



How to train competencies needed for social entrepreneurship?

Guide for mentors

Social ENTrepreneurship for IMmigrants

August 2016





Training in competences needed for entrepreneurship

Elaborates by:

GO Bufalini, Città di Castello, Italy

STEP Institute, Ljubljana, Slovenia



This work is licensed under a Creative Commons Attribution 4.0 International License

This project has been funded with support from the European Commission. This publication [communication] reflects the views only of the author, and the Commission cannot be held responsible for any use, which may be made of the information contained therein.



This guide is a practical handbook tailored for trainers who want to lead individuals or groups of migrants in acquiring competences in order to develop and start up their own social business.

Given that depending on mentors and mentees attitudes and competences the learning context can be different; this guide should represent a flexible tool that mentors can adapt to mentees' individual situations.

It is recommended to work with trainers who have sufficient knowledge and information about the economy, business or start-up environment and dynamics. Moreover, trainers should have previous and relevant experience with conducting trainings in the field of personal development or the development of soft skills and/or other competencies. In case it is not possible to work with experienced trainer, a good idea is to previously consult with business expert or experienced entrepreneur or to invite him/her as guest lecturer in one of the sessions.

It foresees a brief introduction on “experiential teaching of entrepreneurship for mentors” aimed at explaining the role of the trainer, how to use the tool and ensuring that the reader will be familiar with the guide's principles, goals and deliverables.

The document has been structured in 8 sessions to facilitate the mentor through a led step by step process:

1. Session 1: Entrepreneurship is...
2. Session 2: Design, thinking and learning about the customer
3. Session 3: Making sense out the data and understanding your market
4. Session 4: Generating ideas
5. Session 5: Prototyping
6. Session 6 Business model and business planning
7. Session 7: Feedbacks, implementation and storytelling
8. Session 8: Presenting your business idea

Each session foresees specific tips, recommendations and instructions:

- learning objectives to be achieved through the session,
- meaning of the session,
- time management schedule,
- exercises with practical instructions on how to carry them out,
- suggestions on how to lead the session and the attitude to be adopted.

Sessions can be implemented in two different ways considering the time frame: in a short period of time (more sessions implemented in one day or in one week) or during a longer period of time (1 session/week). The first option is recommended when participants cannot attend the trainings in a



span of 2 months or when they already have a clear business idea and want to develop it relatively quickly (due to different reasons). The second option is more suitable for participants who don't have a lot of/ any knowledge about the development of business idea and the economy/business in general or when they don't have a very clear business idea. 1 session per week enables participants to do extra studying or more field work between the sessions. The most important thing is to discuss preferences with the participants and adapt to their level of knowledge, time, needs and motivation.

This document has been developed thanks to “SENTIM: Social ENTrepreneurship for Immigrants”, a project funded by the Erasmus+ KA2 Strategic Partnership for Adult Programme.

SENTIM is a project led by Burgos ACOGE (Spain) and developed in partnership with STEP Institute (Slovenia), Institute of Entrepreneurship Development (Greece) and GO Bufalini (Italy).

It's main objective is *“to explore and to take advantage of the potential of social economy considering the needs of the immigrants and by extension the needs of any other people who face labor market discrimination and social exclusion”*.

For more information about SENTIM project and/or to consult project's results and Intellectual Outputs visit the website <http://www.sentim.org/>



Contents

Introduction to experiential teaching of entrepreneurship for mentors.....	4
1 Session 1: Entrepreneurship is	8
1.1 Get to know each other.....	8
1.2 20 € exercise.....	8
1.3 Guest entrepreneur.....	10
1.4 The structure of the entrepreneurship course.....	10
1.5 Creating teams and project work.....	12
1.6 Inspiration.....	13
2 Session 2: Design thinking and learning about the customer	14
2.1 Icebreaker.....	14
2.2 Introduction to design thinking.....	15
2.3 A Qualitative Approach to Research	21
2.4 Observation	23
2.5 Interview.....	25
2.6 Field Research.....	28
2.7 Researcher Behaviours.....	29
2.8 Project work: Learn about your customer	30
3 Session 3: Making sense out of data and understanding your market	31
3.1 Icebreaker.....	31
3.2 The process of interpretation.....	32
3.3 Researcher behaviours.....	36
3.4 Project work	36
4 Session 4: Generating ideas.....	36
4.1 Icebreaker.....	37
4.2 The process of ideation	37
4.3 Brainstorming.....	38
4.4 Random entry.....	39
4.5 S.C.A.M.P.E.R.....	40
4.6 Selecting ideas.....	41



4.7	Researcher behaviours	42
4.8	Project work	42
4.9	Additional material.....	42
5	Session 5: Prototyping	43
5.1	Icebreaker	47
5.2	Rapid prototyping.....	48
5.3	Project work	50
5.4	Additional material.....	50
6	Session 6: Business model and business planning	51
6.1	The difference between business modelling and planning.....	51
6.2	Icebreaker.....	53
6.3	Canvas business model.....	54
6.4	Business model for your idea	60
6.5	Business model for your idea	60
6.6	Comparison by associations:	61
6.7	Additional material.....	62
7	Session 7: Feedbacks, implementation and storytelling	62
7.1	Guest entrepreneur.....	62
7.2	Introduction to implementation and storytelling	63
7.3	Icebreaker	66
7.4	Storytelling	67
7.5	Project work	68
7.6	Additional material.....	68
8	Session 8: Presenting your business idea	69
8.1	Icebreaker	69
8.2	Video.....	69
8.3	Pitch.....	70
8.4	Project work	72
8.5	Additional material.....	72
9	Final event	72
10	Entrepreneurial learning community	73

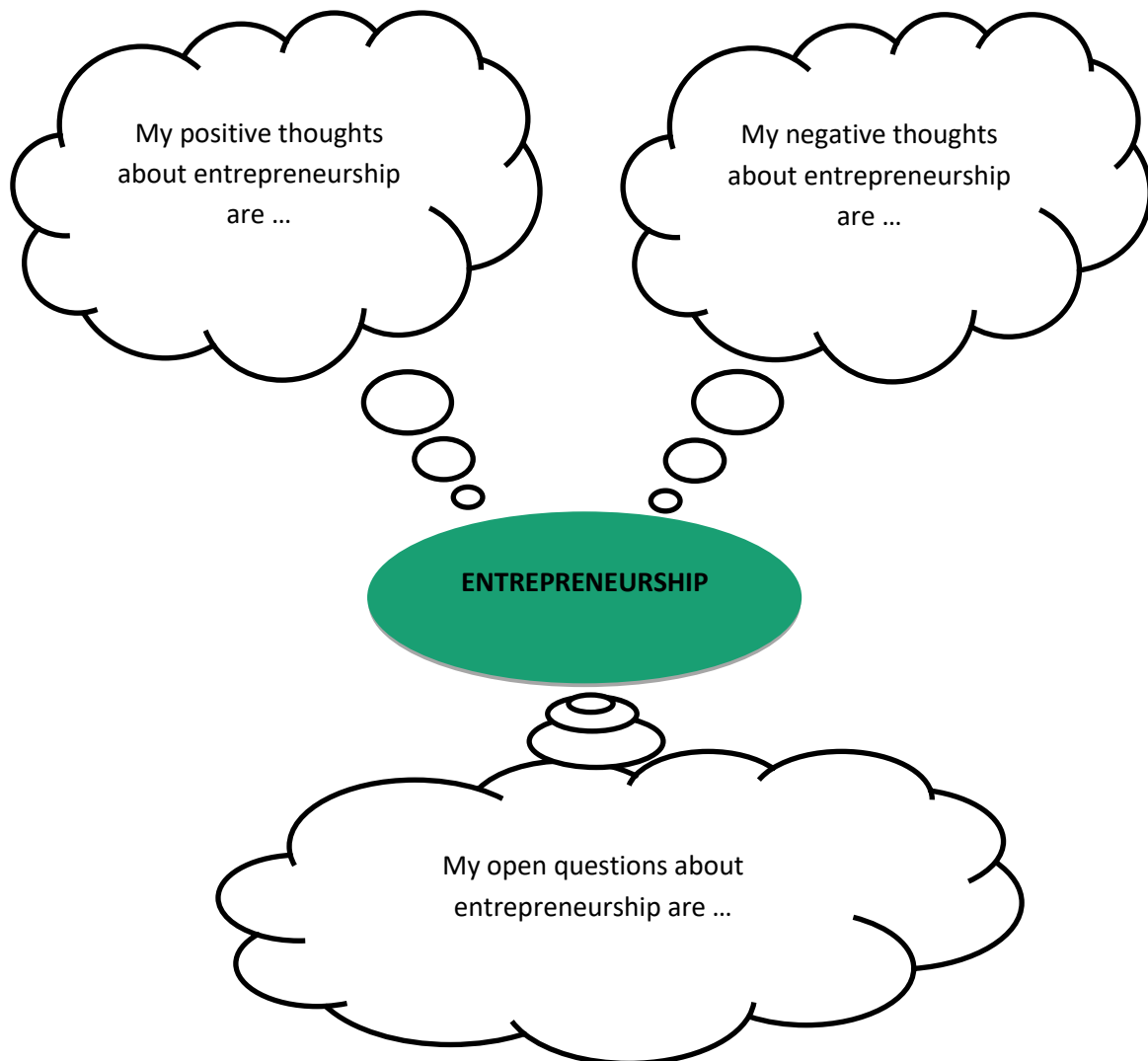


10.1 Working methods in learning community.....	73
11 References.....	75

Introduction to experiential teaching of entrepreneurship for mentors



Exercise 1. Associations connected with entrepreneurship



Entrepreneurship is changing. It has dramatically increased around the world as a response to technological changes, globalization and changing values connected with work. Entrepreneurship today has many different forms, e.g. social entrepreneurship, eco entrepreneurship, agricultural entrepreneurship, technological entrepreneurship. Since entrepreneurship is changing also teaching entrepreneurship has experienced a small renaissance during the past few years. This introduction aims to introduce some of those changes.



1. From business planning to business experimentation

Start-up is not a small version of a big company. Yet entrepreneurship education in the past focused on teaching how to prepare a good business plan. The assumption behind teaching to prepare a business plan is that the future is predictable and that we can plan accurately if we have the right knowledge about marketing, finance and the product. Entrepreneurship mentors started to realize that business plans most often fail in practice. They fail, because participants do not have an opportunity to test their assumptions and develop their product or service gradually by testing users' reactions. Business plan thus reflects more participants' creativity than their actual entrepreneurial competencies. Different alternatives of teaching entrepreneurship started to emerge. The most known are lean start-up (Blank & Dorf, 2012), business modelling (Osterwalder, Pigneur, & Clark, 2010) and design thinking (Brown & Katz, 2009).

2. From theory to theory grounded practice

We **learn** entrepreneurship by **doing** entrepreneurship (Neck, Greene, & Brush, 2014). The participant never sees theory; s/he explores it by doing exercises. Entrepreneurship is a **method** and that means that:

- Everyone can become an entrepreneur (entrepreneur is not born)
- Entrepreneurship is connected with thinking and behaving (there are no specific personality traits that define entrepreneur)
- Different models can help us gaining entrepreneurial competencies

Entrepreneurship as a method cultivates entrepreneurial spirit which requires teaching through experience and reflecting upon the experience.

Table 1. Method vs. process

Entrepreneurship as a method (contemporary teaching)	Entrepreneurship as a process (traditional teaching)
A set of practices	Known inputs and predicted outputs
Phases of learning	Steps to complete
Iterative	Linear
Creative	Predictive
Action focused	Planning focus
Investment for learning	Expected return
Collaborative	Competitive

Source: Adapted from Neck et al. (2014)

3. The five practices of entrepreneurship teaching

The contemporary entrepreneurship education through experiential learning associates to the acquisition of skills, knowledge, and mindset necessary for entrepreneurial performance. Neck et al. (2014) introduce five practices for teaching entrepreneurship. Our curriculum builds upon their

proposition and integrates business modelling, design thinking and lean start-up approaches into a holistic set of sessions which facilitate entrepreneurial competencies.

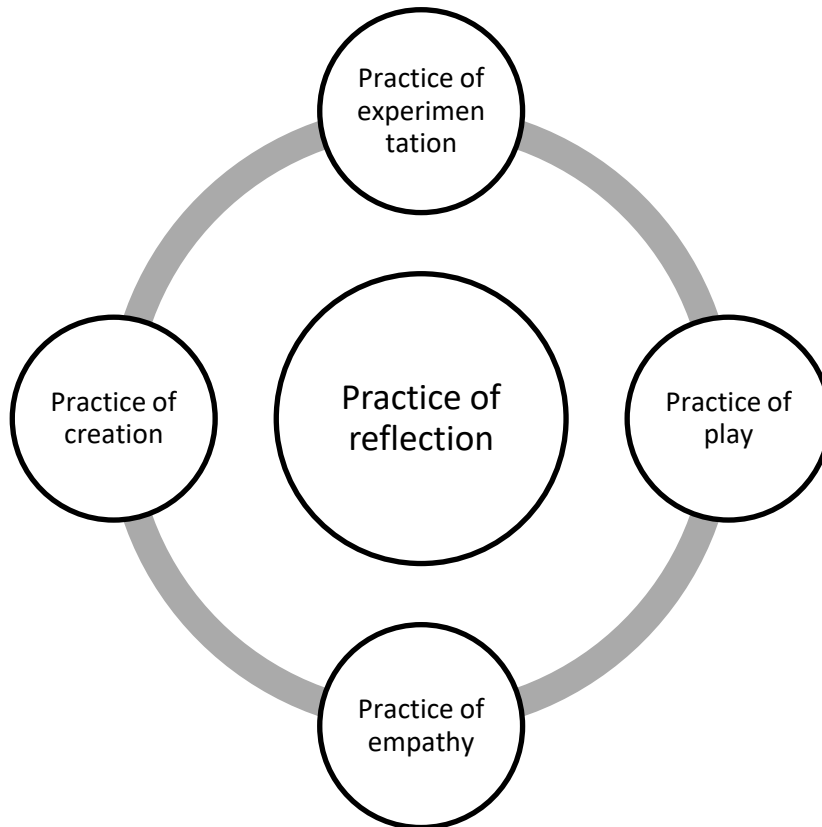


Figure 1. The practices of entrepreneurship education. Source: Neck et al. (2014)

4. Mentor's role

In order to help participants gain a valuable entrepreneurship experience mentor needs to unleash the entrepreneurial spirit of the participant, cultivate a mindset of practice, and build environments in which practice can occur (Neck et al., 2014).

Table 2. The role of a mentor in teaching entrepreneurship

Content	Entrepreneurship as a method (contemporary teaching)	Entrepreneurship as a process (traditional teaching)
Communication	Two-way communication	Ex-cathedra approach
Focus of teaching	Facilitates reflection	Gives instructions
Content	Business model innovation	Business plan chapters
Location	Classroom and field	Classroom
Mistakes	Welcome	Punished
Source of learning	Experience, cases, reflection	Theory, cases
Assessment	The learning process	The quality of business plan

5. Sessions' design and learning communities

The course has 16 pedagogical hours that can be conducted in 8 sessions of 2 hours or in 4 sessions of 4 hours. In order to practice play, empathy, creation, experimentation, and reflection participants need to develop their business ideas throughout the whole course. There are also activities in between the sessions. After the course is concluded participants can create a learning community to continue their collaborative work. The learning community serves as a network in which entrepreneurs exchange their experience, help each other to solve problems, give support etc.

The first part of this handbook presents a structure and content of the entrepreneurship course for immigrants. The second part presents a structure of the learning communities as a cycle of 10 meetings.

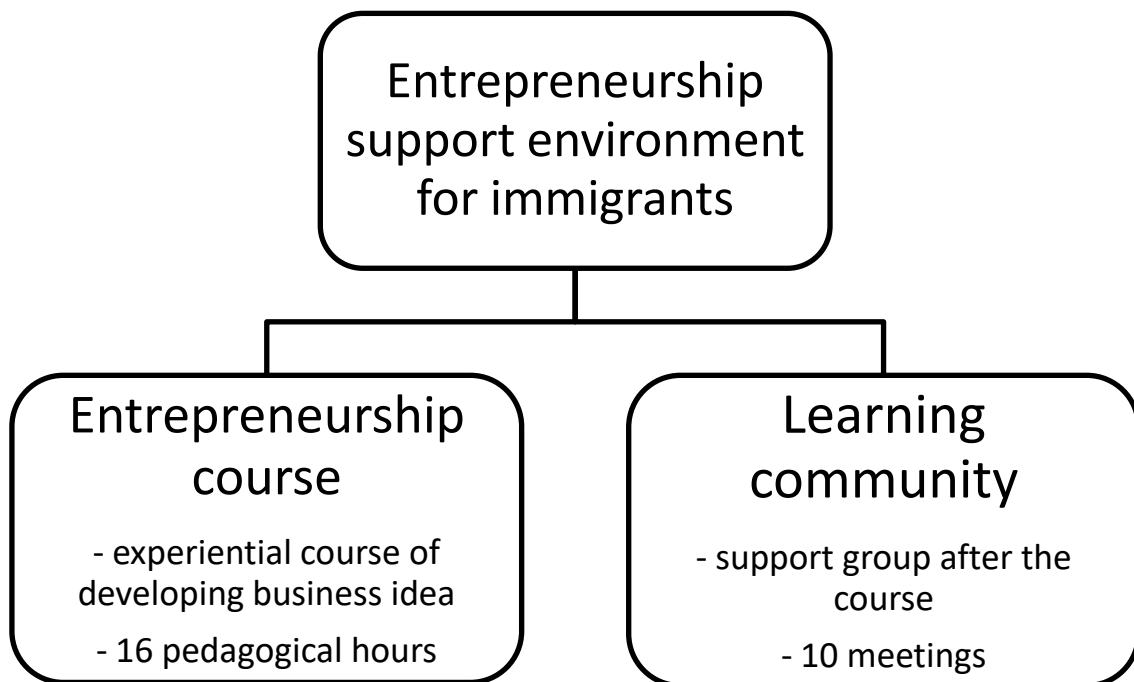


Figure 2. Mentor creates entrepreneurship support environment for immigrants

1 Session 1: Entrepreneurship is ...

By the end of the session participants will:

- Understand, what entrepreneurship is
- Distinguish between start-up and established companies
- Be motivated for project work
- Be acquainted with the structure of the entrepreneurship course

Why:

- To raise awareness that everyone can become an entrepreneur, if s/he wishes

Session plan¹:

Topic	Time
Get to know each other	15 min
20 € exercise	15 min
Guest entrepreneur	30 min
Structure of the course, expectations and investments	20 min
Creating teams	10 min

1.1 Get to know each other



Exercise 2. Toilet paper introduction

Mentor brings a role of toilet paper and pass it in a circle to the participants. Mentor says everyone should take as many toilet paper sheets as s/he will need during the entrepreneurship course of 16 pedagogical hours. When everybody has the sheets, mentor invite participants to introduce themselves. For every toilet paper sheet they took, they have to tell one thing about themselves. For instance, if somebody takes 5 sheets, s/he needs to tell 5 things about him/herself.

1.2 20 € exercise



Exercise 3. 20 € exercise

¹ Session can be prolonged for additional hour according to mentor needs and number of participants.



You have 20 € in your pocket. Which business ideas can you develop with 20 €? Provide at least 7 ideas in 7 minutes.

Space for your ideas



Questions for a discussion:

- What do you need in order to start-up a business?
- Is entrepreneur born or made?
- Great athletic talent is not equal to a great athlete. Why? How does this apply to entrepreneurship?

The aim of this exercise is to raise awareness of participants that the money is not the most important thing to start-up a business. The most important is to be pro-active, creative and goal oriented. And to have a good team, of course.

1.3 Guest entrepreneur

We invite a successful immigrant entrepreneur to the first session to serve as inspiration for the participants. At first, the mentor has an interview with the entrepreneur and invites entrepreneur to share his/her personal story with the participants.

Here are some questions which can help you to make an interview:

- How did you decide to start-up a business?
- What was most important for you to succeed in business?
- Without being humble, what do you value most about yourself, your work, and your expertise?
- How your typical day does look like?
- What do you value most in being an entrepreneur?
- What is your most valuable experience from your entrepreneurship career?
- What advice can you give to our participants who would like to start-up a new business?

Later invite the participants to ask questions and make a discussion with an entrepreneur.

1.4 The structure of the entrepreneurship course

Activities:

- 8 sessions of 2 hours
- Project work in team where you will create and develop a business idea
- Activities in-between sessions (project work)
- Every session will consist of: icebreaker, entrepreneurship topic, and project work

We will encourage:

- Teamwork
- Writing the ideas – every idea is valuable
- Experimentation – mistakes are welcome, because we learn a lot from mistakes

- Pro-activity – being active is in heart of entrepreneurship
- Fieldwork – entrepreneurship happens on the field, not in the office or in classroom
- Constructive, creative and productive thinking
- Participants' contribution

And now about you:





1.5 Creating teams and project work

Teams will develop business ideas throughout the course. Participants decide in which teams they would like to work. In one team to be effective 4 – 6 people can work. Maybe some of the participants will already come in teams with their business idea. Maybe some will want to work alone in order to develop own business idea. Maybe some of the participants will not have an idea yet. All these possibilities are likely.

Teams who does not have an idea yet, they need to prepare a business idea until the next session. Mentor can suggest them to find an inspiration in current trends. Here are some links to pages about contemporary trends:

- www.trendhunter.com
- www.trendwatching.com
- www.entrepreneur.com/topic/business-idea-trends
- www.globalfuturist.com
- www.unternehmerpositionen.de

Participants who already have their business idea also need to check the pages about the current trends and find out how is their business idea related to current trends.



Exercise 4. Create a name and slogan of your team

Name of our team is:

Our slogan is:



1.6 Inspiration

I do not choose to be a common man,
It is my right to be uncommon ... if I can,
I seek opportunity ... not security.
I do not wish to be a kept citizen.
Humbled and dulled by having the
State look after me.

I want to take the calculated risk;
To dream and to build.
To fail and to succeed.
I refuse to barter incentive for a dole;
I prefer the challenges of life
To the guaranteed existence;
The thrill of fulfillment
To the stale calm of Utopia.

I will not trade freedom for beneficence
Nor my dignity for a handout
I will never cower before any master

Nor bend to any threat.
It is my heritage to stand erect.
Proud and unafraid;
To think and act for myself,
To enjoy the benefit of my creations
And to face the world boldly and say:
This, with God's help, I have done
All this is what it means
To be an Entrepreneur.

Thomas Paine: Common Sense, 1776

Questions for a discussion:

- How is this poem relevant for an entrepreneur?
- What would you add to (or subtract from) this poem?
- Make a short business credo for your team.



2 Session 2: Design thinking and learning about the customer

By the end of the session participants will:

- Understand design thinking concept
- Distinguish among different research techniques in developing business idea
- Prepare a research plan for their business idea

Why:

- To internalize the idea that entrepreneurship happens among users and not in the laboratory

Session plan:

Topic	Time
Icebreaker	15 min
Presenting business ideas draft	15 min
Introduction to design thinking	30 min
User research	40 min
Planning the field work	20 min

2.1 Icebreaker



Exercise 5. Building empathy for a meaningful customer research

Participants work in groups of 4 to 5 participants. Mentor prepares papers with different professions (see below). Every group gets one profession. Participants have 3 minutes to describe the classroom from the perspective of people who work in a particular profession. What do they observe? What do they think? What do they feel? They must not tell which profession they describe. They only have to describe the classroom. The other participants have to **guess** which profession the group represents.

Fire-fighter	Cook	Architect
Burglar	Wedding planner	Farmer



Questions for a discussion:

- Empathy is putting yourself in someone's shoes. Empathy means deep understanding of the problems and realities of the people you are designing for. How can empathy help us in entrepreneurship?
- Through empathy we can learn about our customer. What can we learn? Why is this important?
- How can you improve your skills of empathy?
- What can hinder the process of empathy?

2.2 Introduction to design thinking

Historically, design has been treated as a downstream step in the development process - the point where designers, who have played no earlier role in the substantive work of innovation, come along and put a beautiful wrapper around the idea. To be sure, this approach has stimulated market growth in many areas by making new products and technologies aesthetically attractive and therefore more desirable to consumers or by enhancing brand perception through smart, evocative advertising and communication strategies. During the latter half of the twentieth century design became an increasingly valuable competitive asset in, for example, the consumer electronics, automotive, and consumer packaged goods industries. But in most others it remained a late-stage add-on (Brown, 2008).

Now, however, rather than asking designers to make an already developed idea more attractive to consumers, companies are asking them to create ideas that better meet consumers' needs and desires. The former role is tactical, and results in limited value creation; the latter is strategic, and leads to dramatic new forms of value (Brown, 2008).

Today, design is everywhere around us.

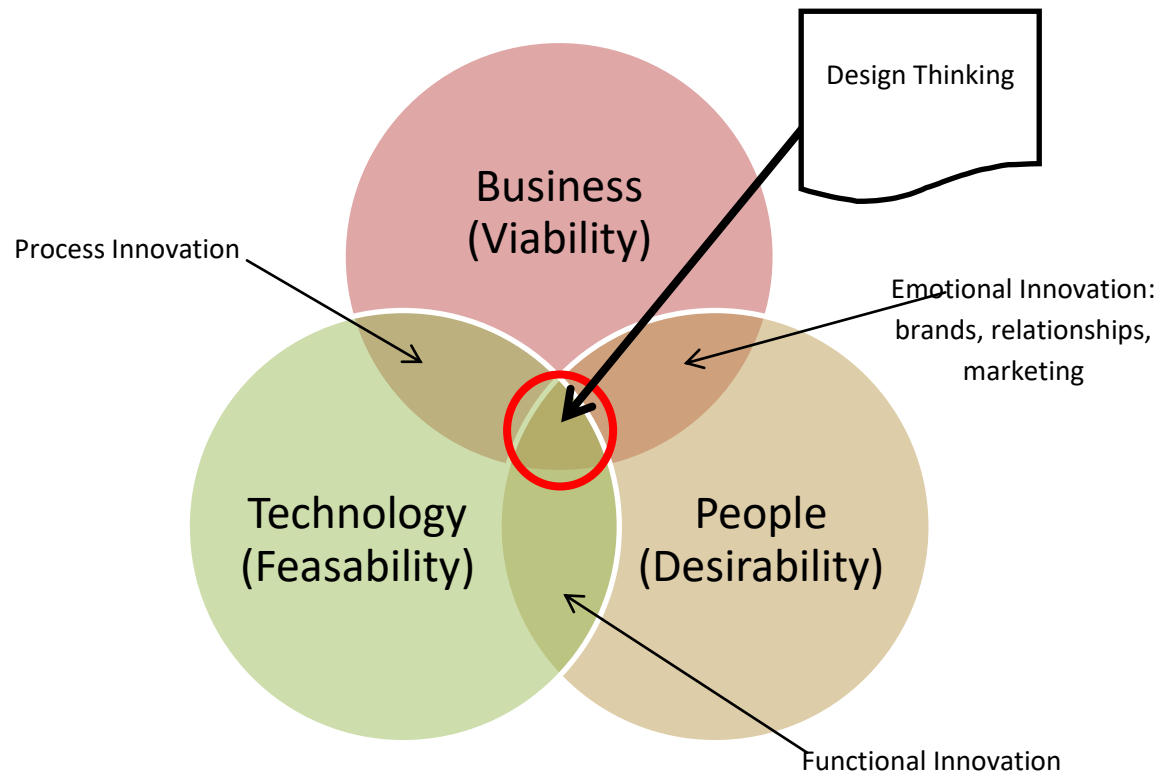


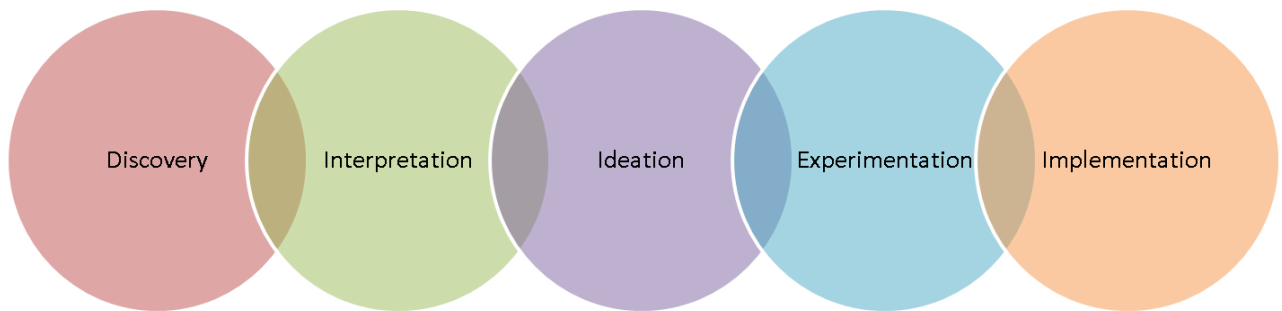
Figure 3. Design thinking integrates different perspectives. Source: Brown, 2009

What is designed?

- ✓ Product
- ✓ Service
- ✓ Aesthetic value
- ✓ Applicability and comprehensibility
- ✓ User experience
- ✓ Business model
- ✓ Work process
- ✓ Company strategy
- ✓ Teamwork
- ✓ ...

Design thinking can be viewed as a methodology that we will learn in five stages. In this part, you will find a brief overview of the approach to design thinking in five stages: user research, content interpretation, ideation, prototyping and implementation. Later on, you will find a separate chapter dedicated to each of these stages.

The five stages of design thinking are not linear; throughout the process, we frequently return to previous stages to make sure that we are still on target.



Research	Interpretation	Ideation	Experimentation	Implementation
I have a challenge. How should I approach it?	I have learnt something. How can I explain it?	I see an opportunity. What ideas do I think of?	I have an idea. How could I build on it?	I have tested something. How can I make it happen?

Figure 1: The stages of design thinking. Source: IDEO, 2011.

Example of design thinking

In 2006, Bank of America introduced a new savings service. When paying with a debit card, users were given the option to automatically round the amount up to the nearest whole number. Any money that exceeded the actual amount to be paid was automatically transferred to a savings account. The service rapidly gained popularity. In less than a year, the bank attracted 2.5 million users, opened 700,000 new current accounts and 1 million new savings accounts. Bank of America worked with a consulting firm and approached the business challenge using the Design Thinking methodology. We will use this example to illustrate the different stages of design thinking (the example is taken from www.ideo.com).



Figure 2: An advertisement for the Keep the Change service. Source: <http://www.dexigner.com/news/11490>.

Research. DT proponents often criticise the use of traditional market research for developing new products or services. Why? Because they believe that it is difficult for users to put what they really want into words, and market research is based on user opinions. When it comes to DT, qualitative



research plays a much greater part. The purpose of this stage is to get thoroughly acquainted with the challenge, then to define the target group and their needs, values and motivation. We use methods such as observation, field research and photography; researchers should come into contact with users rather than merely researching from the office. This stage is intended for observation, not interpretation. The interview is of special importance and it is essential that the researcher asks the right questions. The choice of interviewee is important. The individual should be a representative of the target group, but at the same time he or she should be able to teach us a lot. Perhaps someone who violates certain rules of service or product use. DT proponents stress the significance of introducing elements of anthropology and ethnography, which is relatively unusual in a business environment. A shared characteristic of DT teams is their diversity when it comes to fields of expertise and education. A single team could comprise biologists, mathematicians, psychologists and ethnographers.

This was the approach they used at Bank of America. They assembled a diverse team consisting of their own representatives and representatives of the consulting firm. The team's objective was to discover how women of the baby boomer generation – specifically those with children – could be persuaded to open current and savings accounts with Bank of America. In the research stage, the team visited a number of families and conducted interviews with people on the street. They observed people making monetary transactions. They observed mothers as they went shopping, ate in restaurants and paid their bills.

Interpretation. This is stage two of DT. Interpretation gives meaning to the stories and information and transforms them into priceless insight and inspiration. The purpose of this stage is to find a clear direction for generating ideas. Use the findings obtained in stage one to develop people's concrete stories but be careful to avoid making generalisations, judgements and assumptions. Identify the patterns and relationships between pieces of information. Look for categories and groups. You can even visualise the story; it will help you to see the whole picture more clearly. It is important to interpret things from the point of view of the target group rather than your own. DT places great importance on empathy. Once you have determined the themes and samples, you can start shaping opportunities. This means moving on from the current situation towards future opportunities. It means redefining the problem – this time from the viewpoint of the users' needs. This will give you a clear direction for generating ideas. Opportunities are expressed in the form of action questions starting with How might we... Here are some examples: How might we encourage mentors to experiment with new technologies? How might we get employees involved in new product development? How might we offer users a better quality service? Opportunities are not solutions; they are questions that give you an outlet for generating ideas.

Once the Bank of America team collected their stories and observations, they reached two main conclusions. When making payments, some people would often round the amount up because it was simpler and faster. The second conclusion was that many mothers with children did not have any savings because they could not afford it or because they were unable to control their buying habits.



The team's opportunity for generating ideas in the next stage was: How might we enable mothers with children to start saving money?

Ideation. This is stage three of DT. They say that the most reliable way to generate a quality idea is by generating a large number of ideas; the main objective of this stage is therefore to generate as many ideas as possible. People following the DT approach usually use brainstorming and follow the brainstorming rules. But you can use any other creative thinking technique or combination of techniques. The important thing is that you think broadly and without limitations. It can also be useful to draw your ideas. At the end of the ideation stage, choose the most promising ideas to experiment with in the next stage.

In this stage, the Bank of America team conducted 20 brainstorming sessions and came up with 80 product concepts. Next, they reduced the concepts to the 12 most promising ideas, of which one was chosen unanimously for further experimentation. It was the idea of automatic rounding up.

Experimentation. This stage is where you test your ideas. Prototypes are excellent tools that can help you learn more about your idea, giving it a tangible form and stimulating further contemplation. This is how new information and learning experience are acquired. Creating prototypes quickly and early on allows you to move on from useless ideas as soon as possible. A prototype should be simple. Once it is created, it will provide feedback. It is important at this point that you are prepared to move on from your idea if it turns out to be ineffective.

At Bank of America, the prototype they created was an animation in which a woman buys a \$1.5 cup of coffee. Next, the animation showed the amount being rounded up to \$2 and the automatic transfer of 50 cents to a savings account. The product was tested by showing the animation to 1600 users online. The results were very encouraging: the users gave the service the highest rating.

Implementation. Our objective in the final stage is to create the end result. Use the feedback gained in the experimentation stage to perfect your idea. Make changes where people perceived potential obstacles and evaluate the relevance of each individual piece of feedback. Plan the next steps and sources required to implement the idea; prepare calculations, set deadlines, communicate your idea to people who can help with the implementation and remember to document the entire implementation process. Prepare an attractive bid or presentation that will draw in the right people. The bid should tell a story.

In this stage, the Bank of America team used a focus group to choose a name for the new service: Keep the Change. Based on user feedback, three extra features were added to the original idea (one: the savings total in the current account; two: a safety measure that prevent users from exceeding their limit by rounding up; three: the bank will double any savings made in the first three months up to \$250). Using focus groups, the team came up with ideas for how to market the service to users.

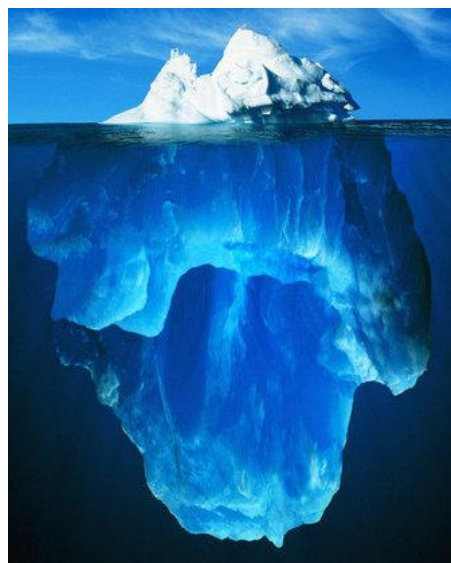
They drew up and implemented a marketing

THE CENTRE OF ATTENTION FOR US IS THE USER



plan.

IN DESIGN THINKING THINK ABOUT THE EXPERIENCE



The end product or service is just the tip of the iceberg. During development, consider the entire experience the user will have with the product or service. Applicability, aesthetic value, sensations, technological feasibility, an effective business model.

2.3 A Qualitative Approach to Research

The purpose of customer research is:

- ✓ to understand the needs
- ✓ to understand the obstacles
- ✓ to understand the limitations

How?

- ✓ Without prejudice
- ✓ Without evaluation
- ✓ Without assumptions
- ✓ Without judgement

We are talking about **QUALITATIVE RESEARCH**. At the end of this stage, you will have more questions than you have answers.



Exercise 6. Field research

How did Indiana Jones research and explore? How does the famous anthropologist Jane Goodall research?



How do you imagine a 7-year-old child would approach research and exploration?



The first step in our business challenge is to **assemble a team**. Researching requires a special environment. The aim is to recognise a specific aspect of human behaviour and transforms it into an advantage for the user, while also having business value. Why are so many companies unable to use this path to success and why do companies that have done it successfully in the past find it so hard to do it again? These processes are not easy to integrate spontaneously into the work process. Looking closely at the different stages of research and development, it is easy to see that they require a combination of two ways of thinking: **analytical and creative**. It is very rare to find a combination of both ways of thinking; people tend to use either one or the other.

However, this obstacle can be overcome by assembling a **diverse team**. The diversity of people in the team will surpass each person's narrow way of thinking. The optimal size for a design team is four to six people. Try to select people of diverse education, gender, experience and character. The one thing they should have in common is the teamwork ability.

In researching user needs, it is important to differentiate between observation and interpretation. Interpretation comes in the next stages. In stage one, focus on gathering information without interpreting it.



Exercise 7. Observation versus interpretation

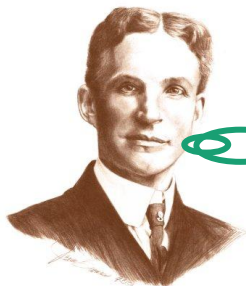
Look at the image below. What do you see in it if you merely observe it? What do you see in it if you interpret it?



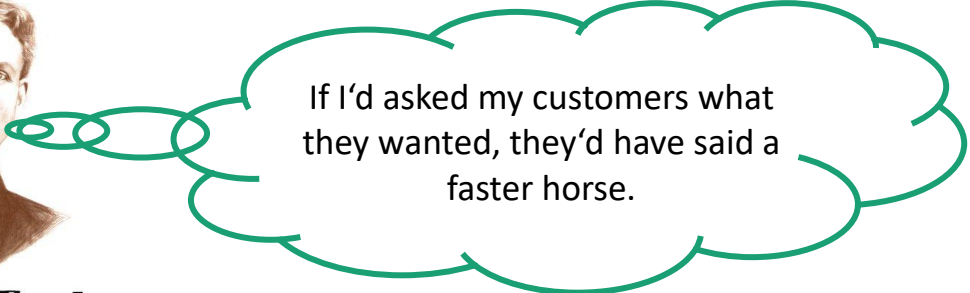
Observation	Interpretation

Next, we will look at three techniques for researching user needs: interview, observation and field research.

We use this approach to research because users do not always do what they say. They are not entirely aware of their wishes and needs and even if they are, they are often unable to put them into words.



Henry Ford

A large, green, hand-drawn thought bubble with a tail pointing towards the portrait of Henry Ford. Inside the bubble, the text reads: "If I'd asked my customers what they wanted, they'd have said a faster horse."

If I'd asked my customers what they wanted, they'd have said a faster horse.

2.4 Observation

First, ask yourself what it is that you already know about your business challenge. Do this in order to avoid having to collect previously acquired information again.

Information gathering techniques:

- ✓ Photography
- ✓ Video recording
- ✓ Note taking
- ✓ Sketching
- ✓ Collecting materials, flyers, brochures, packaging, newspaper cut-outs

What are you observing?

- ✓ **Physical space:** physical characteristics, what stands out, what does not stand out
- ✓ **Which people are involved:** users, employees, manufacturers, managers, media, municipalities, local communities, interest groups
- ✓ **Activities:** individual activities and behaviours, related activities, sequences of activities, similarities in activities, differences in activities
- ✓ **Objects:** the presence of objects, the absence of objects, the characteristics of objects
- ✓ **Events:** what is going on, what are people doing
- ✓ **Time:** sequences, beginnings, ends, individual stages, duration, time when specific behaviours, reactions or activities come up



- ✓ **Goals:** what are people trying to achieve
- ✓ **Feelings:** what feelings are people experiencing and expressing

We observe what people:

- ✓ **SAY:** What are some quotes and defining words your user said?
- ✓ **DO:** What actions and behaviors did you notice?
- ✓ **THINK:** What might your user be thinking? What does this tell you about his or her beliefs?
- ✓ **FEEL:** What emotions might your subject be feeling?

Note that thoughts/beliefs and feelings/emotions cannot be observed directly. They must be inferred by paying careful attention to various clues. Pay attention to body language, tone, and choice of words.



Exercise 8. Attention and observation

What do you notice in this classroom? Write down in 1 minute as much as possible.

Now focus on $\frac{1}{2}$ of the classroom. What do you notice now? Write down in 30 seconds as much as possible.

Now focus on the other $\frac{1}{2}$ of the classroom. What do you notice now? Write down in 30 seconds as much as possible.

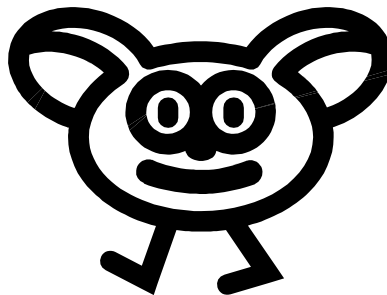
In which case did you notice more? Why?

Observation is strongly connected with our attention. If we focus on smaller parts at one point of the time, we will likely to notice more. It is important to change our focus from time to time.

2.5 Interview

If you are a good listener and know how to create an atmosphere of trust, people will open up to you. Their stories will help you gain new insights, inspiration and ideas.

Use **semi-structured interviews**. Start by forming a few questions in advance, then follow the interviewee's story and develop new questions in accordance with that. Interviews can be conducted with individuals or groups, users or experts, various participants. It is always useful to find a user who uses a product or service in an unusual way.



**You have two ears and one mouth.
Use them in the same ratio when conducting interviews.**



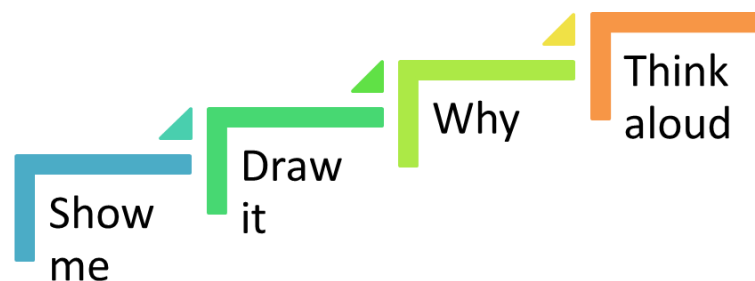
Listen with your eyes as well as your ears!

Ask **open questions**. Open questions encourage conversation and invite the user to open up. Open questions should represent the largest part of the interview. These are questions that usually begin with W-words: what, who, when, where, which, what kind, how, etc.

Here are some examples of open questions:

- ✓ What can you tell me about...
- ✓ What else can you tell me about it?
- ✓ What do you like about it?
- ✓ What do you dislike about it?
- ✓ What do you miss?
- ✓ How do you use...
- ✓ In what ways do you use this product?
- ✓ What are you doing when...
- ✓ What do you do when...
- ✓ Tell me more about this.
- ✓ Can you describe...
- ✓ Can you show me...
- ✓ How often do you reach...
- ✓ What would you like to achieve?
- ✓ What is the process?
- ✓ What are the steps you take?
- ✓ What do all these things have in common?
- ✓ What happens first? Then what?
- ✓ What is important to you?
- ✓ What does it bring you?
- ✓ How do you experience it?
- ✓ What is your attention on?
- ✓ What is your explanation?
- ✓ How does it make you feel?
- ✓ What are the consequences?

Encourage the user to think out loud.



While the question "why" is also an open one, it should be used with care; "why" questions can seem like interrogation and will put interviewees on their guard. Since determining the reasons for a certain type of behaviour is very important in design thinking, try to replace "why" with other questions as often as possible.



Here are some alternatives that you can use:

- ✓ For what purpose?
- ✓ How did you reach this decision?
- ✓ What is behind this?
- ✓ What are the reasons for this?

Another interesting open question is "what if". This question is used to encourage creative thinking, open new possibilities and test your hypotheses.

Here are some examples of "what if" questions:

- ✓ What if this product had...
- ✓ What would happen if...
- ✓ What if these obstacles did not exist?

Closed questions end the conversation and lead to short answers. These are questions that begin with "do you". If you ask the interviewee, "Do you like this product?", he or she will answer either yes or no. If, on the other hand, you ask, "What exactly do you like about this product?", you increase the chances of the interviewee opening up to you. Closed questions are less suitable for starting the interview, but they can be useful towards the end if you use them to verify your understanding.

Example: If I understand correctly, this service takes far too much time. Is that right?

Research tips:

Select your user wisely. Your mum, dad and friends are not users.

Find **innovative users** who use the products in new and innovative ways.

Encourage **storytelling** and sharing experience.

Do **not** present your business idea and ask users if they like it, how they would change it, when they would use and how much would they pay for!

Document the interview using pictures, sketches, photos, notes, video etc.



Exercise 9. Practice interview skills

You would like to develop a new smart phone so you decided to make an interview with your classmate about his/her experience with his/her current phone.

In 3 minutes prepare an interview protocol with questions.



Now you have 5 minutes to conduct and document the interview.

Questions for a discussion:

- What did you do good?
- Which skills are important for effective interview?
- What would you change next time?
- How can you improve your interviewing skills?

2.6 Field Research

This means studying the behaviour and experience of people in their natural surroundings. If you are designing a new restaurant, observe people in restaurants. If you are working on a new bicycle, go out in the field with cyclists. If you are developing a new medical device, join medical workers who use these types of devices, etc.

Join the users and become their shadow. Immerse yourself in the context. Hold relaxed conversations with them. Put yourself in their shoes.

Move beyond existing contexts and search for inspiration in new contexts as well. Example: if you are trying to improve logistics in a distribution business, it might be useful to look at the logistics system of an airline or a delivery company.

Look for anomalies and inspiration; always put what you see into context. How are the users different from each other? Does anyone stand out in the use of a specific product or service? Are they using the product or service in an unusual way?

Use all your senses: look, listen, taste, smell and touch.



Exercise 10. Field research ideas

You would like to design a new vending machine. Generate 7 concrete ideas on how would you approach to the field research. Which locations would you observe? What would you observe? Which people would you ask for an interview? How can you include role play in your research? How would you gather information? You have 10 minutes for this task.



2.7 Researcher Behaviours

- ✓ Empathy – putting yourself in the user's shoes
- ✓ Real interest in the user, curiosity
- ✓ Establishing a relationship based on trust
- ✓ Listening
- ✓ Observing details and the big picture



Exercise 11. Research plan for your business idea

Prepare a research plan for your business idea. Generate ideas for your research, make a plan how you will conduct a research, split roles in your team and define deadlines for each activity. Also define how you will document your research.

What we will do	How we will do it	Who will do it	When	Document



What we will do	How we will do it	Who will do it	When	Document

2.8 Project work: Learn about your customer

Field work is a first step in developing your business idea. The quality of this step is related to all the other steps. We cannot learn about our customers in the classroom. Go out of the building and find relevant sources of knowledge about your customers.

This field work will be your first contact with customers. In developing your business idea you will have several more contacts with the customers in searching of feedback about your business idea. Consider your research plan from the previous exercise. Be ambitious and gather as much data as possible.

Mind that you need documentation in order to share it with your team members: videos, photos, notes, sketches ...

Conduct at least 15 interviews, observe at least 10 situations, try at least 3 role plays, try the service or product on your own if possible, find at least 7 other sources of information.

How to overcome some initial troubles?

- ✓ If you feel anxious about conducting interviews, make interviews in pairs.
- ✓ If you do not know where to get 15 people for interviews, start with 1 or 2 and they can tell you also where to get additional people.



- ✓ The same is with observation. If you do not know what to observe, try with 1 situation and you will get ideas what to observe further on. You can also change your focus and sometimes focus only on emotions, the other time on behaviours etc.
- ✓ Is your idea based on web and you think you cannot do the field research? Your field in this case is also the internet. You can analyse different web communities or observe users in interacting with web portals.
- ✓ Analyze what is hierarchy of users needs according to Maslow pyramid. (look figure 15.)

3 Session 3: Making sense out of data and understanding your market

By the end of the session participants will:

- Conduct the process of interpreting data
- Evaluate the meaning of the data
- Create customer-driven business opportunity

Why:

- To understand the customer in order to customize the business idea to customer's needs

Session plan:

Topic	Time
Icebreaker	15 min
Summary of the design thinking process	15 min
Introduction to the process of interpretation	15 min
Project work: interpretation	60 min
Presentation of the "How might we..." questions	15 min

3.1 Icebreaker



Exercise 12. Sense making

Show to the participants one of the paintings by Salvador Dali and ask them first to write what they see on the painting and then to come up with at least 3 titles of the painting. 3 minutes for each task. Participants may work in pairs.

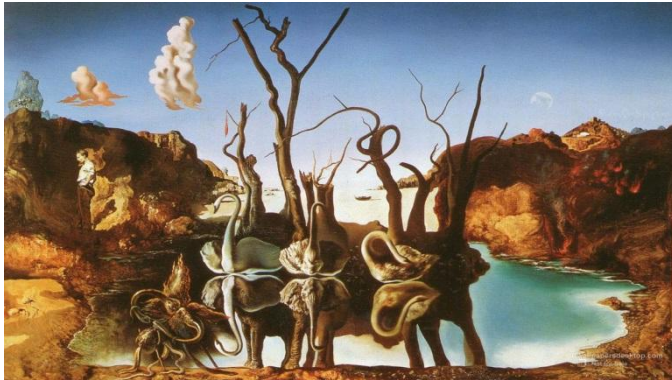


Figure 4. Swans Reflecting Elephants (left) and Apparition of Face and Fruit Dish on a Beach (right) by Salvador Dali

<p>I see ...</p>	<p>Possible titles ...</p>
-------------------------	-----------------------------------

Questions for a discussion:

- How did you decide about the titles?
- What are the possible hidden messages on the paintings?
- Also your customers have some open and some hidden messages for you. What do you need in order to find the hidden messages?

3.2 The process of interpretation

It is only in this stage that you can start interpreting things. The previous stage was intended solely for gathering information and content. The purpose of the interpretation stage is:

- ✓ To create meaning from the contents – synthesis
- ✓ To achieve insights and learn something about customer needs
- ✓ To define opportunities for the development of a new product or service

The entire team should meet in one place.

1. Share your stories

- Collate everyone's notes, photographs and other materials
- Share your stories, talk to each other
- Be specific

- Write, write, write
- Who, what, when, where, why, how



Figure 5. Making sense starts with gathering information together

2. Identify patterns

- Extract the key meanings
- Set aside the key information
- Define the overarching thoughts, the connecting theme
- Take things one at a time, do not skip anything, be systematic

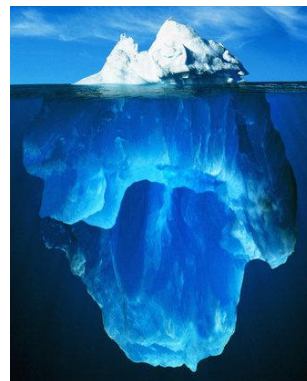
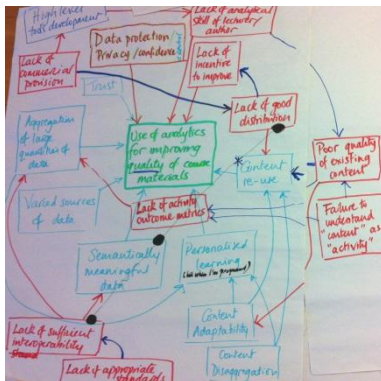


Figure 6. Focus on what is the meaning behind your data?

3. Find themes

- Explore the similarities, differences, relationships
- Define categories
- Examine the relationships between the various categories
- Divide into groups, reorganise several times

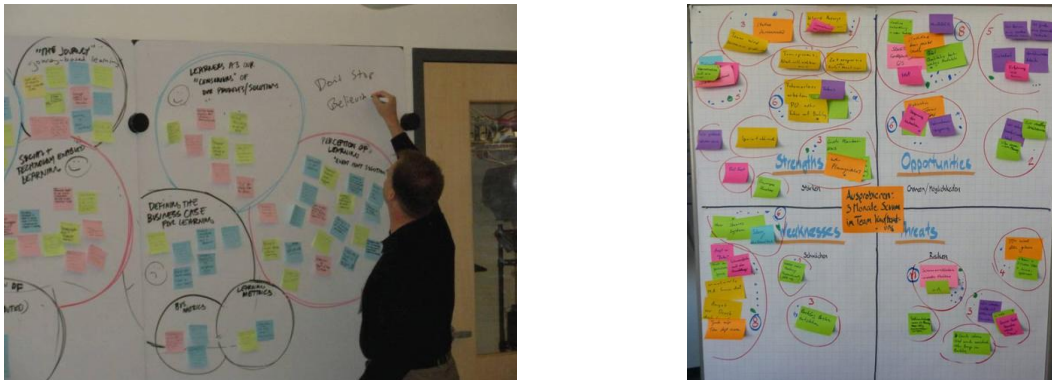


Figure 7. Categories help you to see your challenge more clearly

4. Graphic presentation

- Prepare a visual presentation of your interpretations
- A good graphic presentation will help you see challenges more clearly

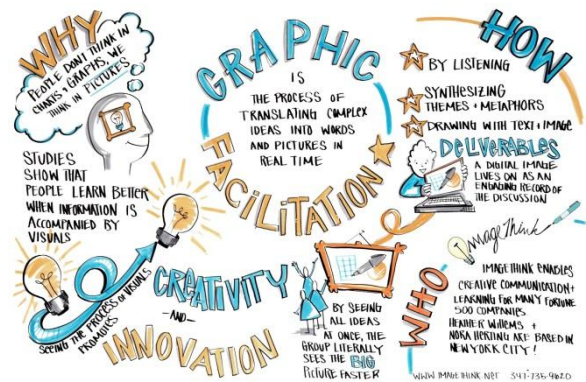


Figure 8. Categories help you to see your challenge more clearly

5. Create customer maps

- Customer map reflects your understanding of the customer
- It is an empathy map which helps you synthesize your observations
- SAY: What are some quotes and defining words your user said?
- DO: What actions and behaviors did you notice?
- THINK: What might your user be thinking? What does this tell you about his or her beliefs?
- FEEL: What emotions might your subject be feeling?
- Note that thoughts/beliefs and feelings/emotions cannot be observed directly. They must be inferred by paying careful attention to various clues. Pay attention to body language, tone, and choice of words.



Figure 9. Examples of customer map

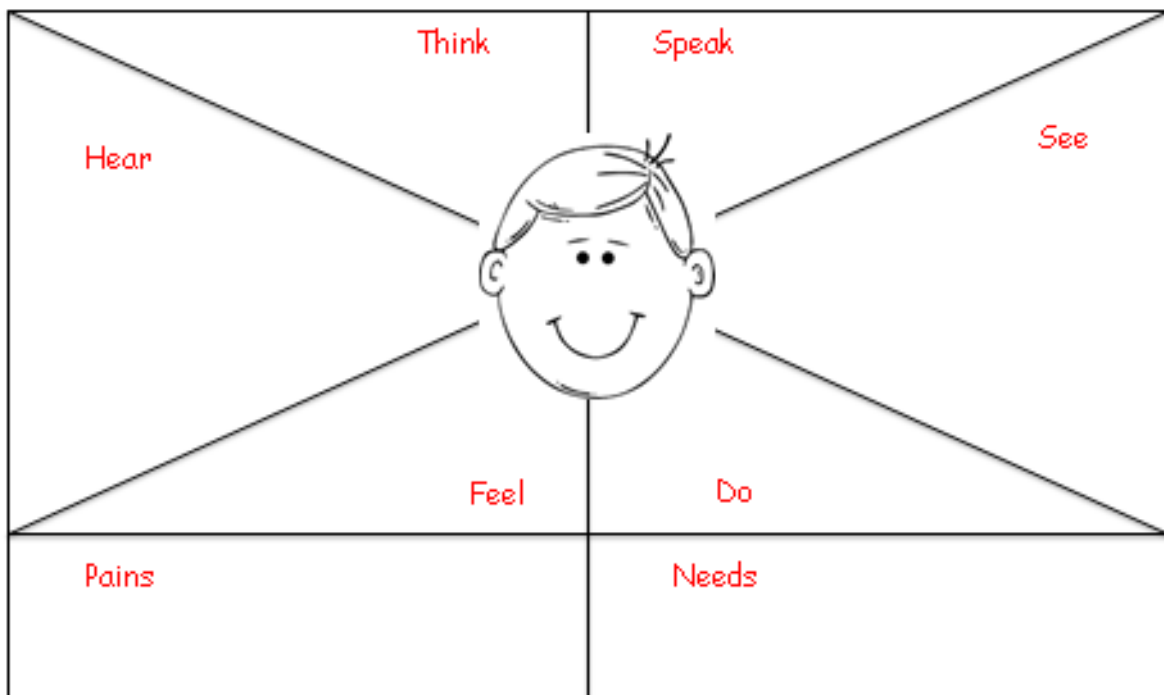


Figure 10. Empty customer map for your insights. Source: Gray, 2010

6. Opportunities

- From the existing conditions to future possibilities
- A step towards the next stage (ideation)
- Rearticulate the problems or needs
- Form a sentence with, "**How might we...**"

The "how might we..." sentence

This sentence is crucial in design thinking, because it allows us to rearticulate the basic challenge. The problem is defined from the user's point of view. Form your sentence with an active voice; an active



starting point will help you generate new ideas later. The active voice sentence can be considerably different to your initial challenge – by now, the challenge has been thoroughly analysed and its essence defined from the user's point of view. Let us say that the initial challenge was how to boost the sale of a piece of agricultural machinery. Perhaps design thinking will bring us to the realisation that users are not happy with the support available when it comes to after-sales services, leading them to choose a different piece of machinery. In that case, the new "how might we" sentence could be: How might we help buyers in the use of our agricultural machine?

Here are some other examples of "how might we" sentences:

- How might we enable homemakers to easily find new ideas for meals?
- How might we create an environment that would encourage inhabitants to grow vegetables?
- How might we help shopping centre visitors look after their children?
- How might we make the long hours of sitting in the car seat easier for drivers?

3.3 Researcher behaviours

- ✓ Analytical thinking
- ✓ Synthetic thinking
- ✓ Categorising
- ✓ Looking for background patterns
- ✓ Listening
- ✓ Writing
- ✓ Drawing

3.4 Project work

Ask at least 3 different people from your local environment (of course, not your relatives or friends, go out on the field) how to be more creative. Bring their answers to the next session.

4 Session 4: Generating ideas

By the end of the session participants will:

- Apply several creativity techniques
- Have the attitudes for encouraging creativity
- Evaluate different ideas

Why:

- To be persistent in developing business idea and not be satisfied with the most obvious solutions

Session plan²:

Topic	Time
Icebreaker	15 min
Summary of the design thinking process	05 min
Introduction to the ideation	15 min
Applying creativity techniques on the business idea	55 min

4.1 Icebreaker



Exercise 13. Gallery walk

Participants work in groups of 4 to 5 participants. They bring their answers about creativity from the previous homework. Mentor gives them material: 1 flip chart paper, 3 different magazines or papers with photos, stick, scissors, and markers. Participants prepare posters on how to improve our creativity. They have 10 minutes for the task. After 10 minutes they put their poster on the wall. Next 10 minutes we allocate to gallery walk where all the participants walk around the classroom to look at each other's poster.

4.2 The process of ideation

Table 3. Inducers and inhibitors of creativity

Inducers	Inhibitors
Expectations of others to be creative	Judgements
Focused attention	Yes, but ...
Writing ideas	Criticizing ideas
Deliberate search of connections in coincidences	Underestimating individuals
Empathy for other people	Passivity
Humour	Fear of errors
Creativity techniques	Premature satisfaction with the first ideas

The purpose of this stage is to find as many ideas as possible for the challenge expressed in the "how might we" sentence. The most important thing about this stage is to focus on the **quantity** rather than quality of ideas. 100, 200, 300 ideas – there are no limits.

There are different techniques for generating ideas that you can use in the ideation stage:

- ✓ Brainstorming
- ✓ Edward de Bono thinking techniques

² Session can be longer according to the number of participant.



- De Bono, E. (1988). De Bono's thinking course. London: BBC Books. (De Bono, 1988)
- De Bono, E. (1998). Simplicity. London: Viking. (De Bono, 1998)
- De Bono, E. (2010). Lateral thinking. London: Viking. (De Bono, 2010)
- De Bono, E. (1986). Six thinking hats. Harmondsworth, Middlesex, England ; New York, N.Y., U.S.A: Viking. (De Bono, 1986)
- ✓ Michael Michalko thinking techniques
 - Michalko, M. (2001). Cracking creativity: the secrets of creative genius. Berkeley, Calif.: Ten Speed Press. (Michalko, 2001)
 - Michalko, M. (2006). Thinkertoys: a handbook of creative-thinking techniques. Berkeley: Ten Speed Press. (Michalko, 2006)

We will take a closer look at the process of ideation using 3 different methods: brainstorming, random entry, and SCAMPER.

4.3 Brainstorming



Exercise 14. Brainstorming principles

Make a list of brainstorming principles. In groups of 4 to 5 participants prepare guidelines for effective brainstorming. Provide at least 7 principles in 7 minutes.

Brainstorming principles ...

- ✓ Avoid evaluation.
- ✓ Encourage wild ideas.
- ✓ Feed off the ideas of others.
- ✓ Stay focused on the subject.
- ✓ Visualise.
- ✓ Write down your ideas.
- ✓ One person speaks, everyone else listens.
- ✓ Work on the quantity of ideas.

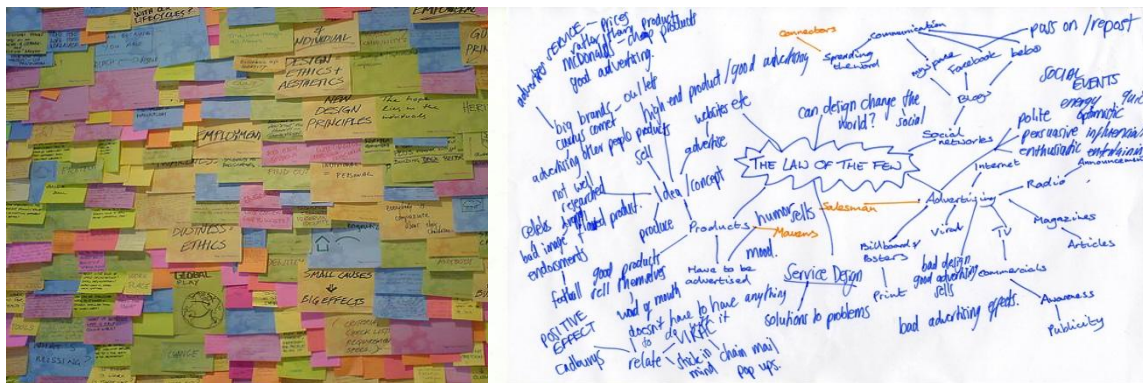


Figure 11. Quantity in ideation is essential

Your starting point is the "how might we" sentence.

Remind everyone in the team of the main principles of brainstorming. Generate as many ideas as possible. Quantity is important. Be persistent and take enough time. It is not until **20 minutes** into the process that your brain starts to produce the best ideas; earlier on, you only think of the most obvious associations.

4.4 Random entry

The author of random entry technique is Edward de Bono. Here is his video clip about random entry technique: <https://www.youtube.com/watch?v=dQbxUSF7ZS8>

We need a new way to break from that 'circle', a new stimulus that will show us another 'path'. Doing that means using a technique that is random, unconnected to our experiences and inevitably, judgement.

You cannot get new ideas by looking harder at the old ones, so you bring in something which is random or unconnected with the situation.

The drawing on this workcard shows thinking proceeding along the usual track until something random is brought in and leads thinking off in a new direction.

Random entry: example

Cigarettes PO soap. Soap suggests freshness, and freshness suggests spring, and that means flowers. Perhaps every cigarette should have flower seeds in the filter so when it is thrown away a flower will blossom from it and therefore make parks more beautiful.





Exercise 15. Random entry exercise

Individual work. You are trying to invent a new detective character called James Cooper. In order to get some new ideas, you use a random input and say: “James Cooper PO ice cream”.

What can I use as a random entry? Word, picture, sound ...

4.5 S.C.A.M.P.E.R.

Michael Michalko analysed thinking styles of famous people: Einstein, Leonardo da Vinci, Freud, Darwin, Mozart ... He collected and published different creativity techniques. One of them is S.C.A.M.P.E.R.

Here is a video about S.C.A.M.P.E.R. <https://www.youtube.com/watch?v=G8w0rJhztJ4>

The procedure of conducting S.C.A.M.P.E.R. technique is simple:

1. Isolate your challenge or subject you want to think about
2. Ask SCAMPER questions:
 - What procedure can I **substitute** for my current one?
 - How can I **combine**?
 - What can I **adapt** from someone else?
 - How can I **modify** or alter my way of doing?
 - What can I **magnify** or add to my way of doing?
 - How can I **put** my challenge **to other uses**?
 - What can I **eliminate** from the way I do?
 - What is the **reverse** of my method?
 - What **rearrangement** might be better?

Substitute
Combine
Adapt
Modify / **M**agnify
Put
Eliminate
Reverse / **R**earrange

Figure 12. S.C.A.M.P.E.R.

4.6 Selecting ideas

After you are done ideation, narrow down the ideas and make a list. Evaluate the advantages and disadvantages of each idea on the list and choose a set of ideas that you will continue working on.

Since we are designing business opportunity, the selected ideas ideally would be connected and together would reflect a story.

Dot-mocracy

Each participant gets 3 – 6 glue dots. Each now distributes his dots among his or her favourites (no more than 2 dots per idea).

PMI: plus, minus, interesting

The PMI is a crystallization of the open-minded attitude into a tool that can be used deliberately. This is a very basic lesson which is introduced right at the beginning so that the PMI process itself can be used as a tool in the course of subsequent lessons. Instead of just deciding whether or not you like an idea, this thinking operation has you make an effort to find the good points (P = PLUS), the bad points (M = MINUS) and the interesting points (I = INTERESTING) about an idea. The interesting points are those which are neither good nor bad but are worth noticing.

The PMI is a way of treating ideas, suggestions and proposals. The natural reaction to an idea is to like or dislike it, to approve or disapprove. If you like an idea; it is very unnatural to look for the negative or minus aspects. If you dislike an idea it is very unusual to look for the positive or plus aspects. It is equally unnatural to pick out the merely interesting aspects of an idea. Conduct PMI for each idea selected with dot-mocracy.



Plus	Minus	Interesting

4.7 Researcher behaviours

- ✓ Open, creative thinking
- ✓ Unrestrained thinking
- ✓ Listening to other people's idea
- ✓ Communicating ideas in a way that others can understand (drawing, visualising, writing)

4.8 Project work

Find another creative technique by Edward de Bono or Michael Michalko and apply it to your business challenge. This task is individual task.

Ask some people around you to give you a feedback on some of the ideas you created.

4.9 Additional material

About Edward de Bono: https://en.wikipedia.org/wiki/Edward_de_Bono

Edward de Bono on YouTube: https://www.youtube.com/results?search_query=edward+de+bono

A toolbox for boosting creativity collected by Michael Michalko:
<http://creativethinking.net/#sthash.6Aj5OFBF.dpbs>

5 Session 5: Prototyping

By the end of the session participants will:

- Understand the role of prototyping in entrepreneurship
- Know how to translate ideas into tangible products
- Make a prototype of their own business idea

Why:

- To learn how to improve business idea

Session plan:³

Topic	Time
Icebreaker	15 min
Summary of the design thinking process	05 min
Introduction to prototyping	15 min
Prototyping	30 min
Presenting prototypes and feedbacks	25 min



Fail fast and frequently...and cheaply... so experiment, prototype and test it before become too expensive.

Tom Kelley, company IDEO's CEO, 2011

"I have not failed. I've just found 10,000 ways that won't work." – Thomas Edison, inventor.

The next step in business idea development is to prototype to test and learn. Very important is that visualization of ideas and concepts start to grow from 2D to 3D perspective. Usually prototyping sessions are connected to product prototype, but recently prototype is common also for service prototyping such as planning experience for the future end-users. There are different descriptions

³ When trainers implement this session for the first few times it may happen they need more time for this part of the training. However, it is recommended that the time for the prototyping session is limited to 1,5 hours because the focus is on creating a prototype, not a final product or service. Usually prototypes are not better even if the time is prolonged. The trainers must thus encourage participants to think quickly and be efficient in developing the prototype. However, if participants have the idea that requires longer and more complex development process, the prototyping session can be divided in more parts (for different parts/aspects/stages of the product/service). Moreover, after participants test the prototype or gain additional feedback about their product/service from the colleagues or potential customers, additional time (maximum 1,5 hours) can be devoted to the improvement of the initial prototype or to the development of the product/service in the future.



what prototyping is, but one thing is common for all, prototype is designed for testing and further development of our idea, product, service or experience.

According to Wikipedia, a **prototype** is an early sample, model, or release of a product built to test a concept or process or to act as a thing to be replicated or learned from. It is a term used in a variety of contexts, including semantic, design, electronics and software programming. A prototype is designed to test and try a new design to enhance precision by system analysts and users. Prototyping serves to provide specifications for a real, working system rather than a theoretical one. In some workflow models, creating a prototype (a process sometimes called materialization) is the step between the formalization and the evaluation of an idea (Wikipedia 2015).

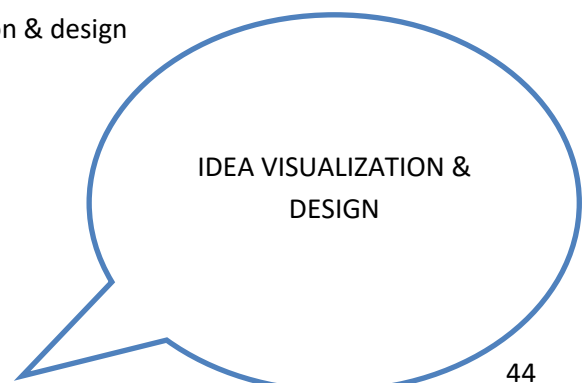
According to Stanford D.school principles, prototyping to test is the iterative generation of low-resolution artefacts that probe different aspects of your design solution or design space. The fundamental way we test our prototypes is by letting users experience them and react to them. In creating prototypes to test with users you have the opportunity to examine your solution decisions as well as your perception of your users and their needs (Stanford D.school, 2011).

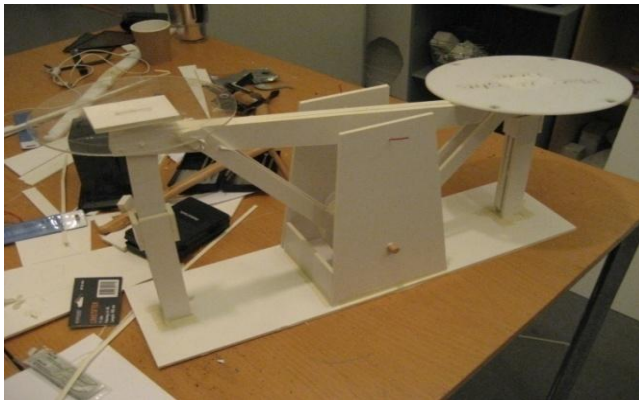
As we can see, different source is emphasising different aspect. A webpage www.usability.gov is describing prototype as a draft version of a product that allows you to explore your ideas and show the intention behind a feature or the overall design concept to users before investing time and money into development. A prototype can be anything from paper drawings (low-fidelity) to something that allows click-through of a few pieces of content to a fully functioning site (high-fidelity).

During prototyping session is important to think about what you are trying to learn with your prototypes, and create simple objects and scenarios which explore those questions. Very simple concept allows you to pursue many different ideas you generated without committing to a direction too early on. Stanford d.school is promoting prototyping not only with the goal to create a mock-up or scale model of your solution concept; it is about creating experiences to which users can react. Its about testing in the context that business idea or new product, services would actually be used. For example, if you are planning to change or re-create a different consumer food storage system, let users test it in their kitchens at home – some feedback will be given and important issues will emerge.

For the purpose reason, prototype can be divided into 5 categories:

- Low-resolution prototypes show first visualization & design

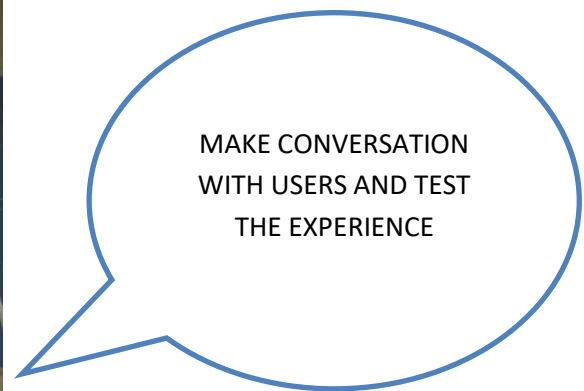


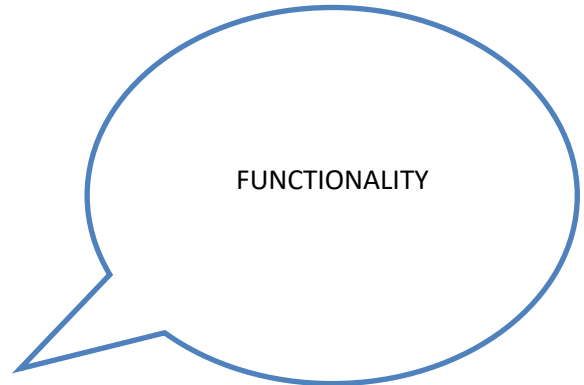


- Prototypes that makes dialog with users

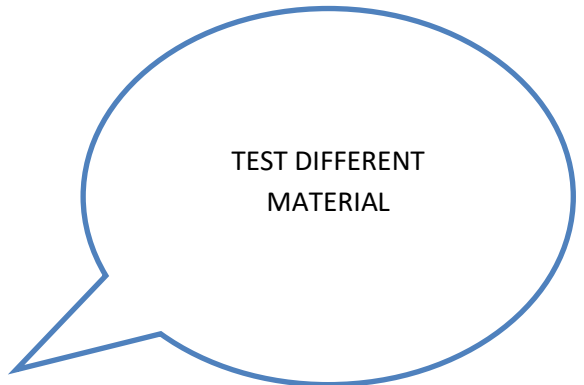


- Prototypes show functionality

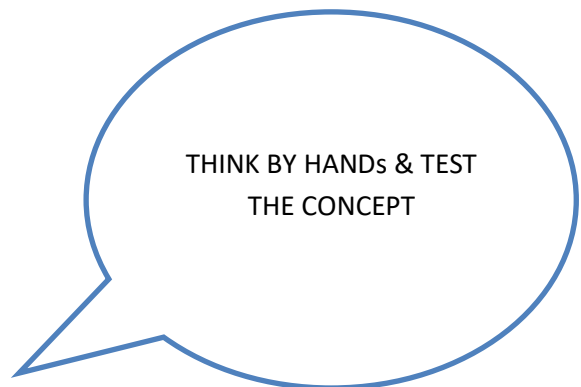




- Prototypes test different material



- Prototype test different concepts



5.1 Icebreaker



Exercise 16. Happy birthday

You arrived at work place and your colleague has a birthday. Instead of just saying Happy birthday, you try to make a creative present or at least a nice memory of the day at work. You open your office table drawer and you find different materials that bring you crazy ideas. Choose one and come up with a present.

Paper clip



Post-it



Pencil



Adhesive tape

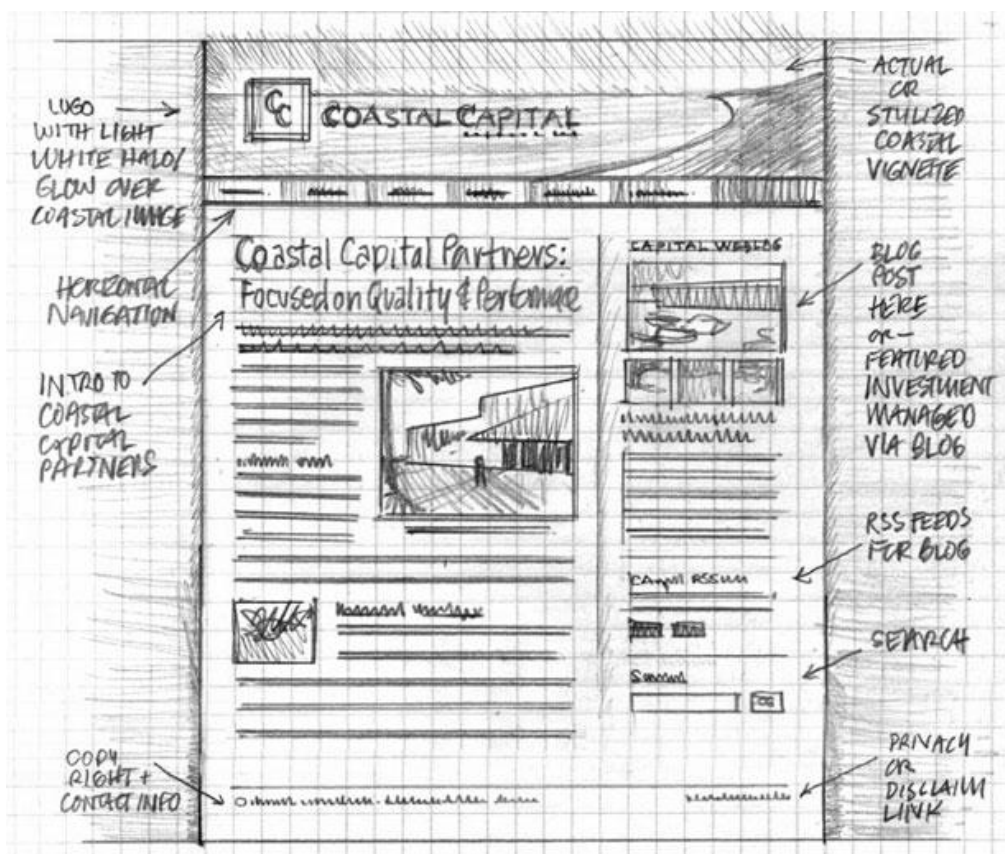


5.2 Rapid prototyping



Exercise 17. Web page prototype

Look for the website you visit quite often or at daily basis for different purposes. Then try to analyse the user perspective and find opportunities for improvement or ideas for new content/service. After you finish with analysis, you start with prototyping the new webpage, which is upgraded for your ideas and improvements. Do not complicate too much. This is done by paper and pencil. Please see the example below. You have 5 minutes for analysing and 5 min for prototyping.



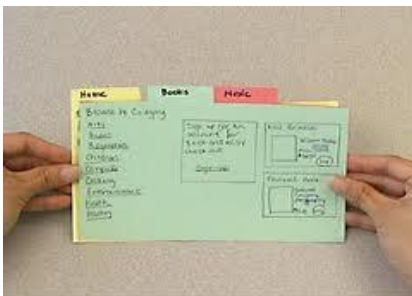
Design thinking (Kelley 2011) tips for prototyping sessions:

- **Start building.** Even if you aren't sure what you're doing, the act of picking up some materials (paper, tape, and found objects are a good way to start!) will be enough to get you going.
- **Focus on the story** – the aesthetics is not important

- The **size** is not important - the concept of a new house does not build a house, but show a model (eg. Use of LEGO bricks instead the real ones...).
- **Stop wasting time** on details
- **Don't spend too long on one prototype.** Move on before you find yourself getting too emotionally attached to any one prototype.
- **Don't be in love** with your idea - avoid emotional attachment
- **Don't make a final decision** about the product / service before the prototype is completed
- **Avoid destructive thinking** – for example »It's impossible, it's not for us...«
- **Build with the user in mind.** What do you hope to test with the user? What sorts of behavior do you expect? Answering these questions will help focus your prototyping and help you receive meaningful feedback in the testing phase.
- **Identify important touch points/variables.** Identify what's being tested with each prototype. A prototype should answer a particular question when tested.

Prototype can be:

- Paper model



- Software



- Digital 3D models



- FlipBook – Scenarios



- Simulation



- Scheme, Tables



-
- Mock-up



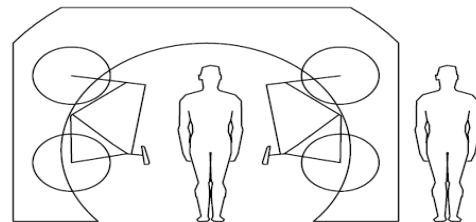
- Animation



-
- Mechanical models



- Drawings, sketches



5.3 Project work

Test your prototype among users and bring the results to the next session.

5.4 Additional material

Books:

Brown, T., & Katz, B. (2009). Change by design: how design thinking transforms organizations and inspires innovation (1st ed.). New York, USA: HarperBusiness. (Brown & Katz, 2009)

Kelley, T., & Littman, J. (2001). The art of innovation. London: HarperCollinsBusiness. (Kelley & Littman, 2001)

Video:

<http://www.youtube.com/watch?v=VTyvnLQUP1c&feature=related>

Pages:

<https://popapp.in/>

<http://www.creativeblog.com/ux/how-prototype-websites-paper-31514246>

<https://en.wikipedia.org/wiki/Prototype>

<http://dschool.stanford.edu/>



6 Session 6: Business model and business planning

By the end of the session participants will:

- Distinguish between business modelling and business planning
- Apply business model canvas

Why:

- To systematically develop their own business idea

Session plan⁴:

Topic	Time
Icebreaker	10 min
Introduction to business modelling	20 min
Drafting a business model	60 min
Presenting business models and feedbacks	30 min

Once you understand business models you can then start prototyping business models just like you prototype products.

Alexander Osterwalder, 2009.

6.1 The difference between business modelling and planning

Definitions of business model:

The *Business Model Canvas*, is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pivot your business model.

Business Model Generation, 2011

A **business model** is an "abstract representation of an organization, be it conceptual, textual, and/or graphical, of all core interrelated architectural, co-operational, and financial arrangements designed and developed by an organization presently and in the future, as well as all core products and/or services the organization offers, or will offer, based on these arrangements that are needed to achieve its strategic goals and objectives.

Wikipedia, 2015

Business model's primary constructs or dimensions are value proposition, value architecture, value finance, and value network articulate of business models.

⁴ Can be modified. In case more time is needed, we suggest prolongation from 2h on 3h.



Al-Debei and Avison 2008

A business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts. The process of business model construction is part of business strategy.

Investopedia 2015

The plan implemented by a company to generate revenue and make a profit from operations. The model includes the components and functions of the business, as well as the revenues it generates and the expenses it incurs.

Different websites, cited in book Marginality, Von Braun & Gatzwailer, 2014.

Everyday people could say that business model is a buzzword, and they wouldn't be so wrong, as a business model is a common excuse when business doesn't work or a company goes bankrupt.

However, the business model dates back to the earliest days of business; it merely describes the way in which a company makes money. A business model can be simple or very complex.

There are some very illustrative examples:

- "A restaurant's business model is to make money by cooking and serving food to hungry customers. "
- "A website's business model might not be so clear, as there are many ways in which these types of companies can generate revenue - some make money (or at least try to) by providing a free service and then selling advertising to other companies, while others might sell a product or service directly to online customers."

Come-up with your own definition:

Definitions for Business plan:

A written document that describes in detail how a new business is going to achieve its goals. A business plan will lay out a written plan from a marketing, financial and operational viewpoint. Sometimes a business plan is prepared for an established business that is moving in a new direction.

Investopedia 2015



A written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement .

Entrepreneur.com, 2015

A **business plan** is a formal statement of business goals, reasons they are attainable, and plans for reaching them. It may also contain background information about the organization or team attempting to reach those goals. Business plans may target changes in perception and branding by the customer, client, taxpayer, or larger community. When the existing business is to assume a major change or when planning a new venture, a 3 to 5 year business plan is required, since investors will look for their annual return in that timeframe.

Wikipedia, 2015

Set of documents prepared by a firm's management to summarize its operational and financial objectives for the near future (usually one to three years) and to show how they will be achieved. It serves as a blueprint to guide the firm's policies and strategies, and is continually modified as conditions change and new opportunities and/or threats emerge. When prepared for external audience (lenders, prospective investors) it details the past, present, and forecasted performance of the firm. And usually also contains pro-forma balance sheet, income statement, and cash flow statement, to illustrate how the financing being sought will affect the firm's financial position.

businessdictionary.com, 2015

Come-up with your own definition:

6.2 Icebreaker

What do you see on the picture? Try to define all 9 pictures and give them a name!



Figure 13. Business model canvas

Come-up with your ideas and write down your notes:

What do you see on the picture? Try to define some of the pictures ...



Write down your notes:

6.3 Canvas business model

There is a big change in user centered focus rather than organization centric. This is the consequence of the power of social networks that allowed people to become stronger than the companies around the world. In table are presented elementary questions that entrepreneurial people like to answer.

Table 4. Change from organization centric to user-centric

Organization-centric	User-centric
<ul style="list-style-type: none"> • What can we sell to customers? • How can we better target our customers? • What kind of relationship we establish with our customers? • Where and how to earn money? • What technology we use? 	<ul style="list-style-type: none"> • What real customer needs and how we can help them? • How does our customer want to be targeted? • What kind of relationship do customers expect from us to set up? • What is the value that customers are willing to pay? • The technology already exists and is accessible to all – how can we use it?

Canvas business model is represented by the 9 blocks-elements, which can be described as a lean start-up template for developing new or documenting existing business model. It is a visual chart with elements describing a firm's or product's/service's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.

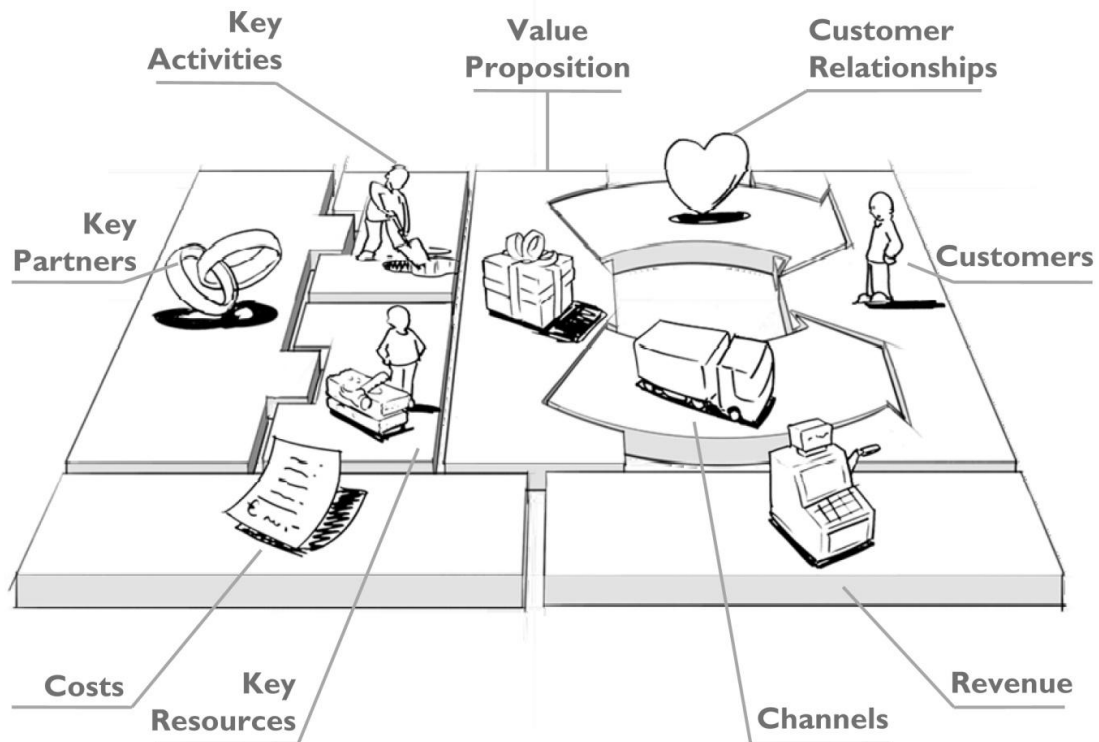


Figure 14. Business model canvas



Every element can be easily described by answering the following questions. In practice that means, that while answering all the questions, you can easily present your business model for already existing firm or future company. Please, try to answer all the questions when thinking of your business model.

Who are the CUSTOMER segments:

- **Who are our customers?**
- **How are they integrated with the rest of our business model?**
- **How costly are they?**
- **What job are you doing for the customer? Which need are you fulfilling?**
- **Mass market, niche market, segmented, diversified...**

What Value proposition are we offering:

- **What value do we deliver to the customer?**
- **Which one of our customer's problems are we helping to solve?**
- **What bundles of products and services are we offering to each Customer Segment?**
- **Which customer needs are we satisfying?**

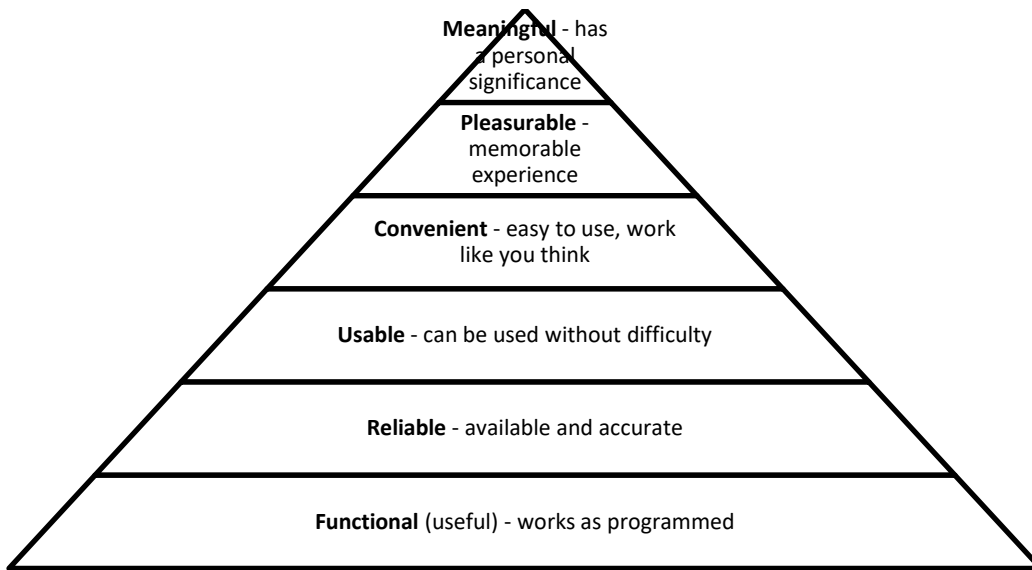


Figure 15. User experience hierarchy of needs. Seductive Interaction Design, Andersen 2011

What are our distribution channels:

- **Through which Channels do our Customer Segments want to be reached?**
- **How are we reaching them now?**
- **How are our Channels integrated?**

How we plan/manage/build our customer relationships:

- **Segments expect us to establish and maintain with them?**
- **What type of relationship does each of our Customer**
- **Which ones we will establish?**



What are our key resources:

- **What are our key resources to support our activities?**
- **Are they easy to copy?**

What are our key activities:

- **What Key Activities do our Value Propositions require?**
- **Our Distribution Channels?**
- **Customer Relationships?**
- **Revenue streams?**

Who are our key partners (key partnership):

- **Who are our Key Partners?**
- **Who are our key suppliers?**
- **Which Key Resources are we acquiring from partners?**
- **Which Key Activities do partners perform better and even cheaper than you?**



What are our costs (cost structure):

- **What are the most important costs inherent in our business model?**
- **Which Key Resources are most expensive?**
- **Which Key Activities are most expensive?**

What are our revenues (revenue streams):

- **For what value are our customers really willing to pay?**
- **For what do they currently pay?**
- **How are they currently paying?**
- **How would they prefer to pay?**



6.4 Business model for your idea

Prepare and present a business model for your idea.

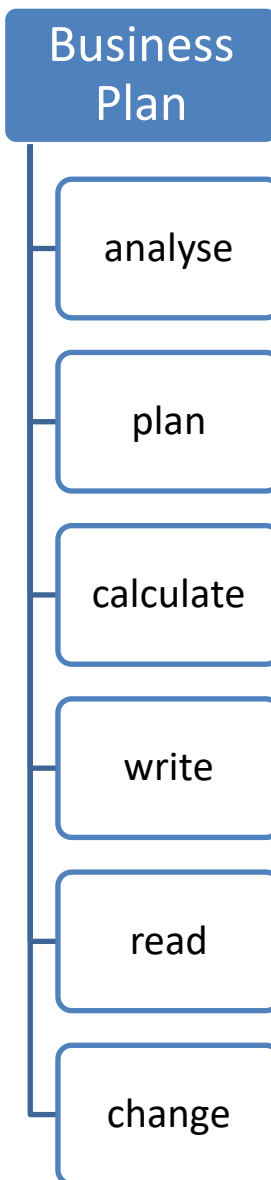
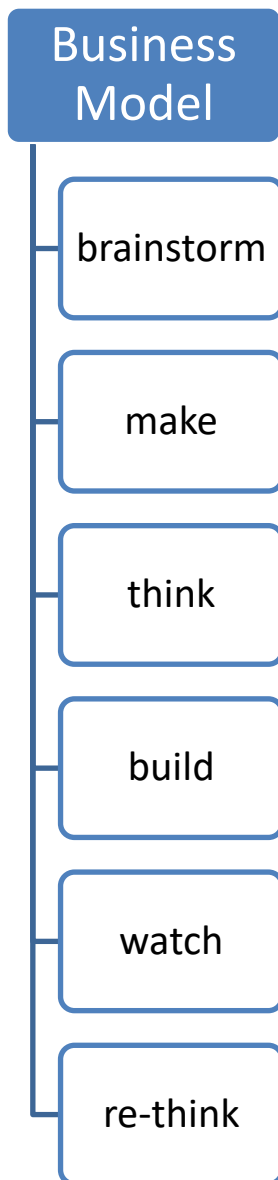
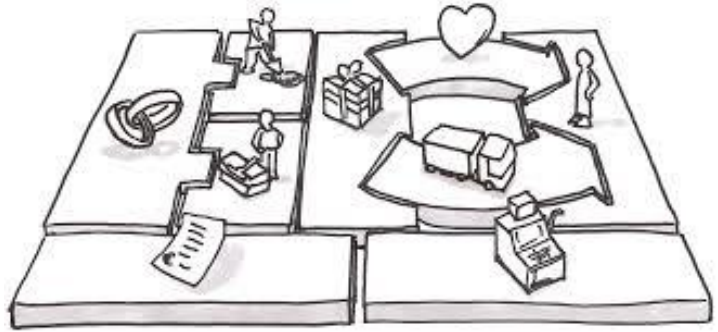
Key partners	Key resources	Value proposition	Customer relationships	Customer segments
	Key activities		Channels	
Cost structure		Revenue stream		

6.5 Business model for your idea

Present your business model to some people outside the course and gather their feedback.



6.6 Comparison by associations:





6.7 Additional material

Book:

Alexander Osterwalder & Yves Pigneur 2010. Business model Generation. Wiley.

Video:

Osterwalder explaining the Business Model Canvas

<https://m.youtube.com/watch?v=RzkdJiax6Tw>

Read more:

<http://www.businessdictionary.com/definition/business-plan.html#ixzz3e3pP8CMS>

7 Session 7: Feedbacks, implementation and storytelling

By the end of the session participants will:

- Be open to feedbacks from different sources
- Understand touchpoints
- Apply storytelling to their business idea

Why:

- To effectively implement the business idea

Session plan:

Topic	Time
Introduction of guest entrepreneur	15 min
Participant's presentations of business models and prototypes	45 min
Introduction to implementation and storytelling	10 min
Working on a story of participant's business idea	20 min

7.1 Guest entrepreneur

Mentor invites one or more entrepreneurs with successful business model to this session. The participants present their business models and prototypes. Entrepreneur give to the participants an informative feedback on their presentation, prototype, and business model.

7.2 Introduction to implementation and storytelling



Create customer experience that matter!

Thomas Lockwood, 2010

Implementation phase in entrepreneurial project

“It’s not about ideas. It’s about making ideas happen.” - Scott Branson, co-founder of Behance.

If the initiation phase means the beginning of the project, where idea for the project is explored and elaborated, the implementation phase is where the project takes final shape. It is during this phase that the project becomes visible to outsiders, to whom it may appear that the project has just begun. The implementation phase is the »doing« phase, and it is important to maintain the momentum.

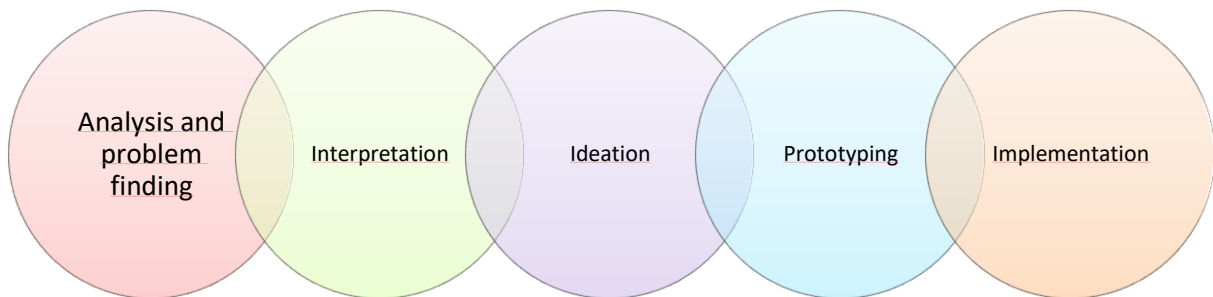


Figure 16. Entrepreneurial process

Touch points and customers satisfaction

Every business wants to improve customer satisfaction, that’s why is important to have your user in mind at every touch point. You might always deliver a great product, on time, with a smile, but a wayward touchpoint like off-target advertising, billing mistakes, or an unwieldy website can scare user off. Fortunately, most of these touchpoints are within your control. All you have to do is identify them – all of them – and start getting feedback.



Shop

Button

iStore

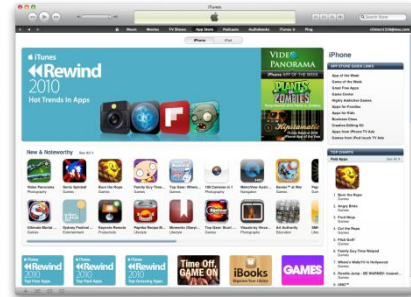


Figure 17. Example of Apple touchpoints

A touchpoint (contact point, customer contact, Moment of Truth, point of contact) describes the interface of a product, service or brand with customers/users, non-customers, employees and other stakeholders, before, during and after a transaction. This may be applied in B2B as well as B2C environments.

Wikipedia 2015

Customer touchpoints are brand's points of customer contact, from start to finish. For example, customers may find your business online or in an ad, see ratings and reviews, visit your website, shop at your retail store, or contact your customer service. Seems like a long list, but these are just a few of your touchpoints!

www.surveymonkey.com/mp/identify-customer-touchpoints, 2015

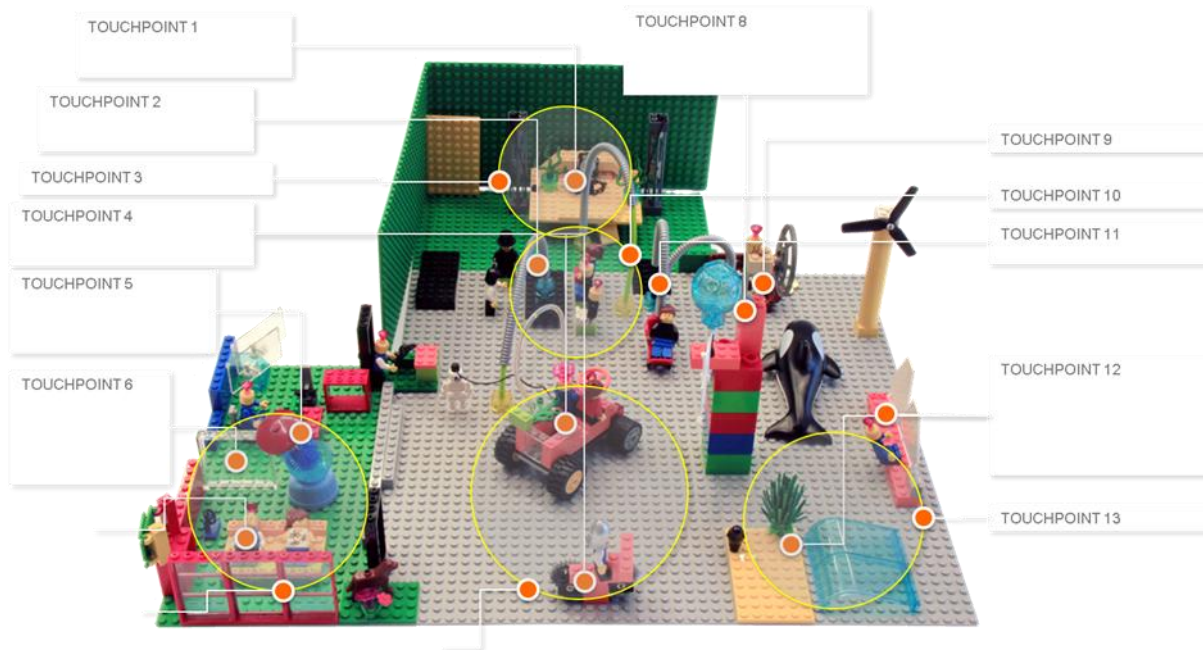


Figure 18. Customer touchpoints

Brand building and storytelling

Storytelling is one of the most powerful ways to breathe life into your brand and often called one of the main components of a content marketing approach. By giving your products and services an identity by capturing and sharing the stories they really are, you can take your target audience on a journey they yearn to experience. In order for consumers to form a personal connection with your brand, company stories must be authentic, creative and inspirational.

Emotional branding is a progressive marketing strategy that has the potential to drive revenue and increase customer retention. How a person feels about your brand typically determines whether they buy your product. A brand is a matter of perception. When you tell a story that embodies human challenges, you create an experience that resonates with your customers.

When crafting your brand story, you must be specific in what you are asking readers to do and illustrate why it is important to their lives. Outline actual steps to be taken and show readers how they can recognize the reward. The sell must be creative, yet subtle and often it's indirect. Storytelling is not inventing a story. In fact, the very reason why your business exists, why you have developed products and services and why you do what you do is filled with stories. You want to fulfill needs and the ways you developed solutions to do so, are stories. It's even possible to turn an internal sales kit about solutions in a narrative book, telling stories people can relate with.

Storytelling can be an approach in a specific project but also a way of writing and creating content, by coupling personal and existing stories to the brand narrative. Some people say all good content is storytelling. That's a myth. Sometimes content just has to be purely informational. Good storytelling



isn't even directly about you, your brands and your solutions/products. It's about emotions, needs and the written and unwritten images associated with these emotions and needs, in relationship to what your brand evokes.

Trainers can encourage participants to also think about their vision, strategy and how/where they see their business in the future. They can then include these elements and information in the storytelling or use it as an inspiration for the story itself. It is helpful to think about future development (or the potential for it) of the product, service or business and to have the long-term perspective in mind already at the beginning of the business/start-up career.

Unique Selling Point

A unique selling point (also unique selling proposition) is a factor that differentiates a product/service from its competitors, such as the lowest cost, the highest quality or the first-ever product of its kind. A USP could be thought of as “what you have that competitors don't.” Each advertisement must make a proposition to the user—not just words, product, or show-window advertising. Each advertisement must say to each reader a story where the benefit is. The proposition must be one the competition cannot or does not offer. It must be unique—either in the brand or in a claim the rest of that particular advertising area does not make.

Reasons to tell the story:

- Storytelling builds credibility
- Storytelling unleashes powerful emotions and helps teams bond together
- Stories give permission to explore controversial or uncomfortable topics
- Storytelling create heroes
- Stories invite users to join the new lifestyle

The entrepreneurial team should continue to collect and tell stories on one hand, and gather feedback from users on the other. Stories collected from people will help the team create a baseline to track how solutions are affecting individuals' lives. Collecting on-going feedback will help the team iterate on the ideas in order to make them more effective, more appropriate, and more cost-effective.

7.3 Icebreaker



Exercise 18. Invent a story.

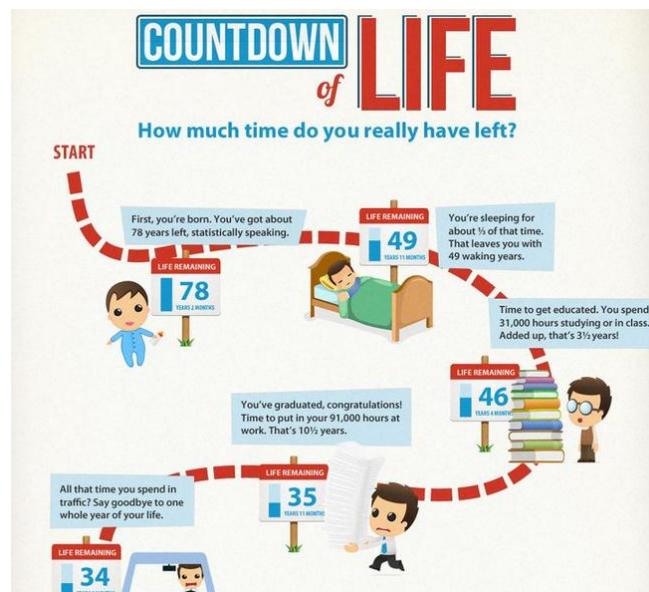
Visual storytelling is the classic case of show and tell the thematic content in elementary school. Children learn at a faster rate when they actually see and feel the object rather than learning about it

in books. Similarly, we as adults perceive a visual image of a story far better through videos and pictures on the digital media. And by digital media, I specifically mean social media that widely uses visuals to convey a message.

Now please finish the story by adding your words to the next sentence:

When I was young, I remember... or

Richard is 17 years old and he likes to ...



7.4 Storytelling



Exercise 19. Storytelling.

Imagine, invent or make a story for the product (design chair) on the picture.



Example: European pallet is a pallet specified by the European Pallet Association (EPAL) and is made from wood. Every pallet has a history of travelling around the world...so that's why...we use info of its last trip...

7.5 Project work

Elaborate on your story and present it to at least 3 different people to get a feedback.

7.6 Additional material

Books:

Lockwood, T. (2009). Design thinking: integrating innovation, customer experience and brand value. New York, USA: Allworth Press; Design Management Institute. (Lockwood, 2009)

Kelley, T., & Littman, J. (2005). The ten faces of innovation: IDEO's strategies for beating the devil's advocate & driving creativity throughout your organization. New York: Currency/Doubleday. (Kelley & Littman, 2005)

Video:

<http://www.referralcandy.com/blog/storytelling-in-marketing-11-examples/>

<http://blog.linkbird.com/en/content-marketing/4-top-storytelling-examples-inspire-optimize-content-marketing/>

Pages:

<https://www.surveymonkey.com/mp/identify-customer-touchpoints/>

<http://www.marketingdonut.co.uk/marketing/marketing-strategy/branding/ten-ways-to-build-a-brand-for-your-small-business>



8 Session 8: Presenting your business idea

By the end of the session participants will:

- Be able to make a video to promote their business idea
- Create an effective pitch

Why:

- To train the presentation skills

Session plan:

Topic	Time
Icebreaker	10 min
Introduction to pitching	15 min
Preparing pitch	35 min
Presenting and evaluating the pitch	30 min

“Timing, perseverance, and ten years of trying will eventually make you look like an overnight success.” - Biz Stone, co-founder of Twitter.

8.1 Icebreaker



Exercise 20. Fortune cookie

Write a positive message for your colleagues in order to give them courage for an effective pitch. Write a message on a piece of paper, paste the paper on a chocolate in put altogether in a box. Every participant take one chocolate with a message from the box.

Questions for a discussion:

- How did you feel when you read the message?
- What is the connection between positive messages and our self-confidence?

8.2 Video

A short video of your business idea will make your idea visible and ready to promote. In making video be aware that less is more. Long videos do not attract attention so keep it short that is **max 3 minutes**.



The aims of the video are:

- To attract potential investors in your business idea
- To promote the idea to your customers

Here are some tips on making good videos:

- Your video should clearly tell about **who you are**. People will only trust you if they can relate to an individual who has a history.
- The **story behind the project** is always quite interesting. Aspects such as how you came up with the idea, how far has it been completed and how passionate you are about your campaign.
- In order to generate funds, you will have to explain why you need them and how you will use these funds during the project.
- Your video should focus **on the interests** of the audience.
- If you are starring in the video, dress decently.
- Introduce the people you are working with.
- Use **humor** if you can in the right way.
- Give a **prototype demonstration** for a clear focus.
- The video's **thumbnail** should be strategic arousing viewer's curiosity.
- Don't put any copyright music in your video without seeking permission first.

Source: <http://thestartupvideos.com/video-tips/tips-to-create-video-kickstarter-campaign/>

8.3 Pitch

Every pitch has 2 elements: the content and the delivery of the message. In order to make an effective pitch you need to consider both elements.

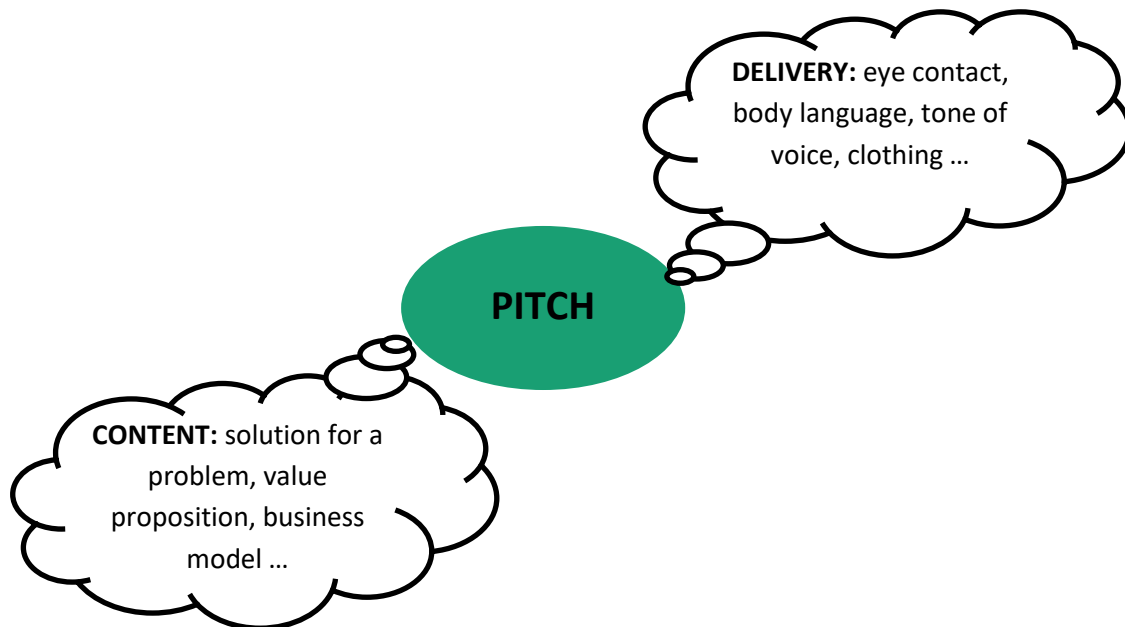


Figure 19. Two elements of a pitch

Pitch structure

Nevertheless pitch is short (5 minutes max) you need to provide answers to several questions (Gray, Brown, & Macanuso, 2010):

- Who is the target customer? Do not say everyone. Have a clear idea about your customer profile.
- What is the customer need? Say what is the problem of the customer and what solution will you provide with your product/service.
- What is the product name? Not just name, also the whole brand including logotype and slogan is important.
- What is the market category? This is a description of idea, for instance employee portal, training programme, peer-to-peer community.
- What is the key benefit? This is the answer to why to buy your product.
- Who or what is the competition? There is always a competition. Acknowledge it and say how your solution is better.
- What is the product's unique differentiator? Say who or what will the target customer compare this idea to, and what's unique about your idea.

Pitch evaluation

The table below can use mentor or peer participants in order to give feedback to business idea.

Table 5. Babson Rocket Pitch Evaluation (Neck et al., 2014)

Category	Description	Points				
Idea	What is it? How does it work? (clear and well-understood description of the product or service)	1	2	3	4	5
Customer	Who is it for? (initial target market is clearly described and sized)	1	2	3	4	5
Need	Why do they need it? (the problem or opportunity fit is clearly stated and understood)	1	2	3	4	5
Business model	How do you make money? (the various elements of the business model are clearly understood)	1	2	3	4	5
Differentiation	What makes it unique and different? (certain unique aspects that resonate with the target have been identified and substantiated)	1	2	3	4	5
People	The team has or has identified needed skills, contacts, and experience)	1	2	3	4	5
The ask	The financing plan is sensible and a specific amount of funding identified	1	2	3	4	5

8.4 Project work

Prepare a final presentation of your business idea for the final event.

8.5 Additional material

Amy Cuddy: Power poses

https://www.ted.com/talks/amy_cuddy_your_body_language_shapes_who_you_are

<https://www.youtube.com/watch?v=zmR2A9TnIso>

9 Final event

The final event is an opportunity for presenting business idea to the wider public. Mentor invites several entrepreneurs and business consultants. Participants invite their friends and family. They may also invite entrepreneurs or any other relevant people.

Participants present their business ideas in 5 minutes and show also videos. Mentor may organize:

- a voting system for the best idea competition
- a collaborative process of giving feedbacks to the entrepreneurial teams
- round discussions
- presentation of one of the entrepreneurship topic for public



10 Entrepreneurial learning community

After the entrepreneurship course concludes participants are at the beginning of their entrepreneurial journey and they manage better if they are a part of a learning community with peers that supports them. After entrepreneurship course mentor offers to the participants to continue collaborating in a learning community. The learning community consists of 10 meetings of 2 pedagogical hours.

The aims of learning community are:

- improving the skills and knowledge of entrepreneurs through collaborative study, expertise exchange, and professional dialogue
- improving the entrepreneurial aspirations and achievement
- peer support
- networking
- reflection upon shared experiences

The role of mentor in learning community:

- organizing the community: setting dates, communicating promptly, practical arrangement
- moderating and facilitating the meetings
- deciding about the working methods
- encourage participants to bring their dilemmas, open questions, challenges

With good common contact, people can accomplish much. In so doing, much attention is paid to others and surprisingly good ideas are thought up. Learning community is a method of learning from one another in a self-orienting way within a group of entrepreneurs regarding everyday work issues. It also means a moment of rest and reflection in a work environment that demands much more adaptation and flexibility.

10.1 Working methods in learning community

Mentor encourages the participants to come up with ideas and expectations. What they would like to gain from the group? Depending on their expectations a mentor chooses the working methods accordingly. Here are some ideas:

- breakfast/tea with an entrepreneur
- round table with different entrepreneurs
- brainstorming
- discussions in smaller groups, pairs or triads
- [six thinking hats](#)
- [world café](#)
- [proaction cafe](#)



- [talking chips](#)
- [understanding chain](#)
- [carroussel](#)



11 References

- Blank, S., & Dorf, B. (2012). *The startup owner's manual. Vol. 1 : the step-by-step guide for building a great company* (1st ed.). Pescadero, Calif.: K&S Ranch, Inc.
- Brown, T., & Katz, B. (2009). *Change by design: how design thinking transforms organizations and inspires innovation* (1st ed.). New York, USA: HarperBusiness.
- De Bono, E. (1986). *Six thinking hats*. Harmondsworth, Middlesex, England ; New York, N.Y., U.S.A: Viking.
- De Bono, E. (1988). *De Bono's thinking course*. London: BBC Books.
- De Bono, E. (1998). *Simplicity*. London: Viking.
- De Bono, E. (2010). *Lateral thinking* (New ed.). London: Viking.
- Gray, D., Brown, S., & Macanuso, J. (2010). *Gamestorming : a playbook for innovators, rulebreakers, and changemakers* (1st ed.). Beijing ; Cambridge Mass.: O'Reilly.
- Kelley, T., & Littman, J. (2001). *The art of innovation*. London: HarperCollinsBusiness.
- Kelley, T., & Littman, J. (2005). *The ten faces of innovation : IDEO's strategies for beating the devil's advocate & driving creativity throughout your organization*. New York: Currency/Doubleday.
- Lockwood, T. (2009). *Design thinking: integrating innovation, customer experience and brand value*. New York, USA: Allworth Press; Design Management Institute.
- Michalko, M. (2001). *Cracking creativity : the secrets of creative genius*. Berkeley, Calif.: Ten Speed Press.
- Michalko, M. (2006). *Thinkertoys: a handbook of creative-thinking techniques*. Berkeley: Ten Speed Press.
- Neck, H. M., Greene, P. G., & Brush, C. G. (2014). *Teaching entrepreneurship : a practice-based approach*. Cheltenham, UK ; Northampton, MA: Edward Elgar.
- Osterwalder, A., Pigneur, Y., & Clark, T. (2010). *Business model generation: a handbook for visionaries, game changers, and challengers*. Hoboken, USA: Wiley.