of questionnaires on the business needs are available in Appendices 2 and 3.

Information can come from:

- business owners and citizens who are likely interested in starting an own business;
- providers of business services (lawyers, accountants, management consultants, lenders, training institutions, etc.);
- business associations (of either consumers or suppliers);
- government agencies that provide services to small and medium-sized enterprises;
- business service industry experts.

Keep in mind that this list is not exhaustive.

Secondary research involves gathering and analyzing data that has already been produced by various institutions and organizations. An example of this type of research is analysis of statistical information gathered by government and non-government institutions.

For sample questionnaires, see websites of the following BSCs:

Ladyzhyn LED Agency, BSC, Vinnytsia Oblast:
<http://amerlad.wordpress.com/centr-pidtrymky-bisnesu/>

Nikopol Agency for Regional Development,
 Centre for Business, Investment and
 Innovation Support, Dnipropetrovsk Oblast:

Statistical data analysis to determine the state of the community is widely used in Ukraine. Having been collected for a few years in a row, statistical data affords ground to detect and analyze general trends within the business environment. Collection of statistical data is complemented by official data of local government authorities, rayon and oblast administrations, employment centres, and other state and municipal enterprises, institutions, and organizations. Some sources of secondary research data are given below.

Sources of secondary research data

Websites of Regional Departments of Statistics:

Main Department of Statistics in Lviv Oblast: <http://lv.ukrstat.gov.ua/>

Main Department of Statistics in Dnipropetrovsk Oblast: <http://www.dneprstat.gov.ua/>

State Service of Ukraine for Regulatory Policy and Entrepreneurship, with links to regional offices:

<http://www.dkrp.gov.ua/>

State Employment Service of Ukraine: <http://www.dcz.gov.ua/control/uk/index>

4.2. Determining Community Context

Determining the community context via analyzing the data gathered is an essential step in establishing a foundation on which to build a successful BSC. Gathered statistical and factual information pertinent to the state of regional small and medium-sized enterprises from demographic, economic and infrastructural perspectives is analyzed, included in **Community Profiles** (oblasts, rayons, cities, urban-type settlements and villages) and is used for a comprehensive research of community context.

Collect information and create a community profile using the worksheet below

Category	Description
Population	What is the population size of your community? If available, provide breakdowns by age, age groups, gender and income. Is population growing or declining? What are the long-term trends? What is the size of population that does business in the community?
Economic base	Briefly describe the economic base of the region. First provide information about major manufacturing enterprises of the region as well as community's local businesses and business associations. Remember to include a description of the key community resources that may not be fully utilized at this time.
Transport infrastructure	Describe local transport infrastructure, i.e. motorways, rail lines, airports and waterborne transport services. In addition, state the relative availability and cost of transport services.
Utility infrastructure	Describe the quality, availability and costs of utilities, i.e. electricity and water supply, waste management.
Communications and media infrastructure	Describe the quality, capacity and availability of communications infrastructure, i.e. telephone systems, local email/Internet services, local television, radio, newspapers.
Land use and commercial area	Describe currently available residential, commercial and industrial land as well as land plots available for future development.
Business registration, taxation rules and regulations	Describe the relevant local registration, legal and tax regulations in your community.

Labour market	Describe the availability and skill level of the local labour market, including age, gender, education, etc.
Education institutions	List local education institutions, i.e. schools, universities, research institutes, vocational training centres, and describe key programs and services. Are there any programs for entrepreneurs?
Healthcare facilities	List local healthcare facilities, i.e. hospitals, medical centres, etc.
Financial services	List local financial institutions and describe their services. What is the local policy in respect of lending to small enterprises?
Recreation and leisure, cultural and historic sites	List local recreation and leisure facilities as well as cultural and historic sites. List local health resorts, both public and private.

Below are some good examples of community profiles.

Examples of community profiles

Rivne, Rivne Oblast: http://www.city-adm.rv.ua/RivnePortal/ukr/gromada_profile.aspx

Avdiivka, Donetsk Oblast: <http://avdeevka.dn.ua/joomla/index>

Lviv (Lviv City Profile: Demographic, Economic, Fiscal):

http://commondatastorage.googleapis.com/profileebd/lvdemfissoc/Lviv_eng_print_block_full.pdf

Nikopol, Dnipropetrovsk Oblast: <http://nard.org.ua>

Kryvyi Rih, Dnipropetrovsk Oblast: <http://irm.kr.ua/uk/component/content/article/35-library-biblioteka/biblioteka/164-profil-mista.html>

The objectives of the analysis required to determine the community context are to:

- identify market segments;
- assess the overall usage of business services;
- assess market penetration;
- determine the degree of competition among suppliers;
- determine the key economic sectors;
- determine demographic trends;
- determine the community's economic conditions;
- gain infrastructure perspective;
- assess competition among business services providers.

To make conclusions about community context, **summarize key facts in an easily understood format** – analyze information obtained from community profiles, focus-groups, opinion surveys, etc. Identify major challenges for business development in your region. For example, a region in Ukraine may have an economic dependency on one particular industry sector such as agriculture or mining. Or, a region may be experiencing a predominant participation of men in the labour force with a lack of opportunities for women.

4.3. Identifying Market Challenges, Opportunities and Priorities

The goal of supply- and demand-side analysis is to identify gaps in services that need filling, opportunities to seize or problems to overcome. A full examination of the region's business community issues will identify the need for particular business services. BSC can introduce services that will assist the business community in meeting its on-going business needs. Often a supply and demand analysis will identify the need for training, consulting and access to financial support. However, new initiatives pertinent to a particular region and its business environment may arise. Often the BSC is in an optimum position to assist the region in addressing these issues.

From the demand-side analysis, determine what major problems are faced by the SME community. What impact do these problems have on the region's potential for business development? Analysis of the current

business environment should lead to the consideration of how existing factors will evolve and effect the community's economic development in the future. For example, zoning regulations of an agricultural region may discourage a new manufacturing industry to develop, or business entities can move to new regions to access better transportation infrastructure.

The objectives of market challenges analysis are to determine:

- level of awareness of available business services;
- current rate of usage of business services;
- whether services match real needs.

From the supply-side analysis, determine what services are presently being offered to the SME sector and in what form. BSCs have the ability to turn perceived competitors and existing business service providers into strategic partners. This process starts with the understanding of the role various providers of business services play in the shared target market.

The objectives of supply side analysis are to determine:

- whether there is adequate supply;
- determine the appropriateness of services;
- determine service providers.

Ultimately, the goal of this effort is to identify gaps in services that need filling, opportunities to seize or problems to overcome.

Too often BSCs rush to bring new products/services to the market without first considering whether the opportunity is worth chasing. This leads to a series of detrimental scenarios that end in lackluster BSC performance and never yield market traction as desired. Based on the research and analysis conducted, it is necessary to draw a list of potential services/products that the BSC can offer to the SME sector. At this point of the analysis it is time to list and prioritize the existing opportunities. Below is the list of questions the organizers should ask in considering and ranking potential opportunities:

1. Does this opportunity fit within the BSC purpose?
2. Are we best suited over other suppliers to meet this need?
3. Can we successfully differentiate ourselves?
4. Is this a sustainable service offering – long-term need or short-time concern?
5. Do we have the required skills/knowledge to deliver this service/product?
6. Does our staff/consultants have time to meet this need?
7. Is the market sufficient enough to justify the resources required to design and deliver the service?
8. How will we raise resources for this opportunity? Are there funders for this service or is there a customer base willing to pay?

*Never assume that you know what the business community needs or how it will
react to your services... ASK your customers.*

5. Business Service Centre Services Options

Goal: to identify the mix of services the Centre will offer in light of community context and organizational capacity, as well as the BSC's capabilities

5.1. Identifying the Service Mix

In order to develop the BSC product/service mix, a clear and objective understanding of the market segments to be targeted, as well as demand for services, needs to be achieved. Defining and learning about the markets requires research. Though it takes effort at the beginning, thorough market research can save you time and money in the long run.

List of possible services/products the Centre will offer is compiled based on the conducted research, analysis and prioritization.

On the basis of analysis, strategic goals are arrived at that delineate a number of areas of activity for the BSC. Typically, BSC's strategic goals outline its approach to dealing with such core service areas as listed in Table 4.

Table 4. BSC Services

Service	Description
Research and business information	Development, collection and provision of relevant business information and data
Business counseling	Providing business advice on a one-to-one basis
Business training	Coordinating and delivering training programs
Small business advocacy	Providing a public voice for the SME community
Microlending	Providing micro loans and financing for SME development
Infrastructure support and other services	Enhancing the physical capacity of SMEs to do business
Professional mentoring	Mentoring matches up experienced entrepreneurs, small business owners and business professionals (bankers, financial analysts, lawyers etc.) with new business owners
Networking	Networking enables entrepreneurs to share business information and experiences with one another on a formal and informal basis
Miscellaneous (usually fee-based services)	<ol style="list-style-type: none">1. Secretarial and word processing (Internet, fax, photocopying, courier services)2. Telephone answering and mail drop services3. Meeting rooms and equipment rentals4. Small office space or common assembly areas5. Research and survey services

Ukrainian BSCs provide a package of services based on conducted research and efficient use of opportunities and resources. As a rule, a business centre operating procedures (bylaws, counselling service schedules, etc.) are developed and approved to that end. To ensure their sustainability, Ukrainian business centres use packages of fee-based and free services as well as flexible service schedules according to the needs of the market segments.

See Appendix 4 for a sample service contract.

A recent approach to BSC services has been to establish entrepreneurship support funds based on Ukrainian business centres. The primary objectives of such funds are to support business entities through the provision of non-interest-bearing financial assistance to increase the number and raise the quality of goods and services, as well as boost the number of jobs.

The best example of an entrepreneurship support fund in Ukraine is the Business Support Centre under Sokal Agency for Regional Development, Lviv Oblast.

For sample Ukrainian BSCs and their lists of services see:

Investment and Innovation Support Centre, Nikopol Agency for Regional Development, Dnipropetrovsk Oblast:

<http://nard.org.ua/pdtrimka-bznesu.html>

Business Support Centre, Burshtyn Local Economic Development Agency, Ivano-Frankivsk Oblast:

<http://amer-burshtyn.org.ua/uk/abouts/1-amer/childs/2-dlya-biznesu>

Business Support Centre, Sokal Agency for Regional Development, Lviv Oblast:

<http://www.agencija.sokal.lviv.ua/main.html>

5.2. Incorporating Environmental Sustainability Aspects into BSC Operations

Environmental Sustainability is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs⁷, thus ensuring that economic, environmental, and social developments go hand in hand.

The application of the concept of environmental sustainability in BSC operation will give an object lesson to show customers how this approach is effective and viable, and will provide BSCs with credibility. To ensure this, it is appropriate to incorporate environmental sustainability considerations into the organization's strategic regulations such as vision, mission, priorities, goals, etc. In practice it can appear as development of the BSC's Sustainability Strategy.

The primary purpose of integrating environmental sustainability into BSC operations is to ensure that the BSC is profitable. This is achieved through environmental counseling such as providing businesses and organizations with access to a range of professional services related to environmental concerns. It is important to note that there are actually two very different types of environmental services: assessment and advising.

BSCs are often viewed as major influencers within the SME sector. With this influence the Centre is in a unique position to debunk many of the myths of the impossibility to ensure sustainable operations in business, e.g.:

1. It is costly and we can't afford it right now.
2. It requires a large number of staff.
3. There's no money to be made from sustainability.
4. It is just for big companies.
5. We don't have to worry about the supply chain because we don't make things.

Through disseminating best practices of business environmental sustainability and educating about the real business benefits of environmentally sustainable business practices, the Centre can have a real influence on the SME sector.

Environmental sustainability starts with ourselves. BSCs should continuously be working towards promoting, educating, and disseminating best practices in regards to reducing any negative impact of business operations on the environment. Management of knowledge sharing programs, and establishment

⁷ Report of the World Commission On Environment And Development: Our Common Future, the Brundtland Commission, United Nations, 1987.

of certification programs in the field of sustainability could yield successful results in reaching new customers.

The move to sustainability in business is gathering momentum across the world and many companies are already on the path to sustainability⁸. Understanding environmental sustainability is a vital part of continuous business development and BSCs are an instrument that can make this understanding easier.

⁸ Jon Dee. Small Business Big Opportunity: Sustainable Growth, 2010.

6. Stakeholder and Partner Analysis

Goal: to analyze stakeholders and involve strategic partners in raising the BSC's efficiency and performance

Stakeholders can greatly influence the intended outcome and success of a BSC. Their involvement can take place at many levels within the BSC, from Board of Directors to service offerings. Successful BSCs share the common trait of having strong strategic partnerships. However, performing a stakeholder analysis at the planning stage can greatly influence the design of an effective strategy for the Centre's development.

Partnerships can help make a BSC successful by:

- Providing valuable information regarding needs, resources, realistic objectives and practical considerations of the BSC's operation.
- Recognizing hidden aspects that might not be obvious at the planning stage.
- Providing the necessary resources (such as premises for training, equipment, and access to human resources).
- Providing access to customers.
- Ensuring that the focus of the BSC remains on people it is meant to support and serve.

It should be realized that in order to be able to move forward, implement its own strategy, get the funding and become viable, the BSC must enjoy support of strategic partners. Particular emphasis should be placed on identifying precisely such strategic partners, negotiating with them and having them involved in the implementation of the BSC's initiatives.

Conducting a strategic partnership analysis

Step 1. Identifying potential strategic partners⁹

Strategic partners are individuals, groups or institutions likely to be affected by the BSC's operations (either negatively or positively), or those who can affect the operating results. These are persons who might be involved in or be impacted by the BSC's operations. The number of such persons can be large, so narrowing the field to key stakeholders is the main objective of the analysis. The identification stage could start with the manager, especially if he or she is familiar with current or potential stakeholders. Remember, the more stakeholders are involved in the BSC's operations, the more likely the BSC will be successful.

Possible strategic partners may include donor agencies, key supporters, competitors, resource providers and customer groups.

Step 2. Profiling potential strategic partners

Profile is to be created for each identified stakeholder. Typically, a matrix of stakeholder information is used to create a profile. Though this approach is efficient and provides a quick review of all stakeholders, completing a more detailed, narrative profile is strongly encouraged. This will allow for a greater understanding of each stakeholder and how to get each stakeholder involved.

Step 3. Creating a relationship model

This step provides a visual picture of what the BSC will look like in terms of stakeholders and their importance and influence. The relationship model addresses the following questions: 1) What is the relationship among stakeholders? 2) Who influences whom? 3) Who has control over whom?

Many organizations express support of partnership involvement by promising participation, but gaining stakeholder involvement is not always easy. Careful and thorough planning is essential to identify the right stakeholders and to ensure stakeholders participate in appropriate and effective ways.

Step 4. Establishing participation categories and methods

The fourth and final step contains the two components:

⁹ <http://influenzatraining.org/documents/s18763en/s18763en.pdf>

1. Linking the stakeholders, based on their profile created in Step 1, with the categories on the so-called 'ladder of participation' (see below).

2. Identifying practical strategies or methods for stakeholder involvement.

The first activity in this step is to 'link' each stakeholder with a level of participation. It is important to keep in mind that stakeholders may participate in multiple categories and varying levels of participation. The ladder of participation envisages the following six categories:

1. Information sharing
2. Participation by consultation
3. Participation through material incentives
4. Functional participation: group formation
5. Interactive participation/collaboration
6. Self-actualization/empowerment

The purpose of these six categories is to allow determining the most appropriate level of participation for different stakeholders. Managers can identify those areas which are most appropriate for each specific activity of the BSC. The categories begin with the lowest level of participation – 'Information Sharing' – and increases to the highest level of participation – 'Self-Actualization/Empowerment.'

When you have categorized the stakeholder degree of participation it is important to identify methods to be used in encouraging stakeholder participation.

Some examples of methods that are used to encourage stakeholder participation include (but not limited to):

- discussion papers;
- presentations;
- workshops;
- questionnaires;
- meetings and interviews;
- focus groups.

Performing a well thought-out and strategic stakeholder analysis can help the BSC recognize the importance of stakeholders in the creation and operations of the BSC. The process is ongoing as the BSC will add new stakeholders and adjust the roles of current stakeholders throughout the life cycle of the Centre.

It is important for BSC managers to keep stakeholder participation in mind as the Centre grows and changes.

Partnership between Ukrainian business service centres and stakeholders is established based on memorandums of cooperation and cooperation agreements. The key partners of business centres in the communities are municipal authorities, administrative services centres, local and regional offices of the State Employment Service of Ukraine, local and regional offices of the Pension Fund of Ukraine, territorial agencies of the Ministry of Revenue and Duties of Ukraine, sanitary and epidemiological stations, fire code enforcement agencies, environmental inspectorates, general and higher education institutions, research and development institutions, business support agencies (business incubators, agencies for regional development), civil society and non-governmental organisations, enterprises and entrepreneurs, etc.

Another way to establish partnership is to set up advisory committees under municipal and regional authorities as well as public institutions and organisations. Such cooperation is focused on addressing problems of target groups and customers of the BSC. Partnerships may be implemented during co-operative activities in the interests of all stakeholders – forums, training events, round table meetings, counselling, etc.

Examples of cooperation with stakeholders

Ternivka Agency for Economic and Social Development (Dnipropetrovsk Oblast) has entered into a Memorandum of Cooperation in the Partner Network with local non-governmental organisations and employment centre.

Nikopol Agency for Regional Development (Dnipropetrovsk Oblast) has been introduced to the Coordination Council on Entrepreneurship under Nikopol City Council, Community Council on Education and Science under Nikopol Mayor and Economic Council under the Executive Committee of Nikopol City Council.

7. Business Service Centre's Operating Plan

Goal: to prepare a creative and efficient operating model for the BSC's effective performance

Operating plan is the organization's guide or road map. It represents the framework in which the BSC articulates its goals and objectives, defines and develops programs and services, and measures the effectiveness of efforts. The operating plan contains information about organization's day-to-day activities. It is in this section where you provide information about aspects such as:

- Schedule of all crucial events
- Venues for the events
- Days/hours of operation
- Equipment requirements
- Suppliers
- Staffing
- Quality control procedures

In order to make the BSC's start-up and first critical months a success, you should identify what specific programs and services the Centre is going to offer.

The operating plan is crucial in determining many of the operating expenses, and describes critical suppliers, staffing requirements, fixed asset requirements, operating costs, and research and development plans. Critical suppliers are those people or businesses that supply products or services necessary for your operations. Suppliers should be identified along with availability of supply, credit terms, and cost of products, works and services. Staffing requirements and the costs associated with maintaining a workforce should also be itemized.

Various systems have to be established to ensure the day-to-day operations. Describe any bookkeeping, inventory control, production or workflow systems that will be used. Identifying the most appropriate location for the BSC is a critical decision.

Assess the BSC site location using the table

Criteria	Notes
Building type	
Building size	
Building adaptability (can it be altered to meet present and future needs)	
Condition or premises	
Traffic count cars or pedestrians	
Zoning requirements	
Visibility	
Convenience of location for customers including transport accessibility and parking	
Directional growth of district	
Rental terms, conditions and rates	
City district improving or deteriorating	
Additional comments:	

If the BSC is a large organization with many staff, programs, and services, it is important to include a floor-plan and list any leasehold improvements that will be required. Describe the basic layout of the business space and list any improvements that will have to be made, along with a cost estimate.

There should be a description of all equipment required for the BSC. Make a list of equipment currently owned by the business and all additional items that will be required. Can these items be purchased as used or do they have to be new? What is the cost of new equipment, and what is the value of the items already owned? Are there any warranty and servicing issues?

What furniture and fixtures are required by the business? These include desks, chairs, lights, and other items that every business requires. If the business is to acquire land and buildings, a detailed explanation of what is required and the expected cost should be included.

It is an advantage to develop a 'roadmap' which indicates critical activities and dates when they must be completed. Make a list of all the activities such as buying equipment, signing a lease, ordering inventory, etc., and then determine when they must be completed if the business is to be operational by a certain date.

8. Marketing Strategy

Goal: to shape the strategy and tactics that the Centre will use to attract businesses to your community and provide the necessary services

Use the results of your market research to help guide the Centre's development, promotion, and pricing policy. You will need to focus on the services that appeal to your target market. If it is an accommodation business, you need to identify your guests' duration of stay. In addition you will need to decide on the appropriate price to charge. The research you have conducted on your competitors should tell you what they offer. This will allow you to determine a competitive price while creating a product or package that is unique in the market.

Describe the strategies and tactics the Centre will use to attract the interest of those in the target market segments, offer services to them, ensure their satisfaction, and achieve sales forecasts.

The marketing plan should flow directly from your analysis of market conditions and identification of your target market. The marketing plan should explain how you are going to use the fundamental marketing building blocks of products/services, price, place and promotion to your advantage.

8.1 Products and Services

When developing and describing your product you should consider the following aspects:

- Description of products and services:
 - Describe exactly what product or service you will be providing.
 - What size will your business be?
- Uniqueness of your products and services:
 - Describe how your products and services will differ from that of competitors. It is very important that your product or service be unique in some way.
 - If you offer totally new products or services to your area, provide further information about them.
- Competitive advantages:
 - Describe how your BSC will maintain an advantage over competitors.
 - Why do you feel your BSC can gain a share of the market?

8.2 Price

Not all services offered by a BSC need to be for free. In order to make an informed pricing decision you have to consider the following questions. You should also include a price list in the plan.

- What prices are the competitors charging?
- What are the profit margins?
- How much do prospective customers are willing to spend on the products/services you offer?
- What image will your product or service project?
- What is your cost of goods sold/cost of services?
- What are your overhead costs (day-to-day costs)?

To determine the end price of your products/services you must know what your competitors charge or what the general prices of the product/service are in the market. If your product/service is new, you need to determine what price the market will bear. You must determine if you can sell the product/service for this price, and still cover your costs and overheads as well as generate a reasonable profit.

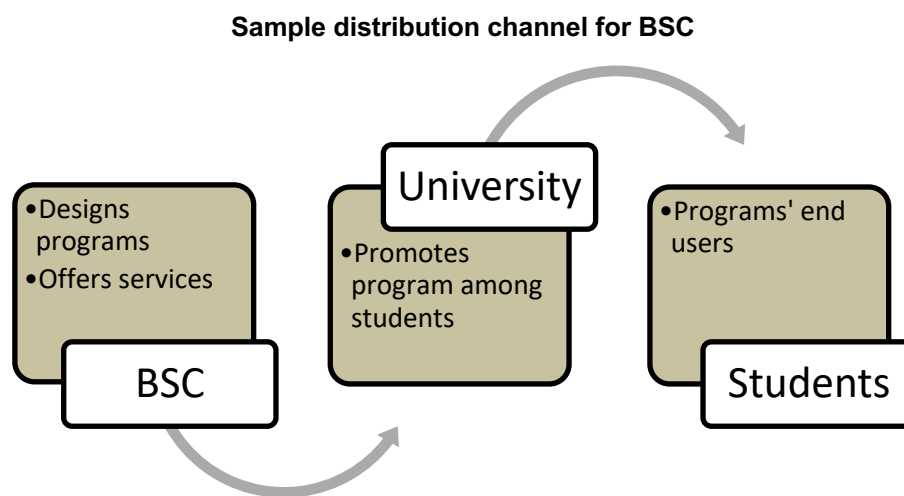
To determine your costs and overheads you need to:

- Determine the cost of goods sold/cost of services (refers to the cost of providing a single unit of product/service e.g. costs associated with arranging a workshop).
- Identify how much to allocate as the cost of your own labor.
- Establish how much profit you want to earn, taking into account provision for future expansion as well as additional working capital for the company.

8.3 Place (Distribution)

Describe how you propose to provide your products/services to prospective customers. BSCs have channels of distribution and often play a role within someone else's channel of distribution. For example a university might be a great organization to partner with as they have access to a large number of prospective customers for the BSC. In this instance the channel of distribution would be as follows:

Figure 5.



There are typically two types of distributions channels to be considered in the creation of the BSC:

- What channels will you use to distribute your products/services?
 - producer to customer (end user);
 - producer to strategic partner to customer виробник.
- How will you time your distribution?
 - Are you going to sell tax advice too late?

8.4 Promotion

Promotion is the element of the marketing mix which describes how the BSC intends to communicate information to potential customers. Describe the program you plan to use to create awareness about your product/service and company with the target market. In this section the following questions should be answered:

- What target market segments do you intend to reach?
 - What media do you plan to use? For example, Facebook, website, radio, TV, newspapers, magazines, billboards, direct mail, brochures, tradeshow, etc.
- When do plan to use each of these advertising media? What is your marketing strategy implementation plan?

It is important to note that not all promotional efforts are necessarily fee-based.

9. Business Service Centre's Financial Operating Plan

Goal: to perform financial planning as the key element of the BSC's business plan through calculating start-up expenses, sales forecasting, determining the cost of services, as well as analyzing cash flow, income, expenses and break-even point

9.1. Funding BSCs

In the context of BSC development the issue of financing is always a significant topic of interest. This interest arises from two different though interrelated perspectives, namely: (1) from the perspective of how to design, undertake and manage BSC actions and activities (core funding); and (2) from the perspective of how to enhance and provide greater levels of programs and services. In the first instance, how a BSC is financed has a significant impact on the capacity and capability of the Centre; in the second instance how BSC programs are financed has a significant impact on the scope, depth, and sustainability of the Centre's efforts.

A properly resourced BSC implies an appropriate mix or balance of an array of critical inputs including human resources, infrastructure, technology, and of course finances. All of them are characterized by certain sustainability, but the importance of each varies by community and by circumstances.

Financial support for selected BSC efforts might come in a variety of formats, most commonly including: grants; fees for services; in-kind contributions; equity investments; debt/loans; and sponsorships. These types of financing are defined in Table 5 below.

Table 5. Financing Typology

Type of Financing	Description
Grants and contributions of donor agencies	Grants are non-repayable financial contributions. They can be used to fund some aspects of core operations, e.g. to fund selected staff or to purchase selected equipment or to lease space, though they are more likely used to fund selected BSC programming initiatives, e.g. to capitalize a micro-credit fund or to undertake research or to provide business planning workshops. Grants are the most attractive form of funding for BSC activities because besides being non-repayable they can be utilized to leverage the contributions of other funding sources to achieve extraordinary BSC objectives. The less than attractive features of this form of financial support includes the following: (1) a lack of certainty from year to year that the programming will continue; (2) a onetime only source of funding, (3) the application process is often time consuming and requires a certain expertise in preparation, and (4) often have strong conditions on how the funds are used.
Fees for Services	BSCs, as with any business, can offer services for fees under contract and for a fee undertake specific local economic development activities on behalf of various customers or clients (government authorities, corporations, NGO's, individual citizens, etc.). Core funding is arguably a fee for service activity, i.e. the city requires a BSC effort of business and entrepreneurship retention and expansion (business start-up) and thus provides funding (fee) for this service either directly from local government authorities or externally, i.e. via an economic development agency. BSC specific programming can also be fee-for-service, e.g. providing entrepreneurial training to young entrepreneurs and charging a fee for such training. In this instance the profit realized from this fee-for-service effort might be used to offset core operational costs.
Equity/Investments	Increasingly BSCs across the globe are getting more innovative in their efforts to generate sufficient financial resources to undertake a broad array of business support measures. One such approach involves the sale of membership or even investing BSC funds in short term investment or taking an equity position in client businesses.

Debts/Loans	For the purpose of individual BSC initiatives that are for-profit development there is often available a broad range of loans and the like to finance ongoing operations. However, whatever the project, it must demonstrate the capacity to repay the debt without the sponsor or guarantor. Conscientious financial planning is therefore essential.
In-Kind Contributions	In the quest to secure sufficient financial resources to offset the costs of selected operational efforts and programming initiatives, BSCs are often able to secure in-kind (non-cash) contributions from a variety of agencies, authorities and individuals. These can range from “donated” meeting rooms from a local business to the assignment of specialists from local enterprises or the local university to assist with selected research investigations or business counseling.
Sponsorship	Corporations are increasingly getting involved in BSCs through the sponsoring of certain events or initiatives.
Volunteers	Directly and indirectly, volunteerism is playing an increasingly important role in BSCs development, while the capacities and capabilities of human resources are a critical determinant of BSC success. That being said, there is a certain inherent substitutability of these inputs, as when necessary human resources can be acquired at a nominal cost, financing availability is enhanced and can be utilized in other critical areas. BSCs attracting volunteers with specific skills, expertise, and experience in the community is a valuable way to enhance BSC services. Volunteers are often used to assist with planning of BSC operations and occasionally in implementing such plans. Their participation often involves sitting on boards and committees, participating in planning events, providing assistance in raising funds, and various other tasks.

In respect to funding that is targeted to enhance BSC efforts by fostering and promoting the direct activities and contributions of selected enterprises, entrepreneurs, associations and others, again there are a number of approaches and considerable variability between communities, regions and countries. The source of financial support is dictated by the legal environment; while the methodology is normally dictated by the needs of the beneficiary relative to the activities and results that the BSC efforts aspire to accomplish.

9.2. Writing BSC's Financial Operating Plan

Financial planning is a key element of the business plan as it helps determine the BSC's viability. Once all the information from the preceding sections is in place it must be brought together to determine if the business idea is viable or not. Revenues have to be matched against expenses and the anticipated profit or loss will indicate whether or not the business will survive.

There are six (6) Pro-forma Financial Statements that must be prepared:

1. Start-up Expenses
2. Sales Forecast
3. Cost of Goods/Services Schedule
4. Cash Flow
5. Income Statement
6. Break-Even Analysis

A Financial Projections section requires a clear explanation of the funds raised. This is the amount of money or other assets that the BSC has secured or needs to secure in order to start operating.

Calculating Start-up Expenses

Start-up expenses are the different initial expenses to launch the Centre. A great deal of these expenses will be a one-time cost or even once a year. It is important to consider ALL the costs of opening the doors to your BSC. Financial plan will help keep track of all expenses, perform a better financial projection and better budget your money.

Complete the start-up expenses worksheet

	Operating expenses			
1	Business license			
2	Telephone hook-up			
3	Rental – premises			
4	Damage deposit			
5	Accountant			
6	Lawyer			
7	Other consultants			
8	Insurance			
9	Office supplies			
10	License and registration fees			
11				
12				
13				
14				
15	Total operating expenses		0	
16	Inventory			
17				
18				
19				
20	Total inventory		0	
21	Equipment			
22	Rentals – other (equipment, etc.)			
23	Telephones			
24	Desks and chairs			
25	Computers			
26				
27				
28	Total equipment		0	
29	Sub total			
30	Contingency fund			
31	Total start-up expenses			0

Instructions for completing the start-up expenses worksheet

STEP 1. Review the list of expenses on the start-up expenses worksheet and add any of your expenses that are not listed.

STEP 2. Fill in the operating expenses you have forecasted for your BSC.

STEP 3. Figure out your total operating expenses by adding up lines 1 through 14 and enter it in line 15.

STEP 4. Do the same for inventory and equipment sections.

STEP 5. Add lines 15, 20 and 28 to figure out your total start-up expenses for line 29.

STEP 6. As this is a forecasted statement (an estimation) for budgeting purposes, it is important to give yourself a contingency for when expenses are higher than anticipated during the launch of the BSC. Give yourself a minimum of 10% for cost overruns. Multiply 10% to subtotal for line 29.

STEP 7. Add lines 29 and 30 to figure out your total start-up expenses for line 31.

Sales Forecasting

Forecasting sales for your BSC is a very difficult task. There are many different ways to forecast sales and there is no one correct method. Your forecasts will be based on your marketing research, customer demand, competition and your ability to provide services.

This guide provides you with a method that is commonly used and is easy to follow. This method is called "the top down" method and is illustrated below. This is where the work conducted in the market research efforts helps with projections.

Research information

Target market (number of enterprises in the market) 10,000

Competitors	Market share	Market size
Number of people to do it themselves (Internet/books)	75%	7 500
Have relationships with service provider	15%	1 500
Said that they would try to use BSC services	10%	1 000

Even using solid statistics and primary research these sales forecasts are still dependent on your ability to accurately estimate what portion of the market share you will be able to receive. In this example we feel that we will be able to obtain a 10% market share. The reality of it is that not everyone who stated they will use the BSC services will actually turn into customers.

Before you incorporate your forecasted numbers into your financial statements, it is important to consider the following contributing factors:

- Is your business seasonal? Will enterprises use your service over the Christmas holidays, summer time?
- What kind of marketing strategies are you going to use to ensure your share of the market?
- How long will it take for you to establish your client base? It often takes more time and more effort than estimated.
- Can you start providing your services tomorrow or will there be a lapse between your start up and your opening day? You will probably need to move into new office and make renovations.

Complete the sales forecast table:

(This sales forecast table is for you to use in forecasting your sales per quarter/month per product/service)

		MONTH / QUARTER				Year end
		1	2	3	4	total
1	Workshops					
2	Units sold					
3	Sales price					
4	Total revenue					
5	Guides					
6	Units sold					
7	Sales price					
8	Total revenue					
9	Fee for service (consulting)					
10	Units sold					
11	Sales price					
12	Total revenue					
13	Service _____					
14	Units sold					
15	Sales price					
16	Total revenue					
17	Service _____					
18	Units sold					
19	Sales price					
20	Total revenue					
21	Total revenue for all products/ services					

Instructions for completing the sales forecast table

STEP 1. Fill in the products and services you are providing to customers (lines 1, 5, 9, 13, and 17).

STEP 2. Perform the forecast using above mentioned method (or one of your own) for each product/service you offer for each target market.

STEP 3. Fill in the units sold for each of the above-mentioned products/service in the corresponding sections (lines 2, 6, 10, 14, 18).

STEP 4. Indicate the sales price per unit in for each of the products/services.

STEP 5. Calculate the total revenue for each of the products/services by multiplying units sold by the sales price (lines 4, 8, 12, 16, 20).

STEP 6. Add up all the total revenues for each of the products/services and enter the total revenue for all products in line 21

Determining Cost of Goods Sold/Cost of Services

In determining the cost of goods sold/cost of services, we take a look at exactly what it costs to produce our product/service. This takes into account all materials and supplies directly used in producing the product/service. This calculation is more important for those people who are manufacturing products. If you provide services, your direct costs are at a minimum.

Determine the cost of goods sold/cost of services using the following worksheet

		MONTH												Year end total
		1	2	3	4	5	6	7	8	9	10	11	12	
1		Workshops												
2	Units sold													
3	Cost per unit													
4	Total cost													
5		Guides												
6	Units sold													
7	Cost per unit													
8	Total cost													
9		Fee for service (consulting)												
10	Units sold													
11	Cost per unit													
12	Total cost													
13		Service _____												
14	Units sold													
15	Cost per unit													
16	Total cost													
17		Service _____												
18	Units sold													
19	Cost per unit													
20	Total cost													
21	Total cost of all products/services													

Instructions for completing the worksheet to determine the cost of goods sold/cost of services

STEP 1. Fill in all the products and services you are providing to customers.

STEP 2. Fill in all the units forecasted to sell in each month (lines 2, 6, 10, 14, 18).

STEP 3. Determine all the materials and supplies that are directly used in producing each unit of product or supplying a unit of service.

STEP 4. Assign costs to each of the items in step 3 (lines 3, 7, 11, 15, 19).

STEP 5. Calculate the total cost of goods sold/cost of services by multiplying the cost per unit's costs by the number of units forecasted to sell in each month (lines 4, 8, 12, 16, 20).

STEP 6. Repeat steps 3 through 5.

STEP 7. Calculate total cost of goods sold for each product/total cost of services for each service for the entire year.

STEP 8. Now total the entire year's cost of goods sold/cost of services by adding all the products/services yearly totals.

Projecting Cash Flow

Cash flow projection is a projection of the money flowing into your business and the money flowing out. The cash flow forecast is one of the most important financial calculations: it tells you how much money you will need to borrow and when. It also tells you when your business will generate a profit.

Complete the cash flow projection worksheet:

For the company _____		For the period from _____ 201_ to _____ 201_											
		MONTH											
		1	2	3	4	5	6	7	8	9	10	11	12
1	BEGINNING CASH BALANCE												
2	CASH RECEIPTS (CASH IN)												
3	Cash sales												
4	Collection of accounts receivable												
5	Term loan proceeds												
6	Donor funds												
7	TOTAL CASH RECEIPTS (Sum of lines 1 - 6)												
8	CASH DISBURSEMENTS (CASH OUT)												
9	Rental – premises												
10	Office supplies												
11	Marketing and advertising												
12	Bank charges (account, credit card fees, etc.)												
13	Insurance												
14	Legal and audit fees												
15	Benefits (employer related costs)												
16	Rentals – other (equipment, etc.)												
17	Premises/upgrades												
18	Salaries												
19	Contractors/consultants												
20	Telephone (office and mobiles)												
21	Utilities (heating, electricity, water, etc.)												
22	TOTAL CASH DISBURSEMENTS (sum of lines 9-21)												
23	CLOSING CASH BALANCE (surplus or deficit)												

Instructions for completing the cash flow projection worksheet:

STEP 1. Fill in your beginning cash balance in line 1 for month 1.

STEP 2. From your sales forecast table fill in line 3 "Cash sales" (for this example we assume all your sales are cash).

STEP 3. Fill in the amount of donor funds you believe you will obtain. Enter this amount in line 6 for month 1.

STEP 4. If you are selling any fixed assets, enter the projected value in line 6. Remember, be realistic!

STEP 5. Add up line 1 through 6 and enter the amount in line 7. This is the total amount of cash the business will receive in month 1.

STEP 6. Fill in the different cash disbursements in "Cash out" for month 1 and total them in line 22.

STEP 7. Calculate the closing cash balance by taking the total cash receipts, line 7, and subtracting total cash disbursements, line 22, and entering it in line 23.

STEP 8. Fill in the beginning cash balance for month 2 with the amount showing the closing cash balance of month 1.

STEP 9. Repeat steps 2 through 8 for each of the remaining 12 months. Complete one month at a time!

IMPORTANT NOTE: Month 1 of the cash flow is the first month of operations, not necessarily the first month of your sales.

Income Statement Projection

The Income Statement forecasts the sales 'revenues' and the 'expenses' for a specific period of time (usually 12 months). This statement asks what your sales are for the entire year, subtracts the costs of doing business and provides you with your company's net profit or loss.

Complete the income statement projection worksheet:

For the year ending _____ 201__					
1	Revenue	Year 1	%	Year 2	%
2	Sales				
3	Cost of goods sold/cost of services				
4	Gross profit margin				
5	Operating expenses				
6	Rental – premises				
7	Office supplies				
8	Advertising				
9	Transportation expenses				
10	Bank charges (account, credit card fees, etc.)				
11	Insurance				
12	Legal and audit fees				
13	Licenses and municipal taxes				
14	Other operating expenses				
15	Benefits (staff benefits)				
16	Rentals – other (equipment, etc.)				
17	Repair and maintenance – premises/equipment				
18	Salaries – management				
19	Salaries – other				
20	Telephone				
21	Travel				
22	Utilities (heating, electricity, water, etc.)				
23	Loan repayment				
24	Purchase of fixed assets				
25	Payments of accounts payable				
26	Other expenses				
27	Total operating expenses (sum of lines 6-26)				
28	Net profit/loss before taxes (line 4 minus line 27)				

Instructions for completing the income statement projection worksheet

STEP 1. Take the total revenue of all products/services from your sales forecast table and enter it in line 2.

STEP 2. Take the total cost of goods sold/cost of services from the cost of goods sold/cost of services worksheet (line 21) and enter it in line 3 of your projected income statement.

STEP 3. Calculate the gross profit margin by subtracting the cost of goods sold/cost of services from sales.

STEP 4. Fill in the operation expenses from your cash flow projection worksheet for the entire year end per item.

STEP 5. Add up lines 6 through 26 and enter the amount in line 27.

STEP 6. Calculate the net profit/loss before taxes by subtracting total operating expenses (line 27) from total revenue (line 4).

Break-Even Analysis

The break-even analysis tells you how much money you need to make in order to cover all your expenses. It also shows the volume of products/services you have to generate at a certain price to cover your costs.

Instructions for calculating the break-even point

STEP 1. Enter the following details:

Total sales	
Total cost of goods sold/cost of services	
Total gross margin	

STEP 2. Calculate the gross margin percent using the following formula:

Gross margin percent =	Total gross margin	=	UAH
	Total sales		UAH

* Enter the gross margin percent as a decimal.

STEP 3. Enter total operating expense = _____

STEP 4. Calculate the break-even point using the following formula:

Break-even point =	Total operating expenses	=	UAH
	Gross margin percent		_____ %

Break-even point = UAH _____

10. Critical Risks and Assumptions

Goal: to identify and evaluate risks associated with the creation of the BSC, develop plans for how to deal with them, and highlight assumptions about risks that influence the business plan development

Every business opportunity carries with it some risks and potential problems, and BSCs are not immune to this. In fact due to the BSCs often relying on the different levels of government (providing services established by LGA) BSCs have increased risks from that of pure for profit ventures. Market risks still apply and include unexpected reactions by competitors, changes in technology that make products/services obsolete, lower than expected rate of customer acceptance of products/services, changes in government regulation, problems with key suppliers, etc.

Effective risk management is accomplished first through recognizing and evaluating risks, and then developing plans/measures to deal with them. If this is not done, you seriously risk losing credibility in the eyes of lenders or investors, in addition to leaving yourself open to unmanageable business problems.

It is also important to recognize that risk has two elements: the chances of a particular event happening, and the degree of damage that would result if it did happen. These two elements must both be taken into account when evaluating any particular risk situation.

Invariably, a plan contains some assumptions about the conditions that will exist over the period covered by the plan. These include assumptions about the industry or market growth rates, trends in the market, costs, supplier reliability, productivity levels, time-lines, etc. It is important to state the major assumptions explicitly and evaluate them to determine if they are realistic.

Identifying these major risks and response actions to such risks should they occur are an important part of the business plan. The table below will aid you in identifying major threats and risks to your BSC.

Fill in the table of threats and risks to your business:

Areas of risk	Probability	What can be done to mitigate the risk?

11. Writing a Business Plan for a Business Service Centre

BSCs who write business plans develop their Centres more quickly, have a greater chance of getting support from partners and funders, have a higher likelihood of achieving their goals, and are less likely to experience failure

Once the various sections of the plan have been completed, they must be assembled into a logical, coherent document. With all these components put together, you will have a plan that provides a clear, concise description of the BSC and the process for its organization and operations. It will be suitable for presentation to lenders, donor agencies or investors in order to obtain financing. Just as importantly, it can serve as a valuable map on the road to success.

Write a business plan for a Business Service Centre using the following table of contents:

<p>1.0 EXECUTIVE SUMMARY</p> <ul style="list-style-type: none"> • BSC Structure and Management • Services offered • Target Market and Sales Projections • Marketing Strategy • Financial Projections and Financing Requirements <p>2.0 THE INDUSTRY, THE COMPANY, AND ITS PRODUCTS/SERVICES</p> <ul style="list-style-type: none"> • BSC Structure and Management • BSC Vision and Mission Statements • BSC Goals, Objectives and Activities <p>3.0 RESEARCH FINDINGS</p> <ul style="list-style-type: none"> • Community Setting • Community Profile and Situational Analysis • Business Needs and Supply Analysis • Competitive Analysis <p>4.0 BSC PROGRAMS AND SERVICES OPTIONS</p> <ul style="list-style-type: none"> • BSC Programs/Services Options • BSC Programs – Enhanced Business Support Service Programs <p>5.0 STAKEHOLDER AND PARTNER ANALYSIS</p> <ul style="list-style-type: none"> • Characteristics of Strategic Partners • Product and Service Offerings • Competitors' Strengths and Weaknesses 	<p>6.0 BSC OPERATIONAL PLAN</p> <ul style="list-style-type: none"> • Organizational Structure • BSC Management • Business Counselors • Support Staff <p>7.0 MARKETING STRATEGY</p> <ul style="list-style-type: none"> • Alignment with Existing Strategies • Market Positioning Statement • Marketing Objectives • Target Market Profile and Demographics • Promotional Mix • Promotional Schedule/Budget <p>8.0 FINANCIAL FEASIBILITY AND FORECAST</p> <ul style="list-style-type: none"> • Funding Options • Pro Forma Financial Statements • Cash Flow • Income Statement • Break-Even Analysis <p>9.0 RISK ANALYSIS</p> <ul style="list-style-type: none"> • Areas of Risk and Probability • Risk Mitigation Techniques
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The most important thing to remember is to make the most of this opportunity to thoughtfully scrutinize your BSC; although writing a business plan may be inconvenient in the short-term, careful planning can mean the difference between success and failure in the long-run. Here are some other points to keep in mind:

- Ideally, the plan should be written with the involvement of the management team and experts of the BSC who will operate the business, as they have the greatest understanding of the opportunity, and have the most at stake.
- Set out a schedule for completion of the plan, with deadlines for each section.
- The plan does not need to be long – full plans range from 15-30 pages, but 15-20 pages is often enough, depending on the complexity of the BSC and the level of risk involved.

- The plan usually covers the BSC activities over the next three years.
- Use facts and figures and back them up with solid sources – it is especially important to make sure that any data used is as current as possible and that it is relevant to the situation.
- While format and design are important, it is content that really counts – make your important points in a clear and direct way, and avoid redundancy in stating the case.
- Have an objective outsider review the plan for you to provide feedback – someone familiar with BSC operation, management and planning can alert you to information you may have left out, or can help you work out potential problems that arise in the plan.

APPENDICES

Appendix 1.

BSC Sample Job Description – Business Services Coordinator

JOB DESCRIPTION AND PROFESSIONAL COMPETENCIES

POSITION: Business Services Coordinator

REPORTING STRUCTURE: reports directly to the Program Manager

SKILLS AND QUALIFICATIONS:

Education/Experience

- Bachelor's degree in a related social science field and/or training or certification in employment or career counselling and/or equivalent experience in employment or career counseling.
- Minimum of 2 years of demonstrated experience in some or all aspects of job search, job placement and incentives or job retention including employment coaching.
- Strong business counselling and business plan development skills.
- Ability to conduct an effective business needs assessment with clients at all stages of business development.
- Ability to assist clients with all stages of business development i.e. start-ups, business retention and business expansion.
- Proven experience with supported, customized, and self-employment for Specialized Populations.
- Extensive experience of working with diverse client populations.
- Case management and comprehensive employment counselling experience.
- Demonstrated ability to liaise with the business community regarding labour market opportunities.
- Demonstrated project management experience.
- Public presentation experience.
- Experience of working on government employment contracts is an asset.
- Demonstrated ability to produce curriculum and facilitate groups.

Knowledge

- Knowledge and experience of business information and referral sources.
- Comprehensive understanding of Business Service Centre mandate.
- Extensive knowledge of local and regional labour market and business community/employer needs.
- Extensive knowledge of the local small business community.
- Knowledge of Business Service Centre's structure and services.

Technical Skills

Advanced skills in:

- Microsoft Windows XP.
- Microsoft Word / Excel / Access / Publisher.
- Microsoft Office Scheduler.
- Microsoft Outlook.
- Macromedia and/or other Adobe programs.
- Technical/business writing.
- Data entry.
- File management systems.

Skills

- Demonstrated ability to provide excellent customer-oriented services.
- Demonstrated ability to interview and assess clients and employers for their service needs.
- Ability to creatively recognize unmet needs of employers and source employment opportunities through a variety of methods.
- Strong research skills.
- Strong ability to inspire and motivate others.
- Ability to analyze and evaluate the quality of services being delivered to clients.
- Project management skills.
- Ability to observe, record and evaluate changes in human behaviour.
- Ability to manage emergencies/crisis in a calm and effective manner taking all precautionary measures.
- Strong conflict resolution skills.

- Demonstrated skills in business plan development, market research, and marketing.
- Demonstrated skills in business financial management and financial analysis.
- Curriculum development and coordination skills.
- Classroom management and conflict resolution skills.
- Coaching skills.

Personal Attributes

- Demonstrated ability to listen and reflect empathy to another individual without judgment or offering unsolicited advice.
- Excellent interpersonal, communication and presentation skills, both written and verbal.
- Ability to develop rapport quickly and effectively with employers and job seekers.
- Ability to cope effectively with a high level of demands and service expectations.
- High level of emotional intelligence and ability to have a high tolerance for ambiguity.
- Orientation for results and continuous improvement.
- Teachable, curious and open to learning new ways of thinking and executing tasks.
- Outgoing, friendly and approachable demeanor.
- Adaptable and time management skills to allow for effective multitasking.
- Ability to work effectively in a fast-paced environment.
- Proven ability to prioritize and adapt.
- Proactive with strong organizational skills and attention to detail.
- Strong work ethic and desire to be successful.
- Ability to work in a dynamic, team atmosphere.
- Respect for and strong adherence to policies and procedures.
- Ability to abide by confidentiality and privacy protocols.

MAIN DUTIES AND RESPONSIBILITIES:

General

- Be familiar with and knowledgeable of the mission, values, priority structure, guidelines, operational plan, and processes of programming at Business Service Centre.
- Maintain strong knowledge of other programs and funding sources available to customers.
- Maintain strong working knowledge of the regulatory framework, service eligibility and processes.
- Conduct all activities according to Personnel and Administration Policies.
- Responsible for developing and maintaining current and potential employer database.
- Ensure areas of responsibility are in compliance with all policies including privacy, health and safety, IT, confidentiality etc.
- Follow all procedures and utilize all appropriate documents associated with position.
- Follow a code of ethics and standard of service delivery required by industry, funders and Business Service Centre.
- Follow all procedures and utilize all appropriate documents associated with the area of responsibility.
- Maintain skill levels for delivering services appropriate to expertise, training and experience.
- Initiate and participate in program ideas, design, and development processes.
- Work as part of a Business Service Centre Management team to seek out and share with co-workers and customers pertinent national, regional or local labour market information.
- Maintain solid networks internally and externally to ensure customers receive appropriate referrals and resources when required.
- Work with other staff to create and maintain a Community and Employer Partnership Plan.

Business coaching

- Source resources and maintain business resource libraries – in centre and on-line.
- Provide preliminary entrepreneurial assessments to business customers considering self-employment.
- Provide recommendations, advice and resources to businesses regarding business topics – business plan development, business retention and expansion, succession planning, staff development and retention, market research, marketing, loans etc.
- Provide financial analysis and record keeping assistance.
- Utilize screening tools and refer appropriate customers to Loans Manager for business development consulting.
- Assist businesses in preparing loan applications.
- Assist and support customers in developing a business concept into a complete, feasible and viable business plan.
- Assist customers in preparing and presenting their business plans to the Self-Employment Review Committee.
- Provide entrepreneurial workshops to customers whose business plans have been accepted.
- Provide coaching and mentoring services on an as needed basis and determine ongoing business viability.
- Provide business launch and implementation services, monitoring and support.

- Refer appropriate customers to other community resources and Employment Service Centre programming.

Facilitation

- Query business community on business needs.
- Develops business workshop series schedule annually.
- Coordinate/arrange business workshops in entrepreneurship and business topics.
- Coordinate the development of lesson plans, where appropriate, on aspects of effective business development.
- Coordinate the business training program.

Marketing

- Develop and oversee a marketing plan for Business Service Centre.
- Prepare and implement marketing initiatives to generate business referrals and program customers.
- Establish strong relationships with the business community.
- Cross market to internal clients in other divisions of Business Service Centre.
- Attend appropriate meetings/functions that can assist with marketing activities.
- Measure impact of marketing efforts and include outcomes in monthly reporting.

Specialized Populations

- Adapt all services to meet specific customer population needs (for example: youth, person with disabilities, and gender related specific contexts).
- Maintain strong network and working relationships with service providers.
- Understand and be thoroughly versed and skilled to deliver services unique to specialized customer population e.g. paid and unpaid job placements.
- Maintain knowledge of unique labour market information and employer connections specific to customer population.

PROFESSIONAL COMPETENCIES

The position requires the following competencies and skills listed below and will be evaluated accordingly. The competency levels are described for each position using the *10 Core Competencies for all Employees*.

LEVELS OF COMPETENCY	EXPECTATIONS	TRACKED
Communication – <i>Clearly conveying and receiving messages to meet the needs of all customers, expressing self effectively, listening effectively and understanding underlying issues, adapting communication to the situation.</i>	Key Behaviors <ul style="list-style-type: none"> ▪ Customer assessment and accurate service plan reflect a high level of communication skills ▪ Adjusts communication techniques and approach to match specific customer needs ▪ Utilizes advanced communication skills to ensure a high standard of assessment and service delivery ▪ Meeting target and service outcomes demonstrates a high level of communication skills ▪ Clear and accurate documentation of customer services and outcomes ▪ Positive customer evaluations 	Manager observation Peer feedback Customer feedback
Teamwork – <i>Working cooperatively and productively with others to achieve results by actively participating in the team, involving other team members, encouraging others and facilitating effective outcomes and building a cohesive team.</i>	<ul style="list-style-type: none"> ▪ Brings together key staff to deliver services ▪ Coordinates staff activities as they relate to service goals e.g. marketing plan ▪ Represents team in community ▪ Asks others for feedback on work to ensure continuous improvement in work area ▪ Gives and receives feedback in a constructive way ▪ Solidly performs all work responsibilities and adheres to all organizational policies and procedures that support the team e.g. document control and management 	Manager observation Peer feedback
Problem Solving and Judgment – <i>Ability to assess options and implications in order to identify a solution by breaking down problems, recognizing basic relationships of problems, recognizing multiple relationship</i>	<ul style="list-style-type: none"> ▪ Customer files contain strong evidence of appropriate service delivery to meet customer needs ▪ Adheres to decision making models best suited to issue e.g. ethical decisions ▪ Seeks out consultation opportunities for complex issues ▪ Outcomes of decisions demonstrate a high level of problem solving skills and techniques ▪ Solid documentation showing decision making process and actions 	Manager observation Peer feedback Customer feedback

and developing complex plans or analyses.		
Adaptability – <i>Personal willingness and ability to work in and adapt to change, valuing the need for adaptability, demonstrating adaptability, adapting approaches and strategies.</i>	<ul style="list-style-type: none"> ▪ Evidence of shifting approach with customers and partners when original approach and assumptions are no longer valid ▪ Positive approach to changing procedures and expectations ▪ Continuous integration of new approaches and strategies for delivering services 	Manager observation Peer feedback Customer feedback
Customer Focus – <i>Understanding and meeting or exceeding customer needs through responsive customer service, contributing to positive outcomes for the customer and meeting the long term needs of customers.</i>	<ul style="list-style-type: none"> ▪ Adherence to in-house and organizational policies and procedures for case management and service delivery ▪ Positive customer evaluations ▪ Meeting individual targets and outcomes associated with customer service ▪ Positive peer and management case evaluations 	Manager observation Peer feedback Customer feedback
Innovation – <i>Using original and creative thinking to make improvements and/or develop and initiate new approaches for own job/area and approaches new to the organization.</i>	<ul style="list-style-type: none"> ▪ Provides new ideas annually to enhance efficiency and effectiveness of position or organization ▪ Develops new contacts and business through innovative ideas ▪ Monitors the impact of changes and reports to the management 	Manager observation Loan referrals
Relationship Building – <i>Developing and maintaining win/win relationships and partnerships through establishing formal working relationships</i>	<ul style="list-style-type: none"> ▪ Strong evidence of establishing a wide range of partnerships and relationships to meet the needs of customers ▪ Assists others through modeling of effective relationship building activities ▪ Positive customer evaluations 	Manager observation Peer feedback Customer feedback Community feedback
Self-Management – <i>Reflecting on past experiences in order to manage and continually improve own performance, recognizing opportunities and addressing difficulties; taking responsibility and learning from mistakes.</i>	<ul style="list-style-type: none"> ▪ Adheres to all procedures and policies of work area and organization ▪ Analyzes performance and takes active steps to improve ▪ Demonstrates an ability to reduce non-productive behaviour and personal self-management to meet work responsibilities ▪ Actively seeks out professional development to enhance skills 	Manager observation Peer feedback
Service Facilitation – <i>Creating networks to ensure required services are delivered effectively, providing information as required, creating networks of support.</i>	<ul style="list-style-type: none"> ▪ Liaises between customer and potential resources ▪ Maintains network/contact lists ▪ Evidence of accurate referrals based on identified customer needs 	Manager observation Peer feedback Customer feedback
Organizational Awareness and Commitment – <i>Understanding the structure and culture of the organization and sharing the organization's values, principles and goals; demonstrating an understanding of the organization beyond own workgroup and can anticipate and meet organizational needs.</i>	<ul style="list-style-type: none"> ▪ Adheres to all customer service indicators and other organizational policies, values and cultural principles ▪ Acts to support other areas of the organization ▪ Acts to ensure the interrelationship of activities of own work area with other areas of the organization ▪ Acts on opportunities to promote and communicate services of other divisions of the organization 	Manager observation Peer feedback

Acknowledgement of Receipt

I have read, I understand and I agree with the aforementioned job description. I also recognize that the job description can be changed at any time, by management, according to the needs of the business. I also understand that the employer can request a new signature, following modification of my job description.	
Employee	Date:
Manager	Date:

Appendix 2.

London Ontario BSC Business Needs Assessment Tool

Small Business Needs Assessment Survey

Please rank the top five external issues that you think will impact your business growth during the upcoming year. Rank your top concern as number 1 and then identify your second, third, fourth and fifth concern with the number 2, 3, 4 and 5, respectively.

- ☐ Finding skilled employees
- ☐ Access to capital
- ☐ New regulatory requirements
- ☐ Taxes
- ☐ Dealing with new expectations of customers
- ☐ Fluctuating dollar
- ☐ Actions of competitors
- ☐ Other, please specify _____

Please rank your top five internal issues affecting your business' ability to grow during the next year. Rank your top concern as number 1 and then identify your second, third, fourth and fifth concern with the number 2, 3, 4 and 5, respectively.

- ☐ Attracting qualified employees
- ☐ Finding new customers
- ☐ Developing a social media strategy
- ☐ Motivating employees
- ☐ Maintaining internal cost controls
- ☐ Outgrowing the physical space of our facilities
- ☐ Litigation
- ☐ Acquiring the latest technology
- ☐ Ability to meet market prices
- ☐ Other, please specify _____

Please rank the top five areas that you would be most interested in receiving free consulting to help you improve your business profitability. Rank your top concern as number 1 and then identify your second, third, fourth and fifth concern with the number 2, 3, 4 and 5, respectively.

- ☐ Business planning
- ☐ Financing options
- ☐ Strategic growth planning
- ☐ Export assistance
- ☐ Selling to the government or prime contractors
- ☐ Market research
- ☐ Environmental standards
- ☐ Management development
- ☐ Managing human resources
- ☐ Sales forecasting
- ☐ Sales strategies
- ☐ Branding
- ☐ Creating an online presence
- ☐ Information technology
- ☐ Tax planning
- ☐ Communications
- ☐ Risk management
- ☐ Financial management
- ☐ Succession planning
- ☐ Product development and innovation
- ☐ Other, _____

Please rank the top five topic areas that you would be most interested in obtaining low cost training for yourself and/or key management personnel to help you improve your business profitability. Rank your top concern as number 1 and then identify your second, third, fourth and fifth concern with the number 2, 3, 4 and 5, respectively.

- ☐ Strategic planning
- ☐ Export assistance
- ☐ Selling to the government or prime contractors
- ☐ Human resources development policy
- ☐ Time management
- ☐ Developing job descriptions
- ☐ Sales forecasting
- ☐ Sales strategies
- ☐ Maximizing online presence
- ☐ Information technology
- ☐ Tax planning
- ☐ Marketing and communication
- ☐ Risk management
- ☐ Succession planning
- ☐ Team building
- ☐ Retirement planning
- ☐ IPO/merger/acquisition strategies
- ☐ Management during a period of rapid growth
- ☐ Bookkeeping
- ☐ Financial management
- ☐ Business planning
- ☐ Diversification
- ☐ Customer services
- ☐ Other, _____

Tell us about your business:

1. Is your Business FULL TIME or PART TIME?

2. Is your business:

- ☐ Home-based
- ☐ Store Front
- ☐ Franchised
- ☐ Multiple locations

3. How many years have you been in business?

- ☐ Over 2
- ☐ Over 3
- ☐ Over 4
- ☐ 5 and over

4. Do you have any employees?
YES or NO

If you have employees how many and what are they:

- ☐ Full time _____
- ☐ Part time _____
- ☐ Contract _____
- ☐ Casual _____

Appendix 3.

Business Needs Assessment Questionnaire for the Agency for Economic and Social Development of Ternivka, Dnipropetrovsk Oblast

Dear entrepreneurs,

In order to define the services of the Agency for Economic and Social Development to improve the business environment in Ternivka and provide further support to entrepreneurship development, please complete the following questionnaire.

QUESTIONNAIRE

1. Please specify what additional information you need to be more successful in doing business:

- ☐ tax legislation
- ☐ access to credit
- ☐ legal support
- ☐ pension coverage
- ☐ human resources and professional development
- ☐ human resources management
- ☐ marketing, promotion and sales
- ☐ business plans development
- ☐ supporting primary documentation and bookkeeping
- ☐ accounting and tax reporting
- ☐ computer literacy
- ☐ other (please specify) _____

2. Is it necessary, in your opinion, to conduct training sessions (workshops) for entrepreneurs?

- ☐ yes
- ☐ no

3. Are you ready to participate in the projects targeted at improving the quality of life of the city's residents?

- ☐ yes
- ☐ no

Information about respondent

1. Business areas

- ☐ trade ☐ services ☐ construction ☐ manufacturing
- ☐ restaurant and catering
- ☐ other (please specify) _____

2. Gender

- ☐ male ☐ female

Thank you for cooperation! We will be happy to see you with your questions and propositions!

Our address: 3 Artema Blvd.

Tel. 066 385 14 02

Email: aesr_ternivka@i.ua.

Appendix 4. Sample Services Contract

SERVICES CONTRACT

The Business Centre, as represented by FULL NAME, executive director acting based on the Articles of Association, hereinafter referred to as the “Customer”, of one part, and **sole proprietor FULL NAME**, acting based on the State Registration Certificate No. _____ issued by the State Registration and City Registry Administration of _____ City Council on _____ 20____, hereinafter referred to as the “Contractor”, of the other part, hereby agree as follows:

Subject Matter of Contract

The Customer entrusts the Contractor, and the latter undertakes, to provide advisory services as a moderator of a professional workshop for the Business Centre on “Starting and Running a Business”, to be held on _____ 2014 in _____ subject to the terms and type of services specified in this contract.

1. Type of Services

The type of Contractor’s services is to provide advisory services as a moderator of a professional workshop on “Starting and Running a Business”

.....

2. Responsibilities of the Contractor

The Contractor undertakes to provide advisory services as a moderator of a professional workshop on “Starting and Running a Business” within the period specified by the Customer.

.....

3. Responsibilities of the Customer

The Customer undertakes to ensure complete payment to the Contractor upon signature of the acceptance certificate.

.....

4. Contract Price, Funding, and Settlements between the Parties

4.1. The Contractor’s compensation for the services specified in this services contract shall be **UAH** _____ (_____).

4.2. Upon agreement of the parties, an advance payment may be made for the services.

4.3. The final amount payable under this contract shall be specified in the acceptance certificate

4.4. The final settlement between the Customer and the Contractor shall be made based on the acceptance certificate.

4.5. Payments may be made by wire transfer or in cash.

5. Terms and Duration of the Contract

5.1 The contract is signed in duplicate. The contract shall come into force upon signature and shall remain in force and effect until all payments have been made between the parties.

5.2. All disputes between the parties shall be resolved through negotiations, and if such resolution is impossible, the dispute shall be referred to court.

5.3. In all cases that have not been provided for by this agreement, the relations between the parties shall be governed by applicable law of Ukraine.

6. Addresses and Details of the Parties

The Customer

The Contractor

Acceptance Certificate

_____2014

We, the undersigned, the "Customer", Business Centre as represented by **FULL NAME**, the director, acting based on the Articles of Association, of one part, and the Contractor, sole proprietor **FULL NAME**, acting based on the State Registration Certificate No. _____ issued by the State Registration and City Registry Administration of _____ City Council on _____ 20____, of the other part, hereby certify that the Contractor provided advisory services as a moderator of a professional workshop on "Starting and Running a Business"

The compensation for the advisory services as a moderator is UAH _____(_____).

The parties have no claims to each other.

SIGNATURES OF THE PARTIES

The Contractor

Sole proprietor

Signature

The Customer

Signature