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Boosting and Nurturing Digital Culture in Entrepreneurship

part 1

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Module 1 — Adapting the business model to the online environment

1.1. Effective online business management strategies and methods

1.1.1. Introduction

Whether you want to run your business online or just take advantage of the many bonuses that the use of the web gives you in your daily business, choosing and knowing the right strategy can determine the success or failure of the whole venture.

In this chapter, you will learn about the most popular management methods and how to effectively identify and meet customer needs.

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1.1. Effective online business management strategies and methods

1.1.2. Lean Management

WHAT IS LEAN MANAGEMENT?

The origins of Lean

The foundations on which the Lean Management concept was built date back to 1950s Japan. The system developed by Taiichi Ohno, known in English literature as the Toyota Production System (TPS), allowed Toyota to transform itself from a small local company into a global player. What is more, the system has been adopted by other Japanese automotive companies, such as Mazda and Nissan.

1.1.2. Lean Management

WHAT WAS THE TPS ABOUT?

Its two core principles were:

Just In Time — a delivery system ensuring that the company produced only what was demanded, without creating
an unnecessary surplus and clogging of warehouses.

Jidoka (autonomy) — designing systems that enabled instant error and anomaly detection during production, ensuring high quality of manufactured cars.

(See more: Official Toyota website)

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1.1.2. Lean Management

The TPS quickly drew the attention of Western researchers, who pointed out the great advantage of the Japanese system over classical mass production systems used in American and European factories.

The term 'Lean production' itself first appeared in John Kraftcik's article and was later adopted by a group of researchers from the Massachusetts Institute of Technology in their book "The Machine That Changed the World".

WHY WAS IT CALLED LEAN PRODUCTION?

To quote the authors:

"(...) it consumes less of everything compared to mass production - half the human effort in the factory, half the manufacturing space, half the investment in tools, half the engineering hours to develop a new product in half the time"

(J. P. Womack, D. T. Jones, D. Roos 1990: The Machine That Changed the World, New York, p. 11)

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FROM CAR PRODUCTION
TO STARTUP MANAGEMENT

At this point, you are probably wondering how to use a car production system in a business that may not be based on production at all?

The answer to this question is Lean Management.

With the growing popularity of lean production in various industrial sectors, there have been numerous attempts to transfer its principles to the field of management of the entire organization. In his book "Lean Thinking", published in 1996, James Womack gives some of the principles that a "lean organization" should follow

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THESE ARE:

→ **identifying customer values** that are key to eliminating activities that do not add value

→ **identifying the value stream,** i.e. analyzing all activities from the placing of the contract to the delivery of the finished product or service and excluding those which do not correlate with values

→ **a continuous flow**, i.e. the provision of services or products in a smooth manner, without unnecessary downtime

→ **the pull system**, i.e. products and services should be supplied to the customer only when and in exactly the amount they are needed, without creating unnecessary stocks

→ **striving for perfection,** which is the most important principle of lean thinking, i.e. the emphasis on a constant search for improvements and improvement of the quality of services and products offered.

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1.1.2. Lean Management

How can this look in practice? First of all, remember that real improvements to your business can come from seemingly trivial things. When you read about systems, identifying a value stream, or creating a suction system, you may think that lean only applies to abstract and highly complex projects. Nothing could be further from the truth!

An example of its use in an organization can be the proper marking of office doors so that employees move around it more efficiently, or the replacement of 3 different stamps from 3 different people with one equally important one.

By making sure that the only justification for any of the processes taking place in your company is not "because we have always done so" you can make your business efficient, effective, and able to provide a better product to your customers.

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1.1.3. What it means to be agile - Agile in practice

INTRODUCTION

The term Agile currently includes several different methodologies and terms.
Perhaps you have met professionally or privately with words such as MVP, Scrum, or Sprint and wondered what do they mean?

Let us start from the beginning.

WHERE IT ALL STARTED?

The beginnings of an agile approach must be sought in the changes that took place at the turn of the 2000s in the IT market, caused by growing dissatisfaction with the waterfall model.

WHAT IS A WATERFALL?

It is a process in which all stages are carefully planned and follow each other in an unchanging order, preceded by long and thorough documentation and of client expectations.

here are several problems with this approach:

firstly, software development, as a creative process, cannot always be contained within a rigid plan and move on to the next stages without returning to the previous ones;

secondly, tests in such a model only occur at the end, so finding an error can cause big problems, often preventing the product from entering the market;

thirdly, the needs of the market or the customer may have changed during the development of the product, but it is no longer possible to change the extensive documentation without starting anew.

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TO GET A BETTER IDEA OF THIS, LET US USE AN EXAMPLE:
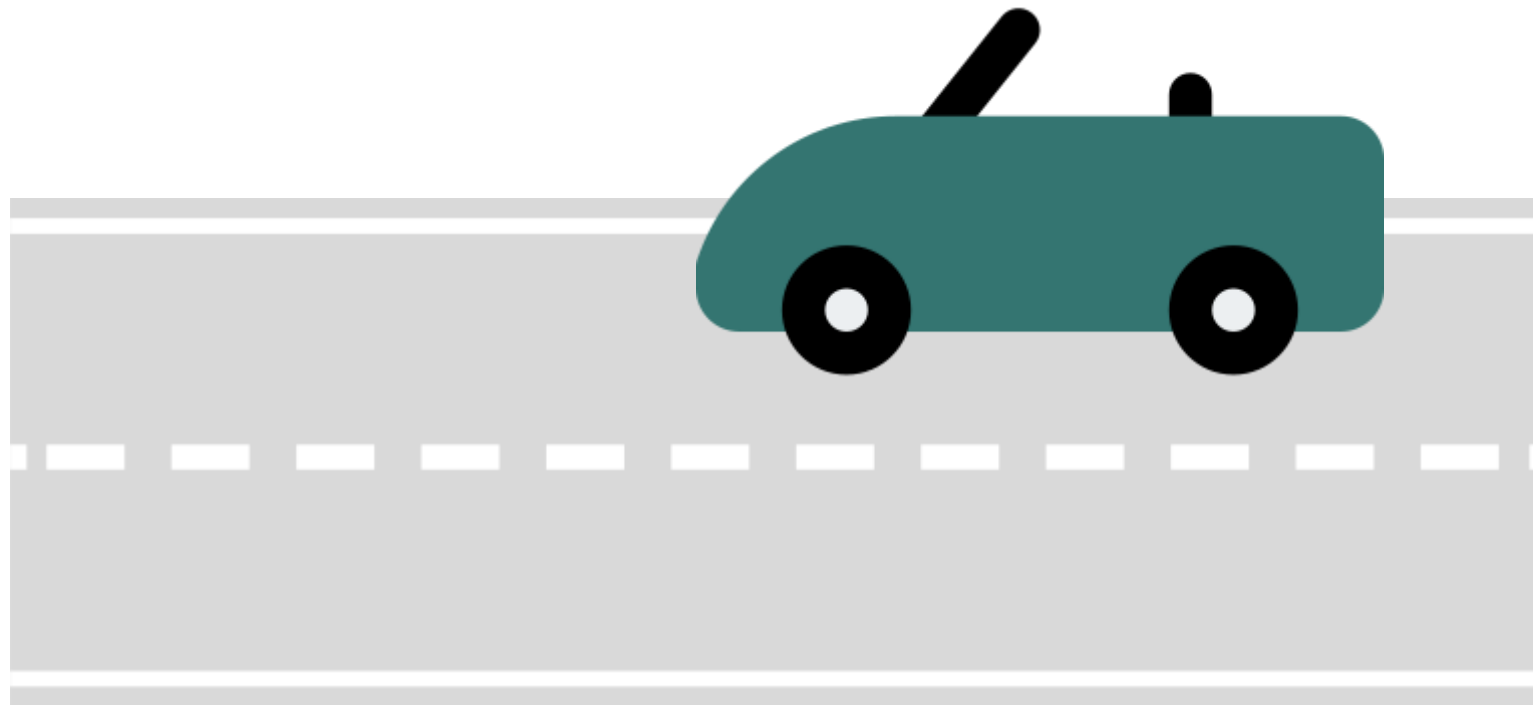
Suppose you ordered a car, a sports convertible. Together with the car manufacturer, you spent a month choosing everything from the engine to the upholstery color.

After a year of production, you can finally take the car for a test drive. It turns out that the glove box does not open, and its repair would require dismantling the whole car, which would take another 3 months.

You could live with that if it weren't for the fact that you have become a parent in the meantime, and you actually need a minivan.

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1.1.3. What it means to be agile - Agile in practice

These and other problems (resistance to change, terms valued above creativity, treating employees like cogs in a big machine) made many programmers look for a better way to create software, giving greater satisfaction to both employees and customers.

In 2001 in Utah, during a meeting of 17 representatives of the IT industry, a document was created which is considered to be the beginning of the Agile - Agile Programming Manifesto (http://agilemanifesto.org/).

Its authors, thanks to their experience in software implementation, point out the greater importance of:

people and interaction over processes and tools

running software over detailed documentation

cooperation with the client on contract negotiations

responding to changes in the implementation of the plan.

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They also redefined the approach to software creation, by writing down rules according to which the software should be delivered to the client as soon as possible, in continuous cooperation with the client, and being open to changes even in the late stages of its creation.
At the same time, they point out the value of motivated and self-organised teams, that drive innovation and care about the value of the product they create.

The values presented in the manifesto quickly gained great popularity, thanks to which nearly 20 years later the agile approach is the norm in the IT industry, present in the day-to-day work of the largest companies in this market (e.g. Adobe or Atlassian), and Agile itself has spawned numerous methodologies based on its premise, the most popular of which is Scrum (www.scrum.org/).

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AGILE IN YOUR OWN BUSINESS

Does its pedigree mean that Agile only applies to IT projects?

Absolutely not! Since the publication of the manifesto, many companies have successfully adopted Agile principles to their ground, enabling them to become more competitive in the market and open up to change, and better respond to unexpected situations. How can you transfer its principles to your own business? The first of the Manifesto's principles will be crucial in this:

„Customer satisfaction through early and continuous implementation of valuable software is our top priority.".

THE AGILE APPROACH CAN BE SUMMARIZED BY A RECURRING SEQUENCE OF ACTIONS:

→ Find out where you are.

→ Take a small step towards the goal.

→ Get feedback.

→ Adjust your product to suit it.

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1.1.3. What it means to be agile - Agile in practice

By doing so, you provide the end-user with the necessary minimum and then determine the next steps and direction of development based on their reactions. Let us take an example:

Suppose you want to set up a dog grooming business. You are thinking about directing your offer mainly to poodle owners, you have an idea for a logo (a small poodle holding scissors in his teeth), with which you are going to print several thousand promotional leaflets and business cards. You also have a lot of ideas for additional services in your new company: relaxing bubble baths, sale of organic dog snacks, and hair care cosmetics. However, as you want to run your business the agile way, you start by providing the necessary minimum: opening the salon with a single grooming stand, which is the bare minimum on which your business is based on. Then, taking advantage of the benefits of the Internet, you set up a simple website and call it the "Dog Grooming Salon" (your dream logo has to wait, you use a free license photo found on the Internet)

This is how you get your first customers and when you talk to them, you find out that:

→ They are satisfied with the service and recommend your services to their friends, but unfortunately, the poodle owners have a small presence in the area and the owners of other pets are scared away by the picture of a poodle,

→ They are happy, that you advertise your business over the internet as cat grooming flyers have been littering their mailboxes for months,

→ They would be interested in bubble baths for their pets, but they prefer to buy snacks and cosmetics from a trusted supplier via the Internet for the time being.

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1.1.3. What it means to be agile - Agile in practice

N THIS HYPOTHETICAL, QUITE SIMPLE SCENARIO, BY USING BASIC AGILE PRINCIPLES YOU MANAGED TO:

→ avoid the costs associated with logo design and printing leaflets and business cards, which would ultimately negatively affect your business,

→ find out that you can extend your business to other dog owners by giving up on the idea of being a poodle exclusive salon, thus increasing your customer base,

→ make a plan for further development, starting with the addition of bubble baths, which are the most popular (you don't have to abandon the idea of snacks and cosmetics altogether, you can introduce them later when you gain the trust of your customers)

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1.1. Effective online business management strategies and methods

1.1.4. Lean or agile?

After reviewing the material from the previous two sections, you already know the strategies that can make your company competitive.

Remember, however, that neither of them is a ready-made recipe for success, and in some cases, you may even opt for a waterfall model (which is still used in the public sector or the medical industry, among others). Whether your organization is lean or agile, their common element is to put your customers, their needs, and satisfaction first.
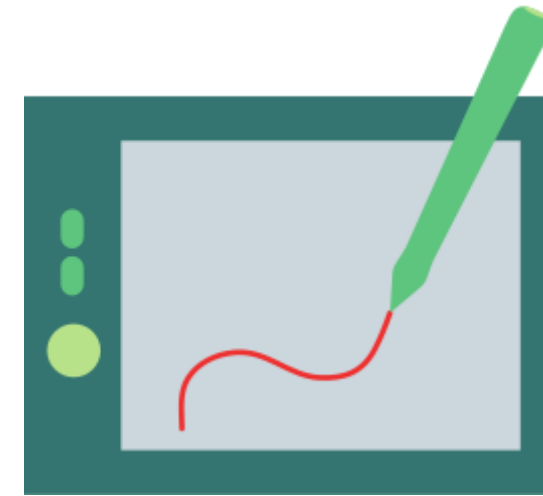
HOW TO DO THIS?

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Module 1 — Adapting the business model to the online environment

1.2. Building a user-friendly business.

1.2.1. Design Thinking and UX

To start designing your service or product,
you can use Design Thinking.

WHAT IS DESIGN
THINKING?

"Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success."

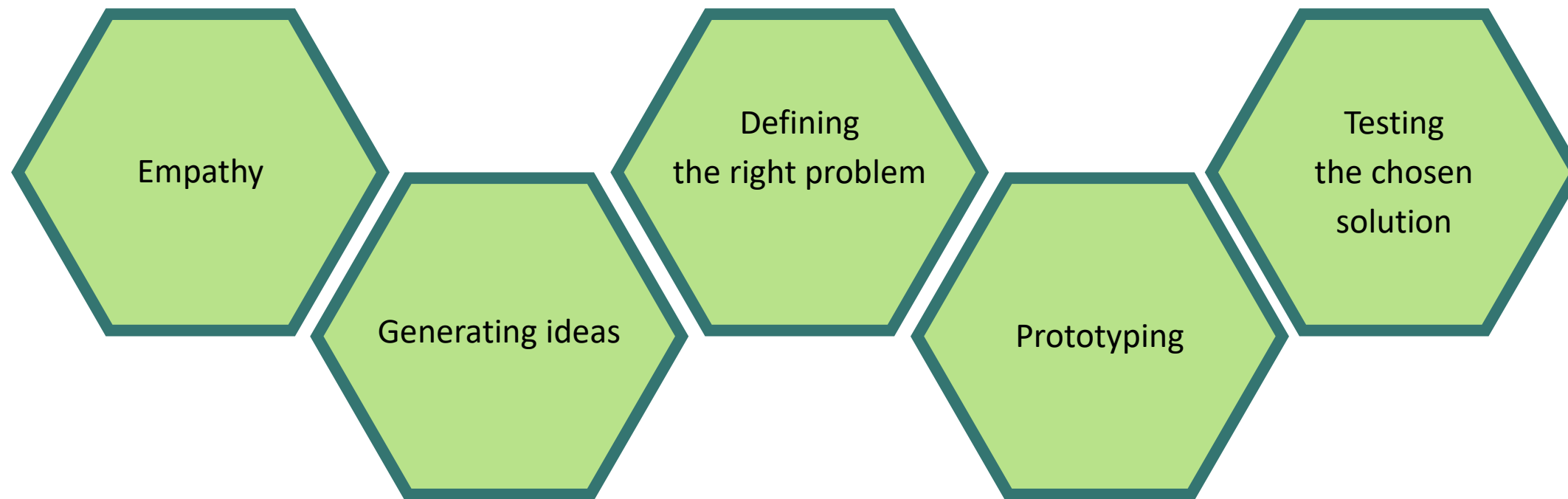(Tim Brown, Executive Director of Ideo — https://designthinking.ideo.com)

As Design Thinking evolves and takes on new forms, it is difficult to define it precisely. Likewise, it is difficult to determine the exact course of the subsequent stages of work in this method.

However, we assume that we have 5 stages:

THE STAGE OF EMPATHY IS THE MOMENT WHEN YOU SHOULD ASK YOURSELF QUESTIONS:

"Who is the customer?"

"Where does your client work/spends time after work? Where does he live?"

"What does he like and what does he not like?"

"What does your client already have? What does he lack?"

"What are the values?"

Empathy

Generating ideas

Defining the right problem

Prototyping

Testing the chosen solution

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<u>1.2. Building a user-friendly business.</u>

1.2.1. Design Thinking and UX

WHY IS EMPATHY IN BUSINESS MODELING SO IMPORTANT?

Because it is the focus on the user in the design process that distinguishes the product, the service, and the entire business.

By getting to know your user, their needs, and previous experience, you can create the most ergonomic product or service for them.

This kind of product and service design, which in essence focuses on the customer's experience and is geared towards providing tailored solutions, is called UX (user experience) design.

Although the term UX was initially reserved exclusively for the IT industry, it is now gaining in popularity in industries that are completely unrelated to new technologies, making it increasingly versatile. The office seat manufacturer, luxury car designer, training creator and disposable glove distributor are all keen to provide the most ergonomic solutions possible. So, you can use the term UX, even if you are not in the IT industry.

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USE OF MENTAL MODELS IN UX DESIGN.

Mental models are assumptions, beliefs, and stereotypes created based on past experiences, with which we interpret the world.

When designing UX, focus on learning and applying existing mental models to enable users to focus on the task.

For example, when visiting your online shop, the customer expects the shopping cart to which the products will go. Replacing the basket with another icon (e.g. a spaceship, which would symbolize express delivery) can make the purchase take longer because the customer has to develop a new model in which the products go to the ship, or the purchase will not happen at all!

Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.1. Introduction.

Online business is largely based on remote work - computer, tablet, smartphone, numerous tools, and applications.

DO YOU NEED NEW TECHNOLOGIES TO WORK ONLINE?

Undoubtedly. Without the right tools, you will not get off the ground. No one will hear from you. No one will know what you have to offer.

DOES THIS MEAN THAT YOU NEED FUNDS TO START UP WITH ONLINE BUSINESS?

No. The first mistake of new businesses is that they invest money in online applications and tools that they have no chance of recovering in a short time. Instead of investing, money is frozen or lost forever.

To achieve success in the online environment, you do not need to invest in tools and applications right away. There are many free versions on the market that will allow you to develop your business successfully. All you need to start is a reliable Internet connection and some free apps.

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Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.2. Tools for remote communication

Sooner or later you will have to talk to your client or business partner. If you were running an offline business, you would meet in the office. In online business, efficiency in relation to time is much more important.

REMOTE COMMUNICATION CAN
TAKE PLACE
ON TWO LEVELS:

INDIRECT

- e-mail SMS
- chat
- working on a shared file

DIRECT

- call
- voice call via the application
- połączenie wideo
- video call via the application (video conference)

If you want to discuss with your client/partner the details of the contract, the project plan, the cost estimate - first of all, focus on indirect communication.

If you want to get to know your client/partner, establish a new partnership, see if you understand each other well - make an appointment for a telephone or video call.

Remember that these are more engaging and more tiring forms of communication. Respect your own time and that of your clients/partners. Do not make an appointment until:

→ you will clarify the purpose of the meeting (remember! "Discussing the most important issues in the XYZ theme is not the purpose of the meeting!")

→ you will agree on the agenda of the meeting

→ you will determine how you want to make a call (platform, telephone)

→ optional: assign roles at the meeting (examples of roles: leader, note-taker, technical support)

→ you will deplete the resources of indirect communication on the subject.

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Module 2 — Tools for remote working

<u>2.1. Selection of tools for remote working</u>

2.1.2. Tools for remote communication

PLATFORM SELECTION
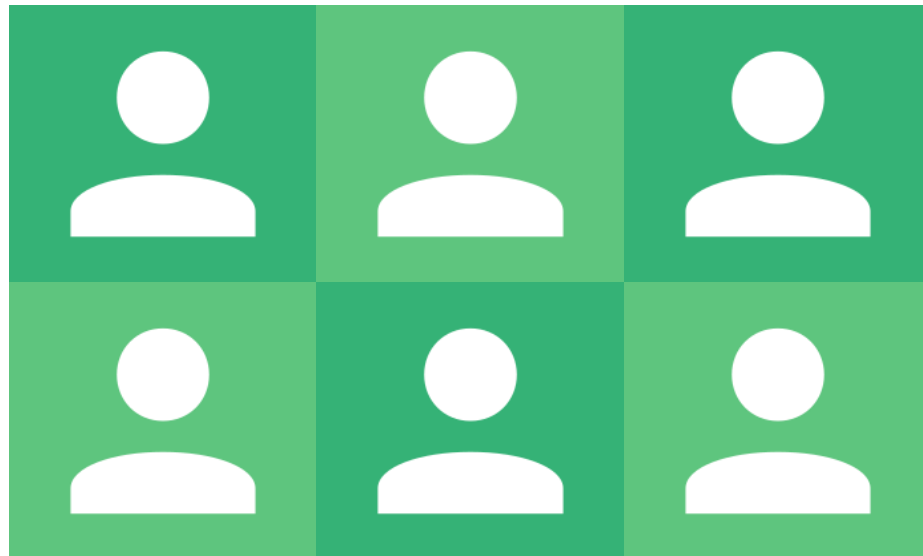
Microsoft Teams vs. Slack

These are two powerful remote communication tools with similar functions. You will find in them not only the option of videoconferencing, but also working on shared files, chats, and thematic channels. Both are available in free versions with limited functions. They are useful if you plan to work in a team or with regular subcontractors or partners.

https://www.microsoft.com/pl-pl/microsoft-365/microsoft-teams/compare-microsoft-teams-options

https://slack.com/

2.1.2. Tools for remote communication

Zoom vs. Webex

These are two very similar tools to video conferences
and webinars. The free versions have a limited meeting time
(up to 40/50 minutes) and a limit of participants (up to 100 people). It is
worth using them if you plan group meetings online for more people and
you do not need to work
on shared files in the same application. You can also use
them if you use videoconferencing very rarely and do not
need an extensive tool.
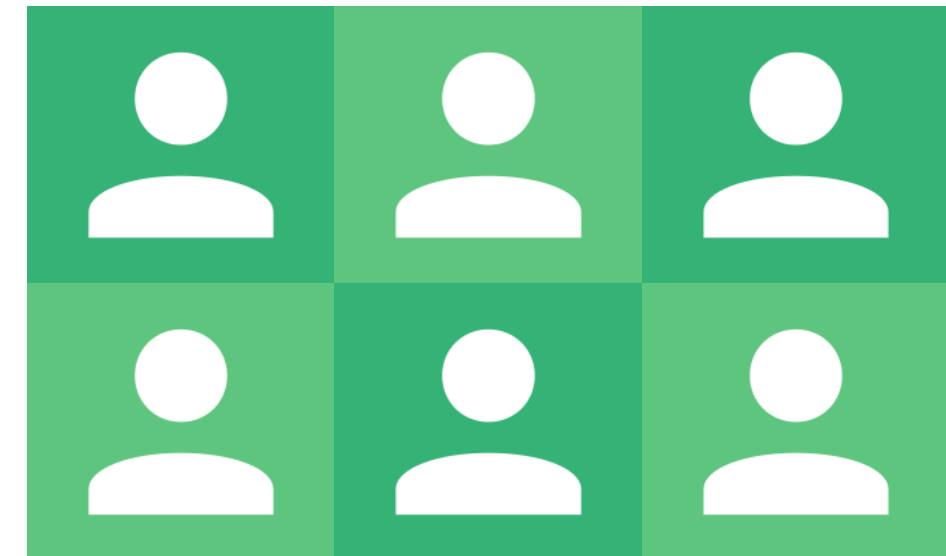
https://zoom.us

https://www.webex.com

CASE STUDY:

Imagine that you have chosen Microsoft Teams as your tool to communicate with business partners and customers. You have learned how to use it and invested your time to teach it to your two subcontractors. One day you started working with a large, international company. You are planning to sign a contract for several months. It will be your responsibility to work directly with a team of 50 specialists. It turns out that the company has been working on Slack for years and does not know Teams application at all. For your new client, it is completely unprofitable to teach your employees a new tool. The costs of training 50 people to work on the project would exceed your salary. What do you do in this situation?

Getting to know Slack and training your two subcontractors is your role because Adopting it in your company has a much lower cost. However, remember to add the time you spend on this task to the final price that the client will pay for this project.

Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.3. Project management tools

You have already learned how to manage projects from the first module of this course. Whether you're going to carry out a small
or large project, lean or agile, or whether you're going to carry it out
on your own or in a tightly knit team, you'll need an application that will help you to
organize the next stages of your project.

TRELLO WILL WORK WELL
FROM THE BEGINNING.

Trello
Trello is a very simple and friendly tool in its form. Functions such
as whiteboards, task lists, and conversations allow you to systematize your project work
both when you decide to act alone and when you want
to work together in a larger group.

Module 2 — Tools for remote working

2.1.3. Project management tools

You can use it to do so:

- collect online business ideas and analyze them
  - ⭐ Go to Trello every day and write down what comes to your mind, without judging whether it is a good or a bad idea. After 4 weeks, when there are quite a few ideas, read them one by one and analyze them. Answer the following questions:
    - Where did this idea come from?
    - How much time will I need to start this business? And what resources will I need?
    - How long will the investment in fixed assets pay for itself? How long will I be making a profit?
    - What will determine my success?
    - Why is this idea good? Why is it better than others?
    - Why is this idea bad? What is it missing?
    - What are the real risks of this business idea? What do I have to watch out for? What do I have to take care of?
    - To what extent is my idea viable on a scale of 1 to 10 at the moment?
    - Is this an idea for now/for later/to be refined/to be rejected?
- create a list of ways to implement each of them (alternatives, plans a, b, c...)
- set long-term and short-term objectives
  - ⭐ You can use the SMART model to set goals. → → → →
- make a list of the tasks you should perform to make these goals a reality
- write down lists of necessary tools, applications, equipment (minimum necessary) to start with
- write down a list of contacts that can help you to develop your business

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Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.3. Project management tools

YOU CAN USE THE SMART MODEL TO SET GOALS.

Example:

I want to switch to online work.

S (specific - specific, precise, possible to specify)

What for? How? - 'I want to go online as a virtual assistant.' 'I want to switch to online work because I have a disability and I want to be able to work from home.'

M (measurable)

'I want to go online and work no more than 6 hours a day between 9.00 and 15.00 Monday to Friday.'

A (achievable)

'I want to go online and earn no less than EUR 2 000 net per month'.

R (realistic)

"I want to go online and learn how to use 3 online tools (tools X, Y, Z) in the first month".

T (time-bound)

'I want to switch to online work from January 2021'.

TRELLO HAS EVERYTHING YOU NEED TO START WITH A FREE VERSION.. → https://trello.com

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Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.3. Project management tools

Asana
Asana is a powerful and comprehensive tool for project work
and distributed team management. You will need it if you start building your team or start
building a network of permanent subcontractors
and business partners.

Asana will allow you to quickly contact each of them via chat, calendar, task assignment, and much more. However, please pay attention to testing the application thoroughly. It works best on a mobile device (smartphone, tablet) after turning on push notifications. If a member of our team does not install the mobile application, there is a high risk that he or she will quickly get lost in the tools and will be overwhelmed by the excess of notifications displayed in the browser version after logging in once a few days. It is a great application that strengthens the work
on managing yourself in time. With limited features, you can have it for free.

https://asana.com

Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.4. Text Recognition Tools (OCR)

When you do business online, you need to be able to scan and send documents efficiently to customers and business partners. The characteristics of online business are based on the premise that you do not need to have a single and permanent place from where you do business. You can move and perform your duties from any place on Earth. This involves investing in fixed assets, or rather, redefining what you need.

When you do not have a permanent office, whether you are constantly traveling and switching places or you work from a café for the whole day because you live in a tiny flat - you do not need equipment such as a scanner.
If you are mobile, your work tools should also be mobile as well.

In the situation described above, it seems a much better idea to invest in a better-quality smartphone with a large screen or tablet and to install applications with built-in OCR technology on it.

OCR,
or Optical Character Recognition, enables your application and your device to recognize and scan text. The scans can be saved in PDF format, commented on, signed, and sent back to your customer or business partner.

TEST ONE OF THE FREE TOOLS:

Adobe Scan (Android, iOS)

CamScanner PDF Scanner (Android, iOS)

Module 2 — Tools for remote working

2.1. Selection of tools for remote working

2.1.5. Summary:

CONGRATULATIONS - YOU HAVE JUST FINISHED PART 1 OF THE COURSE "BOOSTING AND NURTURING DIGITAL CULTURE IN ENTREPRENEURSHIP"!

We have the following task for you:

- Look at your online business idea from the perspective of the strategies and business management methods you have learned and chosen one that will allow you to get started.
- Analyze your product/service from a Design Thinking / UX perspective and, on this basis, make adjustments to your business plan.
- Select 1 online tool needed for the start.
- Go to the second part of the 'Strengthening and nurturing digital culture for entrepreneurship' course to learn more.

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THANK YOU FOR YOUR ATTENTION!