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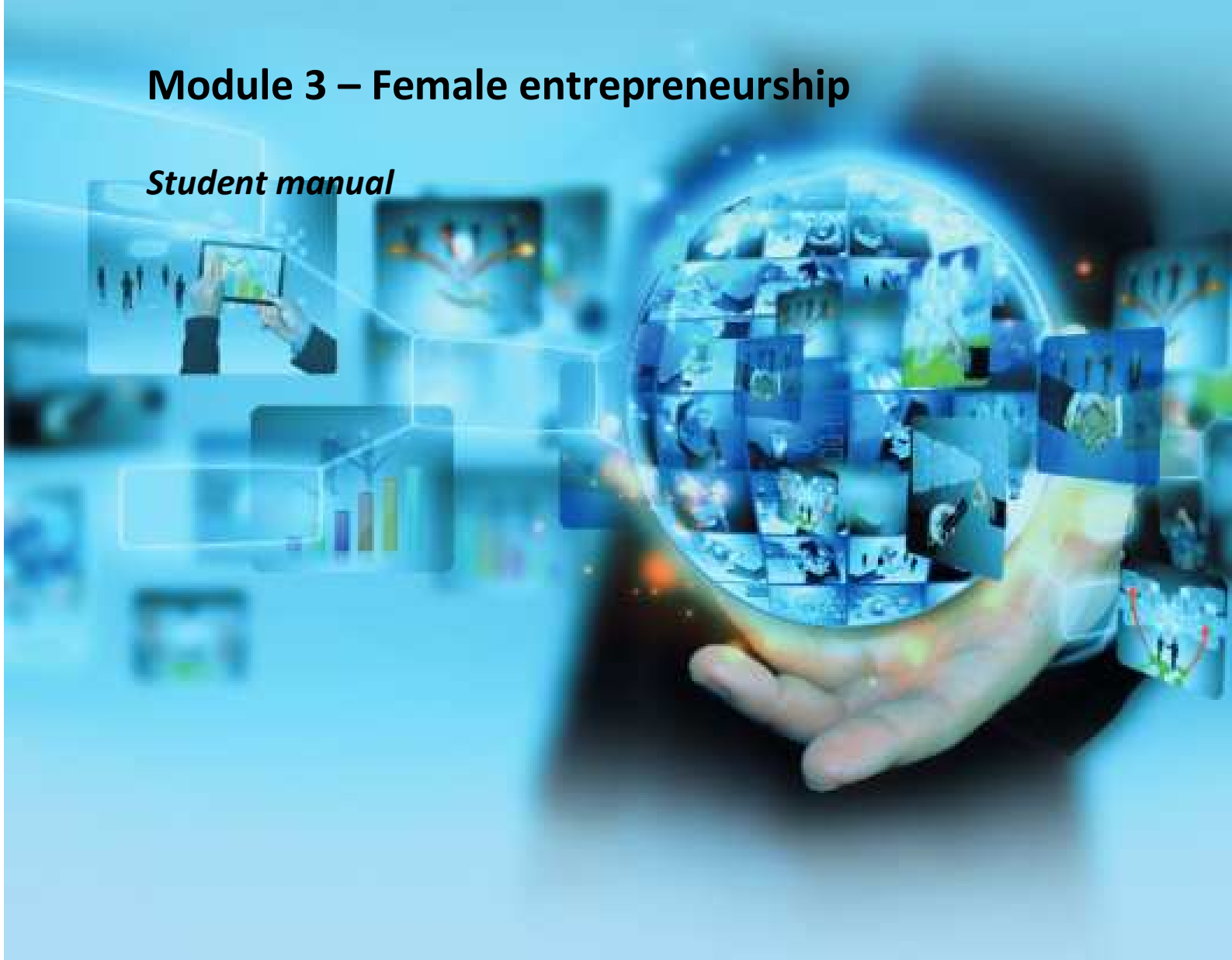
Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual

Erasmus+

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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

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Erasmus+

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Module 3 – Female entrepreneurship

Student manual
Theory book

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Chapter 0 – The red thread

1.0 Introduction

This chapter discusses the red thread of this module: the 7S model. This chapter aims that the student;

1. provide insight into the historical development of the organization.
2. provide insight into the functioning of an organization.

Goal 1 is hung on a timeline from 1900 up to and including today. The significant developments in the management field in the past 95 years are highlighted and related to the experiences in their own work environment.

As a view guide we use the following perspectives:

- The structural perspective
- The humanistic perspective
- The political perspective
- The cultural perspective

Every perspective teaches us something about organizations. Every perspective shows a number of aspects of an organization that remain hidden from a different perspective. That depends on the complexity of organizations. Organizations are usually so complicated that they can't all be described from a single point of view.

If someone wants to know how the formal authority relationships are organized in an organization, you can learn something from the structural perspective. Anyone wanting to know whether these formal authority relationships also work effectively will also have to look at that organization from different angles: what about the influence and power of other officials who do not belong to the top? The political perspective can clarify this.

1.1 The structural perspective

Organizations are purposeful and rational constructions. They have been established and are being maintained in order to work as effectively (purposefully) and efficiently (without unnecessary costs) as possible. From this point of view, an organization is structured, this means that the work is divided, it is determined who has to do what and who owes responsibility.

The relationships between the employees are approached in a businesslike manner: What is good for the organization? The motivation of the employees is mainly external: salary, profit distribution; premiums. From the structural or rational perspective, things become visible such as: the organizational structure, the hierarchy; the formal responsibilities; the division of labor; the extreme motivation; effectiveness and efficiency.

1.2 The humanistic perspective

Organizations are not just purposeful, rational constructions, in which people are a means of achieving the goals of the organization. People are not just for organizations, but organizations are (also) for people. Organizations are also there to satisfy human needs. Organizations and individual people need each other: efficiency and effectiveness in the organization assume that the work makes sense for people.

When looking at organizations from this starting point or perspective, attention is paid to the needs of people for meaningful work. Not only extreme incentives such as higher salary, but also intimate motives such as meaningful work and control over work can motivate people. From this perspective, you mainly see leadership styles and informal leadership, the intrinsic motivation of people, the informal communication.

1.3 The political perspective

People work in organizations. These rarely all have the same interests. On the contrary, people and groups in organizations have different and also conflicting interests. Employees in the Netherlands in an international company have given little message that elsewhere, in the third world, salary is much lower and that is why the company has to move. Within an organization it is often a struggle for positions, assignments, whether or not a room of their own, etc.

Organizations can therefore also be seen as arenas where being fought for interests. If one looks at organizations from the political perspective, one sees the differences in interests and influence in people and groups, the inequality, and the coercive measures means such as rules to maintain the dominant positions.

1.4 The cultural perspective

Organizations are less rational than at first sight. All kinds of activities have a symbolic meaning. With these symbols they express the culture of the organization: the common views that the members of the organization have about their organization, what they expect from each other and what not. From the cultural perspective things like status symbols, myths, ceremonies (anniversaries..). The working climate, manners, etc.

Examples of such symbolic activities can be found in the decoration of the rooms (compare the room of the director with the room of others), a private parking spot, the clothes that are and aren't worn, the way in which they consult, the manners between management and personnel etc. and so on.

2.0 The 7-S Model

Goal 2 is linked to a business model of the well-known bureau McKinsey the so-called &-S Model. This model consists of seven elements that are inextricably connected. The usefulness of this model is that it is a useful support for analyzing a company.

Central to this model is the vision of the company. The vision is a management tool, by which the business operations can be influenced in the following ways:

1. It focuses attention on the relevant activities of the company (the "core business")

2. It creates a framework on the basis of which employees can derive how relevant activities must be introduced in the organization and how these activities fit into a larger whole (giving direction).

3. It is a way to motivate employees.

The other aspects of the business are inseparably linked to this vision and to each other. If one aspect changes, it means that other aspects of the organization will also change.

Thrive!

In the use of every aspect, a number of viewing directions are offered to be able to look specifically at your own organization. Which strengths and weaknesses are visible? What causes them? What problems does the current situation in your company entail? How could these problems be addressed? What is the role of the management? Which role do you accomplish yourself?

Chapter 1 - The development of organizational science

1.0 Introduction

After studying this topic;

1. You know some important mindsets and personalities from the history of organizational science;
2. You have insight into the current developments of the field of organizational science;
3. You can establish a relationship between the thinking directions and personalities and the meaning of this for the way in which the contemporary organizations are structured?
4. You can place the number of topics that are treated in the rest of the course better.

1.1 The beginning of the field

Socrates and Plato set theories in the fourth century before Christ on leadership, division of tasks and specialization. As a course, it is taught for the first time in the second half of the nineteenth century in the US. In many countries, organization science was introduced shortly after the Second World War. Companies that became larger after the industrial revolution demand separate management skills. The course was very technical oriented. Aspects such as business economics, logistics, behavioral sciences and legal science were later involved.

1.2 Mindsets and personalities from 1900 onwards

In this documentary several important names in the organization theory. What matters is that these names are being placed in the historical perspective.

The Scientific Management and Frederick Taylor

Scientific management is a systematic, coherent business approach for the way in which the production should be organized.

Some key points from his Scientific Management theory about management and management of organizations.

1. A scientific analysis of the work and the execution of movement studies. The results can lead to standardization and normalization of the production process and the use of machines and materials.
2. A far-reaching division of labor and training of workers, in which every action and movement was precisely prescribed. The right man in the right place through careful selection.
3. A Close and friendly collaboration between management and workers.
4. The managers are responsible for analyzing and searching for work methods and creating production conditions. Previously this was pushed to the execution.
5. Introducing performance reward with the aim of achieving lower production costs.

Frederick Taylor

Frederick Taylor can be considered as the bearer of this theory that was actually introduced on a large scale. Nowadays we encounter elements of Taylorism in many organizations.

The influence of Taylor's ideas is strong. Where his principles were applied, productivity increased, which quickly spread the application. Scientific Management was linked to the idea of man as an extension of the machine, monotonous work, restriction of freedom and the disappearance of pleasure in work. Other consequences of Taylor's ideas were that the control and management of production departments improved throughout the industrial world. After the production, administration and sales were also approached according to his methods. Current issues such as employment studies, labour administration, job descriptions, and classification can directly be traced back to his ideas.

General Management theory and Henry Fayol (1900)

The general management theory is a coherent system of views about the way in which organizations must be controlled in their entirety.

The theory distinguishes six independent management areas, namely technical, commercial, financial, self-protecting (This means safety of people and property), accounting and control.

Control consists of five tasks:

– planning or looking ahead: drawing up an action plan for the future;

– To organize: the construction of the organization of people and resources;

– Command: ensure that people will always work;

– To coordinate: to coordinate the activities with each other;

– Verify: ensure that the results are in accordance with the plan.

Henry Fayol

Henry Fayol's experiences as director of a mining company brought him to formulate a theory of general management. His theory applies to the entire organization. In this respect he deviates from Taylor, who built his system from and for the production department. Fayol's theory is also meant for other types of organizations than industrial companies. For Fayol, unity of command was the most important principle. Every employee has only one boss above him. His theory is applicable to smaller companies.

The theory of bureaucracy and Max Weber (1940)

Large companies have the following characteristics according to the bureaucracy theory:

– A strong division of tasks;

– Hierarchical command structure;

– Accurately defined authorizations and responsibilities;

– Impersonal relations between officials;

– Recruitment based on competencies; knowledge instead of nepotism and wheelbarrows;

- Furtherance and reward based on objective criteria and procedures;

- Execution of work according to routine rules;

- All data is recorded in writing, so that everything can be checked;

- The power of officials, also the highest, is subject to restrictions.

Max Weber

Max Weber looked at companies from a sociological point of view. Weber mainly dealt with government organizations and large companies. Weber saw the bureaucracy as an excellent resource to achieve set administrative goals as well as an organizational form that is so perfectly organized that maintaining itself becomes a goal itself. However, the emphasis on technical perfection means that the structure becomes more important than the organizational goals, which could have consequences for the continuity of the organization. One still encounters characteristics in line with the bureaucratic model of Weber in large organizations.

The Human Relations movement and Elton Mayo (1945)

The Human Relations movement

A response to the scientific management is the human relations movement. In 1927 a study was conducted into the influence of the light intensity on the work performance of the production workers in the Hawthorne factories of General Electric. The light intensity was increased in a group while being kept constant in a control group. Production did indeed increase, but to the astonishment of the researchers, production in the control group rose about as quickly. Even when the light intensity was reduced to the absolute minimum, productivity continued to rise. It was incomprehensible.

Elton Mayo

Elton Mayo from Harvard University was added. He fulfilled tests from 1927 to 1947 in which the working conditions in various areas improved. Every change gave a raise to production and people felt less tired.

In the above light intensity experiment, the underlying cause appeared to be the attention people received during the experiment. It has been demonstrated that aspects such as attention, certainty, belonging to a group, appreciation, etc. are determinative for the result. These data have led to a series of studies that have laid the foundation for the social approach of organizations. The movement assumes that satisfied employees often deliver maximum work performance. Collaboration was the magic word and that is why social skills for managers are very important.

Revisionism

Between 1950 and 1955 there was criticism of the human relations movement. People thought it was too idealistic, far too one-sidedly focused on people. They wanted to go back to the scientific management or a synthesis of the scientific management and the human relations movement. The need was emphasized to revise the human relations movement, which led to the term revisionism. The writers who have attempted to bridge the two opposing streams are Likert, Maslow, Blake and Mougton and Douglas McGregor.

Likert

Likert also did it in his own way. He focused on the organizational structure and communication and developed the linking structure (Figure 1.1), where the organization consists of overlapping groups, and the leader of the group is also a member of the higher group.
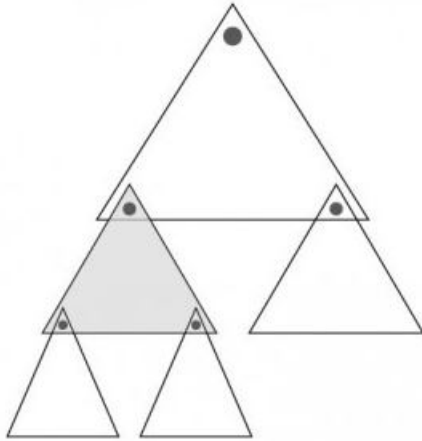
Fig: 1.1 Linking pin

Maslov

Maslow distinguished five levels of needs according to the satisfaction that every human being strives for. As soon as a lower level is satisfied, one strives for satisfaction from the higher level.

In sequential order these are:

1. Physiological needs (eat, drink, sleep);
2. Need for security and safety (protection, stability, regularity);
3. Need for acceptance (friendship);
4. Need for recognition (prestige, success);
5. Need for self-development (bearing responsibility, development opportunities, creativity etc.).

He presented these needs in the form of a pyramid:
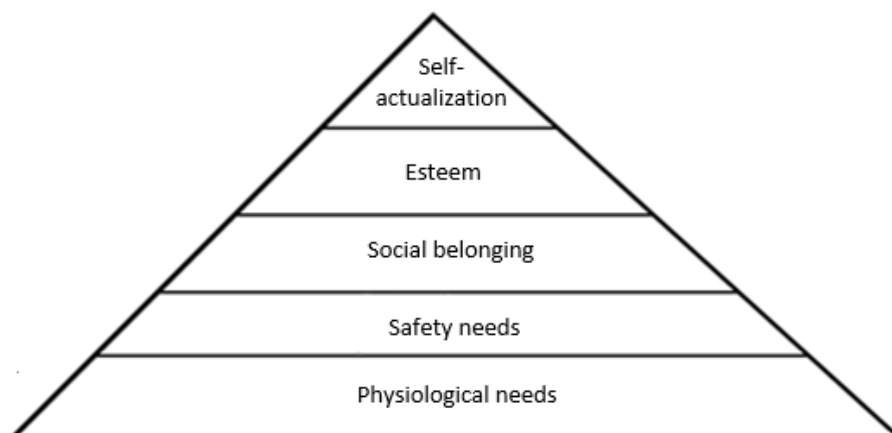
Fig.1.2 Pyramid of Maslov

Thrive!

Blake and Mouton

Blake and Mouton have developed a leadership diagram by which they have come to a large number of leadership styles. They conclude that there are two dimensions to leadership, namely the degree of production or task orientation and the degree of people orientation. The extent to which the manager focuses on production or on people appears in their matrix.
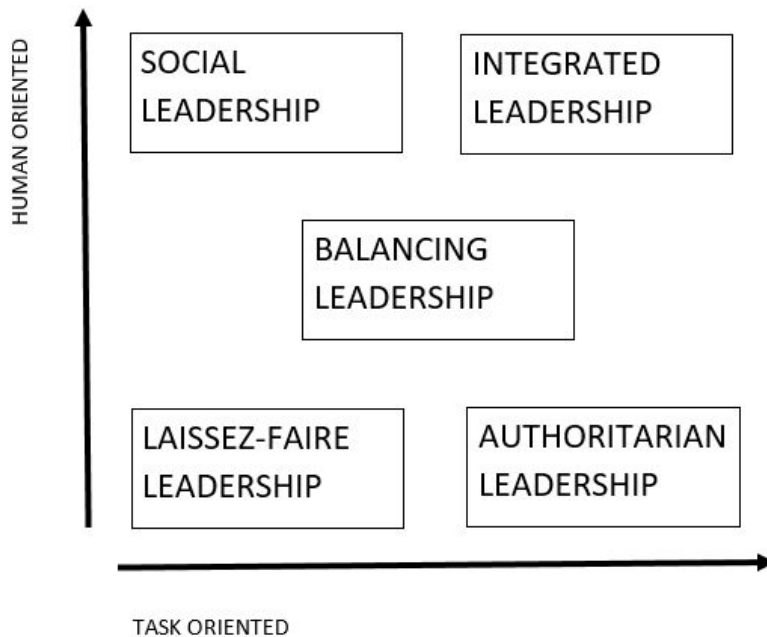
Douglas McGregor

In his book, in 1960, Douglas developed an approach in which he contrasted two views of a human in the organization he called theory X and Y.

Theory X is based on the following assumptions:

- A person is lazy and has an aversion to works;
- A person wants and can't think;
- A person must be forced to perform and is only interested in money;
- A person is afraid to bear responsibility and prefers to be led;

Theory Y is based on the following assumptions:

- A person wants to work and finds it as natural as relaxed;
- A person is resourceful, creative and has imagination;
- A person performs when he can develop himself and when he is rewarded in intangible values. Money is not the only incentive;
- A person is willing to bear responsibility.

This theory is based on the motivation that people have to function in an organization.

The system theory and Boulding (1950)

The system approach states that management must address organizational problems in an integrated manner. This means that one has to look not only at the interests of a part of the

organization but also at the influence of the decisions taken on the total organization. It often happens that management tries to solve the problems within its own department, without looking at the other departments.

Reducing inventories produces savings but can lead to an unacceptable level of no sales in the longer term. This example shows the importance for the system approach, since the reactions to each action can be visualized in terms of their nature and size.

Boulding

Kenneth Boulding approached the organizations as a system, so as a total of coherent parts. Another important element of this view is that organizations interact with the outside world (the environment).

The contingency approach and Lawrence en Lorch (1965)

'The one best way of management'. The scientific management was definitively undermined by the result of a long-term study into the effectiveness of a hundred English companies. The notion of contingency introduced by them means determination by situation. The theory says that the choice for certain management techniques strongly depends on the circumstances in which the organization finds itself. The environment is an important factor of influence that the contingent approach to an organization takes into account. Environmental changes affect the management techniques that are used per change.

The conclusion of Lawrence and Lorch was that different circumstances will lead to a different construction of organizations, targets and working methods if they want to perform optimally.

1.3 (Most) recent organization theories

Philip Crosby and quality assurance

Quality assurance is an important trend in organizational science. The founder of this theory is the American W. Deming.

Philip Crosby is one of the most famous 'quality gurus', who has developed a total quality management theory that is currently being applied in many companies around the world. Working with the zero defect or flawless production concept is central to Crosby. Faultless production is what a company must strive for, says Crosby.

Henry Mintzberg and organizational structuring and strategic planning

Henry Mintzberg continues to surprise with his contributions in structuring of organizations. Mintzberg is a professor at the McGill University in Montréal. He is the author of several works. His basic work 'The structuring of organizations' is well known. In this piece he makes an attempt to bring the most important organizational theories together in order to indicate how organizations can be structured best.

Tom Peters and management principles for business management

Tom Peters wrote together with Robert Waterman the very famous book 'In search of Excellence', there are 4 million copies sold). They have listed the success factors of a number of large companies and have come to eight factors, namely:

1. Strong action orientation;
2. Maintaining an intimate relationship with the customer;
3. Creating entrepreneurship and independence;
4. Employees are the main source of productivity;
5. Driven by values and beliefs;
6. Stick to the stuff you know;
7. Simple structure with support departments of a limited size;
8. The board is both centralistic and decentralistic.

In the book 'Thriving on chaos' Tom Peters writes that the chaos has become the norm. Managers will be confronted daily with major changes that are motivated, among other things, by the development of automation and telecommunications.

Peter Drucker and general management

He is called the patriarch of the management gurus. Drucker says that we have left the industrial revolution behind us. We are now in a knowledge revolution.

Knowledge has become an essential production factor. Economic growth will no longer be caused by agriculture and industry, but by increasing productivity in the knowledge and services sector.

Michael Porter

Porter is a professor at Harvard University and has a major influence on the development of strategic thinking and acting in companies. Porter has developed tools for decision makers with regard to, among other things, strategic and competition analysis. These will be discussed later in the theory book.

Michael Hammer

The founder of BPR (Business Process Re-engineering), he emphasizes that our companies have not really changed over the past 500 years. They are based on three principles:

1. The basic unit of work is the task.
2. Simple tasks are performed by low-skilled people.
3. There is a distinction between "executors" and "managers" (hierarchy).

In an environment that is slowly changing and is characterized by predictability and continuity, these principles proved to work reasonably well. In this turbulent time with its rapid technological developments and the emergence of global markets, the attention of organizations is located in the area of flexibility, quality, service and savings of overhead costs.

Hammer and Champy
Hammer and Champy argue for a process-oriented approach for companies. In a process-oriented organization a whole lot of administrative and administrative work is cancelled. The distinction between operators and managers also disappears. Professionals and coaches work in the new

organizations. The coaches should mainly focus on inspiring and motivating the professionals. According to Hammer and Champy, Business Process Reengineering can lead to enormous cost savings from 40 to 80%. Before this is realized, the need for change will have to be acknowledged by the top management.

1.4 The 7S Model

The 7S model was designed by McKinsey-employees Richard Pascale and Anthony Athos and was introduced in 'The Art of Japanese Management' in 1981. The model was co-developed by Tom Peters and Robert Waterman at the end of the seventies. The consultancy firm McKinsey first used the model frequently.

McKinsey has designed the 7S model to analyze the performance of a company on the basis of seven factors. These factors are interrelated and influence each other in order to realize an effective and efficient organization. According to the model it becomes clear that there is no unambiguous way of success that applies to every company, but that control is indeed possible.
The approach of each of the seven factors also affects the other 6 and should therefore also support it. In this way all factors, and thereby the entire organization, are strengthened. It is therefore important that there is coherence between all factors!
A subdivision has been made between three hard and four soft factors. The hard factors are strategy, systems and structure. The soft factors are shared values, style, staff and skills. The 7-S model is further explored in the rest of the theory.
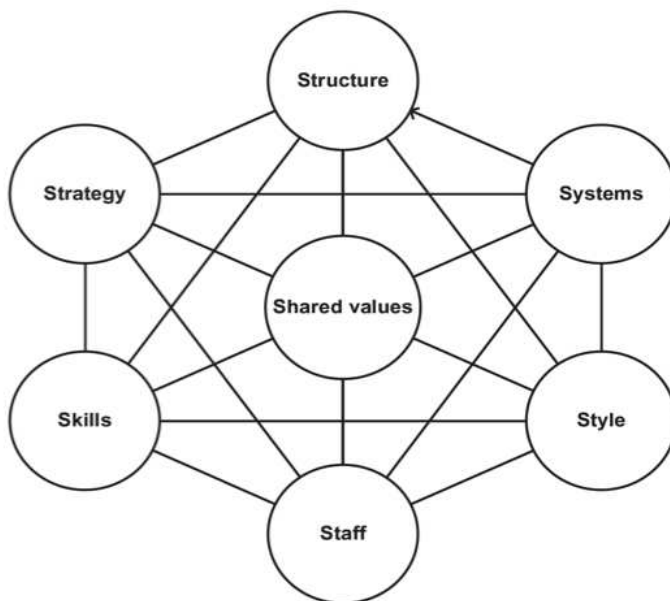
Fig. 1.3 7-S model

Shared values/Significant values
The interconnecting center of the model are the Shared Values. This is the conviction and attitude, the values and standards that the company stands for and believes in.

Strategy
The strategy concerns the objectives of an organization and the ways through which the organization tries to achieve it.

Structure

The structure of an organization concerns the divisional groupment of tasks, authorizations and responsibilities in a coordinated organization of executive activities and functions.

Systems

The systems cover all formal and informal working methods, procedures, regulations and agreements.

Staff

The staff refers to a number of issues. On the one hand, these are matters such as absence, absenteeism and the level of education. On the other hand, it concerns more abstract issues such as motivation and flexibility of employees.

Style/management style

This does not mean the personalities of the (top)management, but the way in which the actions and behavior of the managers affect the employees in the organization.

Skills/Key skills

What makes the company shine? What is the company good about?

Chapter 2 - Strategy

1.0 Introduction

After studying this topic;
 1. You are familiar with the most important concepts in the field of strategic management;
 2. Can you distinguish different phases within the process of strategic management;
 3. Can you explain the relationship between strategic management and the use of strategies in organizations;

Strategy

The S of strategy is the first to be discussed, because the strategy that a company chooses determines the direction in which the company develops. The strategy is the umbrella under which all other S's fall. Strategy means a plan that indicates what an organization wants to do to achieve its objectives. If the organization wants to stay adapted to the environment, then strategic management is required.

The importance of a strategy for a company

A company operates in an environment. The environment determines whether or not the company will continue to exist. If customers no longer buy anything, the party stops. It is about the continuity of the company. Continuity is inextricably linked to the way management responds to developments in the environment. The dynamics in the environment force the management to steer on continuity, while retaining profit of course. It's all about making 'right' decisions. Decisions about which products, which markets, which people and what resources.

2.0 The process of strategic management

Thrive!

The process of strategic management consists of three phases
A. Situation analysis (2.1)
B. Strategy formation (2.2)
C. Planning and implementation (2.3)

These phases are shown in Figure 2.1. The figure shows that strategic management is a dynamic and cyclical process. There is feedback from planning and implementation phase to the phase of situation analysis.
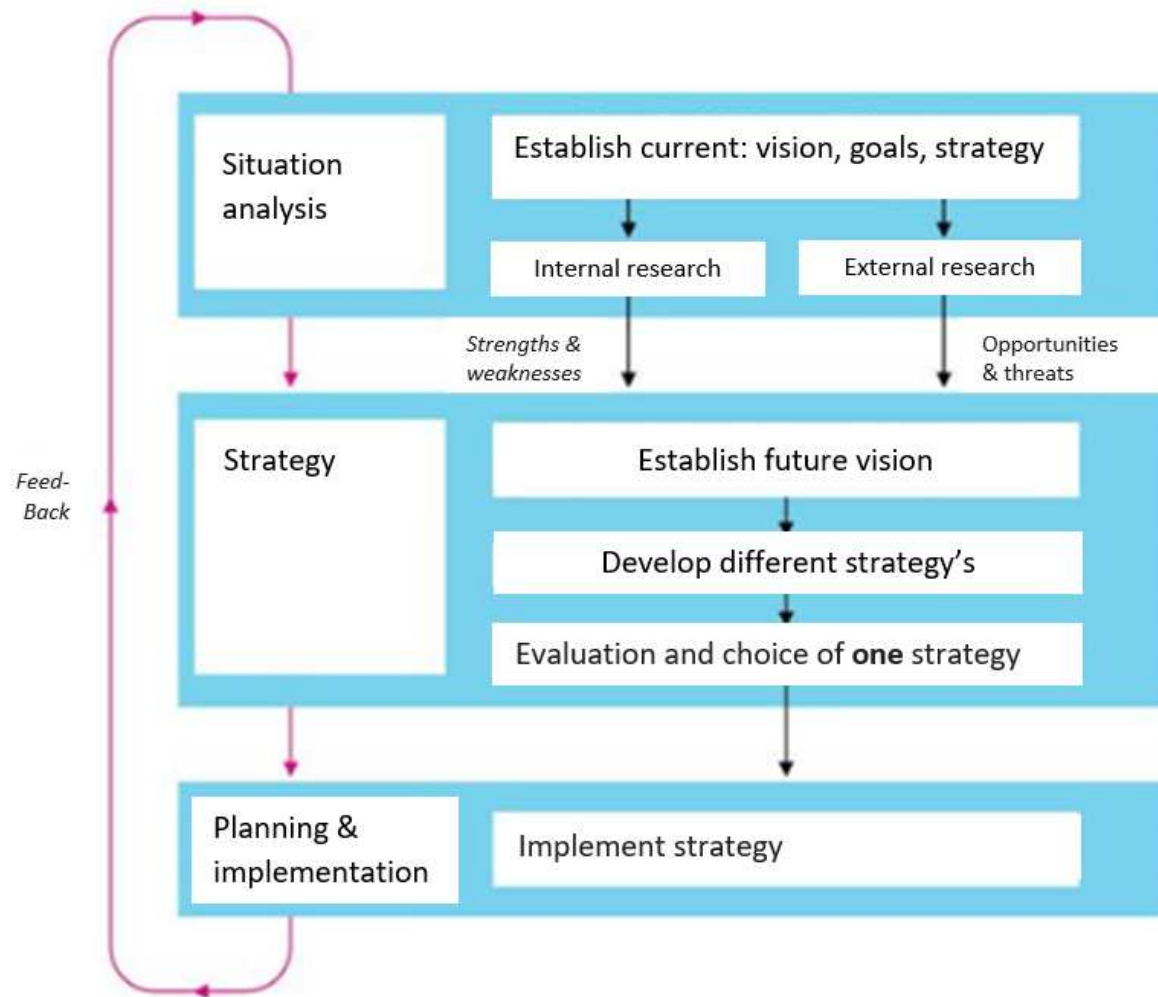
Fig 2.1: Strategy as a dynamic process

2.1 Situation analysis

The first phase of strategic management is known under the name of situation analysis. This is also called strategic audit or SWOT (Strength-Weakness-Opportunities-Threats) analysis. The situation analysis relates to the determination of the current profile of the organization. We look at both sides: the internal and external environment of the organization.

The situation analysis implies, in accordance with figure 2.1, the determination of the current goals and strategy, internal and external research.

The definition of the current vision, goals and strategy

The first phase aims to gain insight into the existing situation of the organization. The current vision (1), the current goals (2) and the current strategy (3) will be defined.

1. Current vision

Vision is a general idea or representation of the future of an organization. A vision is often built from a mission and principles.

VISION = MISSION + PRINCIPLES

Mission

The mission of an organization consists of a description of product/market combinations, in other words, on which markets are we located or where we are with which products, and the way in which we can achieve a lasting competitive advantage. The mission is transferred through a mission statement.

Mission Statement

The mission statement is the statement of the mission, so it describes the mission in one or two short sentences.

Principles

Principles relate to the standards and values of the organization, what the organization considers as important and which rules it applies. These are tested against social norms and values. Examples of principles:

– Quality comes first;
– The customer comes first;
– We are reliable and honest;
– Our employees are our strength;
– We contribute to a good society.

For the process of strategic management it is important that the aforementioned elements are recognizable and expressed in the vision of the organization.

2. Organizational goals

The goals are defined on the basis of the vision and mission of the organization. Organizational goals indicate the relationship of the organization with its environment and its employees. The content of the objectives are therefore motivated by stakeholders of the organization. The capital providers (for example. shareholders) in particular have a very important voice. Organizational goals often relate to one or more of the following topics:

1. Balance of interests: 'we are a reliable partner for our customers, shareholders, staff and suppliers';
2. Profitability: 'We aim to make our products and services profitable for our customers and ourselves;
3. Quality: 'each of us delivers flawless, perfect products and helps our customers on time;
4. Effectiveness and efficiency: 'We encourage our staff to participate in determining targets and in planning how they can be achieved best';
5. Image: 'we are a leading supplier of products and services';

6. Code of conduct: 'we work in a disciplined way and stick to our word'.

Organizational goals must be defined so that strategies can be geared to this and can be checked against the objectives (see scenario planning in 2.2.) In this time, with its rapid changes, reference points are indispensable for management. This prevents ad hoc decisions from determining the content of the organizational strategy. In other words: 'if you don't know where you're going, any road will take you there.'

3. Current strategy

Once the goals   have been set, the current strategy (plan) will be examined. It is important to see to what extent the objectives have been achieved. In other words, see if the current strategy is successful. Or that an existing strategy must be fully adjusted.

1. **Internal research as part of the situation analysis**
   Internal research aims to see the weaknesses and strengths of the organization. Then they will get an overview of the weaknesses and strengths of various departments or functional areas. The internal environment **(micro level)** has to do with the organization itself. It has to do with the production, marketing, the personnel factor and financial aspects, but also organizational structure, procedures, consultation structures, quality, and so on.

2. **External research as part of the situation analysis**
   External research aims to see the developments in the external environment and to translate them into possible opportunities and threats for the organization. The environment is a large concept. To be able to handle it, a distinction can be made between:

   A. **Competition- en buyers environment (meso level)**
   External research can also focus on the competitive and customer environment.
   Answers to questions like:
   • Who are the competitors and who are the customers?
   • What information about competitors and buyers is needed?
   • What is the intensity of the competition? What are the (changing) needs of the customers
   • What different competitive advantages does the organization have on the various markets?

   B. **DESTEP-environment (macro level)**
   The environmental factors (DESTEP) influence the organization indirectly and can only be influenced to a limited extent by the organization. However, these factors are very important for the success of organizations. These are the following factors:
   • Demographic factors
   • Economic factors
   • Social cultural factors
   • Technological factors
   • Ecological factors
   • Political factors

   The result of the external research is that the opportunities and threats per environmental type can be seen into the Confrontation matrix with the SWOT analysis.

3. SWOT analysis

The confrontation matrix is the heart of every strategy plan. This is where the environment, market and company meet. As the name implies, the confrontation matrix is a confrontation between market and company.
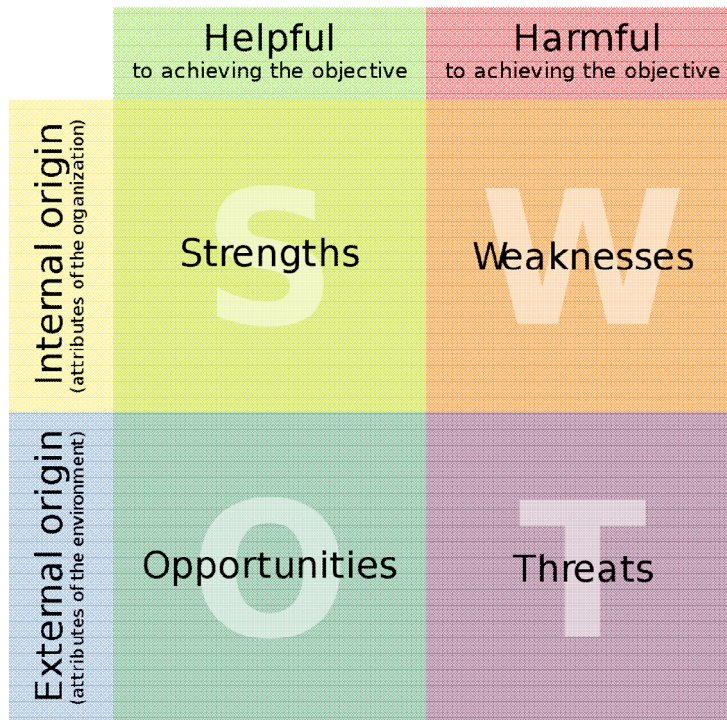
Fig.2.2. SWOT

SWOT stands for the English terms Strengths, Weaknesses, Opportunities and Threats. In a SWOT analysis you link the strengths and weaknesses of an organization to the opportunities and threats in the market in the confrontation matrix. Make sure that the strengths and weaknesses are preferably 'relative', that is to say; analyze the strengths and weaknesses of the company compared to competitors. What opportunities are supported by the strengths of the company or become less feasible due to your weaknesses? Against which threats can you ban your company by using your strengths and which threats will strengthen your weaknesses? From the confrontation you can draw conclusions that ultimately lead to actions in the company.

2.2 Strategy formation

After the situation analysis we arrived at the strategy development (see figure 2.1). The strategy development consists of three phases:
1. Determine future picture
2. Develop different strategies
3. Evaluation and choice of one strategy.

1. Strategy development: determining the future

Figure 2.1 shows that the first phase of strategy formation is the determination of the future. In this phase, it is important to evaluate whether the chosen goals of the organization can be realized with the help of the current strategy. If it is expected that the goals can't be achieved (entirely) using the current strategy, then the strategy or goals will have to be adjusted. There is then a 'gap' or 'gap' between what one has in mind (the desirability) and the reality (reality).

2. Strategy development: developing different strategies

If the goals can't be achieved with the current strategy, other strategies will have to be developed. Some examples of strategies are: developing new products, entering new markets, choosing other sales channels, slimming the organization, working on new competences of employees and entering into a partnership with a partner.

Some characteristics of strategies are:
- They focus on the medium (1 year) and long term (three years);
- They relate to the entire organization;
- Investment decisions often result from strategies.

The strategic choices are recorded in a strategic plan.

3. Evaluation and choice of strategy

Provisional choices are made on the basis of the possible strategies. We look at the development of these strategies in the medium term. A method that is increasingly used in the Netherlands to gain insight into this is **scenario planning**. Scenarios can be regarded as 'qualitatively substantiated visions of the future'. In scenario planning, the development of a number of internal and external factors in the medium term is predicted from the current situation (the future). The uncertainty and complexity increase as statements have to be made over a longer period. For the choice of a definitive strategy, a number of criteria that are derived from the objectives of the organization must be formulated.

For example; a strategy aimed at a market share increase of 3%, with the current workforce as decision criterion.

Possible strategies
The choice of the product market combination forms the core of the strategy. This means that the products and / or services with which the organization wants to meet a certain need. Due to economic, technological and social factors, markets and products do not remain constant. Products go through a cycle that starts with the development of those products and ends with their decline. This is referred to as the life cycle of a product.

With the introduction of a new product, the market is initially small and the start-up costs are high. Is a product appreciated, then it enters the expansion phase, characterized by strong market growth. After a shorter or longer period of time, saturation occurs (consolidation) and the market size will decrease. The life cycles of products generally become shorter and shorter. This increases the need for strategic management. If a product or service of an organization is threatened with a downturn in the consolidation phase, then action is required. At least, when it is assumed that the management of the organization is pursuing its continuity. To determine the right action, you can enter a product market matrix.
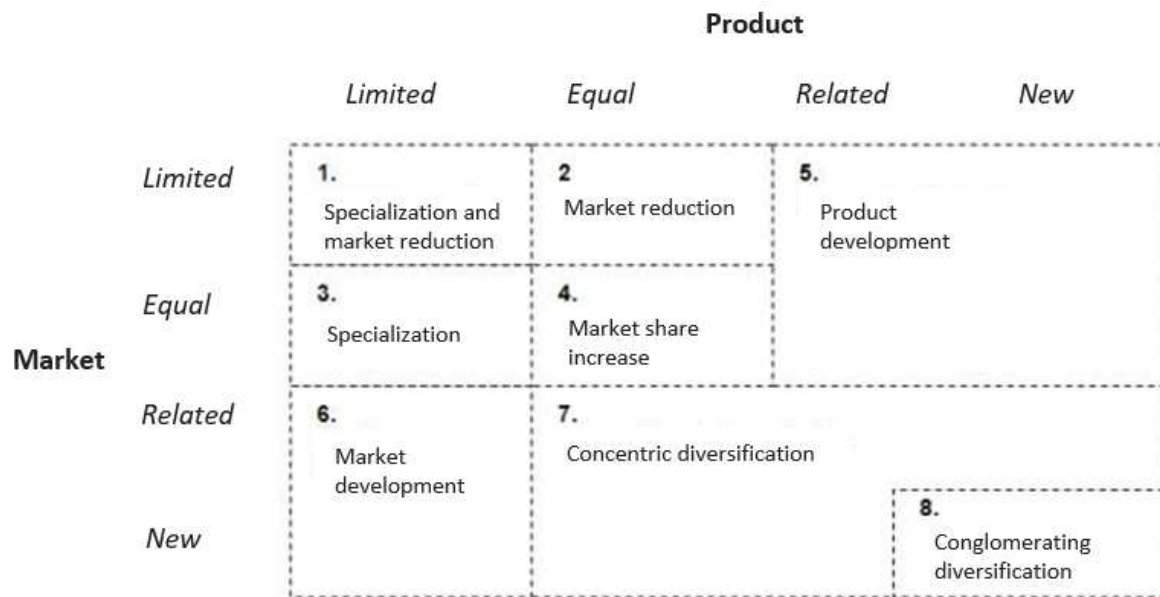
Fig. 2.3: PMC-matrix

Possible choices

A company focuses on a more limited market with a more limited range. There is a specialization and market reduction. The management can also choose to process a specific market with the same products. The choice may also be to work on a more limited product range (specialization) on the same market. One can also try to gain a larger market share. Another possibility to escape the negative effects of a shrinking market for its own product is looking up new markets. Export or activities in other than existing areas are the most obvious examples of this. Finally, diversification is also possible. In that case the organization starts with new product market combinations, which for a large part are separate from existing activities. There is a question of concentric diversification when there is some relationship with existing products and / or markets. If there are completely new markets and new products, then we speak of conglomerating diversification.

A second angle for strategic choices is **the life cycle of a product**. In the below figure possible choices are shown:

The question mark is a product in the development phase, with a great potential for growth. That is why in this phase there is a need for an entrepreneur as a manager. However, many of these products do not make it. Those who make it are stars. These are products that have a stronger competitive position in a growth market. In this phase, little or nothing needs to be changed to the formula, but it must be ensured that the turnover is realized. This means that investments must be made in shops, in distribution channels, in sales and in advertising. These investments remain necessary to "pick up" as much of the growing market as possible. In the pipeline there is a need for a builder who can realize a certain scale in the activities.
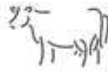
Fig. 2.4: Boston Consultancy Matrix

If the total market doesn't grow any more than it's not wise to invest a lot in those products. Then it is preferable to generate as much profit as possible from the existing activities and to invest these in question mark and stars. The existing activities are being emptied, as it were; therefrom the term cash cow. In this phase there is a need for an administrator who ensures that the dairy cow generates profit. This is sometimes an ungrateful task because he earns the money that others can invest.

Fig. 2.5: BCM positions during the lifecycle

Finally, a product can end up in the dog situation; then the time is ripe to finish or to rebuild. In the phase there will be a need for an experienced, wise manager who can bear a punch.

2.3   Planning and implementation

This section first discusses the planning process. Next, it looks at how the strategy can be implemented in the organization.

The planning cycle

The output of the strategic management process is a strategy or a plan. In order to realize the strategy, it needs to be translated into shorter periods and lower hierarchical levels. In this way a cyclic process is created, the planning cycle.

We can distinguish the following steps in this process:

1. Strategic planning

This is the planning at the highest level; the concrete reflection of the results of the strategic management process described in the previous sections of this chapter.

This raises questions such as:
- goals do we want to achieve in two to three years with regard to growth, turnover, profit and market share?
- How do we plan to realize this in terms of time schedule, required investments, financing, organization, personnel and information systems?

The strategic planning covers a period of two to three years, but is carried out every year, or even more frequently if the changing circumstances make it necessary.

2. Operational planning

The goals that must be achieved are mentioned in the strategic plan and are worked out over the period of a year into costs and revenues, sales and production quantities, investments, inventories, formation planning, etc. The plan results in an annual budget, in which for each business unit the quantities to be produced or the quantities to be sold are indicated with the corresponding amounts, linked to persons who are responsible for the realization. Depending on the sector and the size of the organization, the operational plan is further detailed on quarter, month or week level.

3. Job-oriented work planning

The operational plan is elaborated within the various functional departments into the daily activities. Examples of this are:
- monthly and weekly production planning and programming;
- schedule planning for production teams;
- liquidity planning;
- planning of recruitment and selection procedures.

For a vital importance and for a well-functioning planning system is a suitable reporting system. This should provide feedback at the relevant level in the organization about each phase of each cycle in the cycle with respect to the results achieved, compared with the planned results. It is important here that the information is timely, so that adjustments can be made as quickly as possible.

From planning to introduction

Developing and choosing the right strategy is the beginning of successful management, but if it is not implemented, all efforts have gone for nothing. And that is exactly what it seems to suspend in practice.

Research has shown that many managers are dissatisfied with the process of strategic management. Strategic management is often interpreted as a two-step process; the development and implementation of strategic management while it should be seen as a whole. A strategy is as good as its implementation.

Problems

The major problems with strategic management are the following:

a. The insufficient involvement of managers and employees
If the strategy is only determined by the top management without involving other employees from the organization, the risk is taken that the strategy is insufficiently recognizable and is not supported by the organization. As a result, the introduction of this can be delayed, either partially or completely. Insufficient involvement can also result from the fact that employees have experience that certain strategies are not successful.

b. Insufficient knowledge of the preparation for the strategic management process.
The participants must be familiar with this process and whether the concepts can be placed. The quality of the outcomes of the strategic management process depend to a great extent on the quality of the input of the process.

c. Making the strategy Insufficiently explicit.
The trick is to show all steps in the process clearly and concisely so that this is clear to all members of the organization.

d. Insufficient support of information systems. To analyze the market, the competition and your own position, it is very important that you have access to current and correct information. Organizations often have different information systems but these are hardly interconnected so that a lot of manual work is needed to have the necessary information.

e. Influence of rapidly changing environment.
The environment of the organization can change so quickly that decisions are made that are of great importance to the organization and thus to the process of strategic management. One can think of: the entry of new providers on the market, legislation of the government, price drop, reorganisations etc.

Thrive!

Chapter 3 - Structure

1.0 Introduction

The next S stands for structure. Structure is inextricably linked to the strategy. Organizing activities must be related to the external coordination of the organization. If the company has the principle to supply the product or service 'Just In Time' then the activities must be organized in such a way that, for example, there is effective work consultation to prevent 'mistakes'. "Structure follows Strategy" is a well-known statement from the well-known management guru Drucker.

For example, if the management wants to switch over to a different production method, for example digital printing, tasks, responsibilities and powers in the organization will be different. The chosen organizational structure itself also influences the other factors of the 7S model. Employees who have to function in the structure, for example, is the basis for the S of 'Staff'.

After studying this chapter

1. do you have insight into the relationships between control of business processes and structuring issues?

2. you have knowledge and insight into the division of labor and coordination within organizations;

3. you have knowledge and insight into the different organizational systems;

4. you are familiar with the most important concepts in the area of organizational structure

5. you can apply this knowledge and insights to your own organization and to give practical situations.

2.0 Division of labor and coordination

There are two aspects to division of labor: horizontal division of tasks and vertical division of tasks.

Horizontal division of tasks concerns the job classification at a certain level of the organization. Horizontal division of tasks leads to a certain organic structure (the division of all activities over different functions). For example: Each manager of a nationally operating company is responsible for the turnover and profit that he realizes with his establishment in a certain city or region. A number of leaders of certain departments come under him. At the level below the manager, we see a classification of functions and tasks by product group.

Vertical division of tasks concerns the function classification between the different hierarchical levels in an organization. Vertical division of tasks is part of the personnel structure of a company. What are the tasks and powers of the manager compared to those of the leaders of product groups?

The result of the horizontal and vertical division of labor is the organizational structure of a company. The organizational structure is the way in which tasks, powers and responsibilities are divided between

persons and departments and the relationships between those persons and departments. To achieve this classification, the following classification criteria can be used:

- Based on the similarity of the work.
- Based on the coherence of the work.

2.1 Similarity of the work (F classification)

This leads to a so-called **functional classification (F-classification).** At a certain level in the organization, departments appear that are responsible for a certain type of work.

This classification according to function has a number of advantages and disadvantages that are comparable with the pros and cons of specialization in general.

The advantages are:
- The available workforce is used efficiently because it can be used for several departments.
- High-quality specialists can be trained and attracted.
- By centralizing specialist work, possibilities for automation are created.

The most important disadvantages are:
- Coordination problems between the various specialists.
- Coordination of activities only takes place at a high level in the company. This will result in long communication lines.

2.2 by product (P classification, internal specialization)

In this classification, departments are formed around activities that are related to a certain product.

Advantages of the P classification are:
Employees have the feeling to work for a common goal (a product). This will facilitate coordination. Less monotonous work, more variation possibilities.
Less specialization among employees which offers the possibility to train broadly oriented managers and short communication lines.

The main disadvantage is that the benefits of specialization are missed (see F classification).
In the P format, all business functions occur within the various product departments. This classification is too expensive for small businesses in general. Compared with the functional horizontal division of tasks, an important part of the coordination will now be done by those responsible for the results achieved in the different products. We see this horizontal division of tasks in almost all big organizations that supply multiple products (Philips, Unilever, Vendex).

2.3 Classification by geographical area (G classification, internal specialization)

Companies that are geographically well spread, such as large stores and banks, will at a certain level apply a horizontal division of tasks to geographic area or region. An official gets the responsibility for a specific business location.

Advantages of the G format are:
- Short communication lines.

− Possibility to respond to specific local conditions.

A disadvantage can have limited possibilities to build up specialist knowledge. This can be compensated by staff departments at the head office.

2.4 Classification by market or target group (M classification, internal specialization)

Finally, the horizontal division of tasks into cohesion can also take the form of a division into the types of markets on which the company operates. This will be necessary when different types of customers request a separate approach.

Advantages of the M classification are:
− Short communication lines
− Responding to specific wishes of the customer.
Disadvantage: The M classification is only profitable for a certain size of the organization.

3.0 Task distribution in connection with the size and nature of the company

A small company almost always has a functional division. The director, who first did everything, hires an administrator and in a later stage a young employee who is responsible for the production. In the sales department, a classification by geographic area can soon be created, especially when the company has many representatives spread over the country.

With an increase in the number of products, the situation arises at a given moment that the coordination of the total product package will cause problems for the director. He isn't applying strategic policy anymore. Then the coordination must take place at a lower level and that means that a P format is set directly under the director. Each product group then has its own director, administration, factory and sales device. It will be clear that this is only possible with companies of a considerable size.

If companies are going to internationalize, it may be necessary to apply a distribution of tasks by country or part of the world directly below the top. Different horizontal task distributions occur at different levels of the company.

3.1 Task, function, authority, responsibility, department

A **task** is the content of a function and indicates what someone exactly does: meeting, consulting, directing, telephoning, printing, folding, pre-calculation, etc.
A function indicates the common objective of tasks that must be performed.
The **authority** is the right to take decisions that are necessary for the performance of a task.
Responsibility is the moral obligation to perform a task to the best of its ability, as the duty to report on the execution. A department is characterized by similar functions that include related tasks.

3.2 Internal differentiation

Internal differentiation means looking for the similarity of the activities to be performed. For example, a graphic company that prints business cards, calendars and briefing paper has people who are individually tasked with designing (pre-press), printing (press), purchasing paper, cutting paper,

for example, binding calendar. This creates a division of labor that focuses on the succession of machining processes, independent of the product that is made, the so-called 'functional division'. With regard to the different processing processes, functions and departments are then classified (see Figure 3.1). The danger of internal differentiation is that the coherence between different processing processes is lost sight of. Setting up additional coordination mechanisms is therefore necessary (consultation structures and planning between different stages of operation).
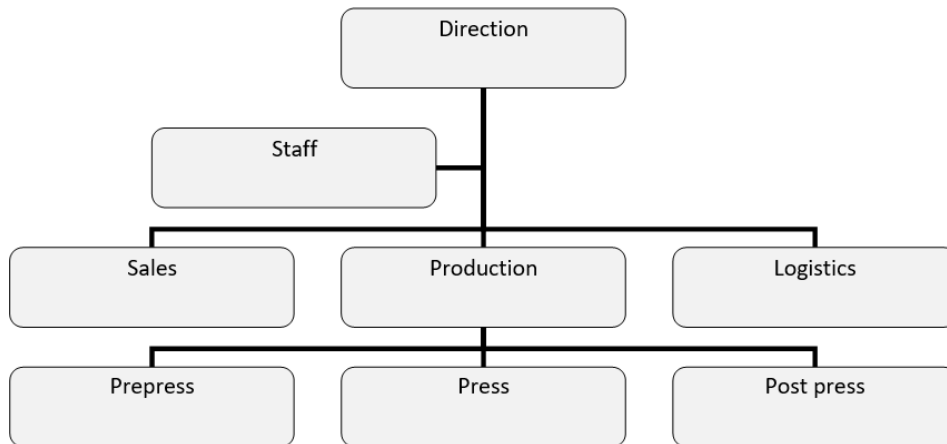
Fig. 3.1: Functional organization (F organization)

3.3 Internal specialization

The end result is determinative for the work to be performed. Certain people in a graphic company are only concerned with the manufacture of, for example, calendars from the design phase up to and including the binding phase, another number of co-workers with business cards for example. It does mean that all tasks must be performed by such a group. From purchasing paper to binding the calendar. All activities that only have to do with making a calendar are brought together. You can also apply internal specialization to customer groups or geographical areas.

The methods of internal differentiation or internal specialization are both intended to reduce tasks to functions.

3.4 Delegate

When delegating tasks, not all responsibilities and powers are transferred from a higher to a lower level. It is important that in the case of delegation tasks, responsibilities and powers per function remain in balance. If one delegates, the management remains responsible for the task for which it is appointed, even if it does not carry out the work itself. The persons within the lower level are responsible for carrying out these tasks. The management remains responsible for the choice of who and how it delegates certain tasks.

4.0 Designing functional relationships
The work of the leaders is partially standardized and supported from central departments.

Business organizational chart
An organization chart or business organizational chart is a simple presentation that is a schematic representation of a way in which formal tasks are divided between persons and / or departments and how the authority relationships lie between people and / or departments.

4.1 Line organization

The basic characteristic of a line organization is that each member of the organization has only one supervisor above him who can give him or her comments. It is an organizational form that is most prevalent in practice.

Advantages of line organization:
- simple and clear organizational structure;
- clear authority relations;
- tasks, powers and responsibilities are well-defined;
- good supervision and control of the execution of business processes;
- quick decision making is possible.

Disadvantages of line organization:
- all communication is via the line and can become overloaded. It takes far too long for decisions to be made;
- the expertise of the management may be inadequate to take the right one in all areas;
- coordination between departments can only take place through a manager who manages all these departments;
- the number of organizational levels may increase if the management can lead a limited number of people.

4.2 Line staff organization

If there is support from employees in the line by employees with specialist knowledge, we are dealing with staff officers. One then has to deal with a line of staff organization. Staff officers are often accommodated in staff departments. Staff departments may provide the management with solicited and unsolicited advice. Staff members may not give instructions to organization members or employees. The staff department is responsible for the quality of the advice or the information provided to the line officer.

Advantages of a line of staff organization:
- because the line officer can use more expertise, better decisions can be made;
- engaging a staff officer can save time and efficiency for the line officer. The tension capacity of the pipe can also be increased;
- the principle of unity of command is maintained;

Disadvantages of a line of staff organization:
- there is a danger that staff departments are too theoretically oriented and have too little regard for the practical implementation;
- since the staff is not responsible for the decisions taken on the basis of the advice and information provided, carelessness may arise in the exercise of the tasks of the staff department;
- staff departments have the potential to expand, which can lead to high overhead costs. Furthermore, it is not always possible to establish objectively whether the staff's contribution has resulted in better decisions;
- there is a chance that the line officer will become too dependent on the staff officer;

4.3 Matrix organization

The matrix organization is an organizational form in which people (field specialists) from different departments are temporarily employed on a specific project. Projects such as the introduction of office automation, the development of a new product, the construction or furnishing of a new building. Part of the working time is spent on the project and the remaining time on their normal department-oriented tasks. When the project is finished, the employees return to the department for the full 100%.

Advantages of a matrix organization:
  – project groups can realize department-wide tasks;
  – while maintaining the line structure, it is possible to respond effectively to specific wishes of the organization management.

Advantages of a matrix organization:
  – tensions and conflicts can occur between the project manager and the department head as a result of opposing interests;
  – Employees can easily abuse this contradiction
  – being involved with a project for a long time by an organization member can result in the relationships with the other employees diluting within his department.
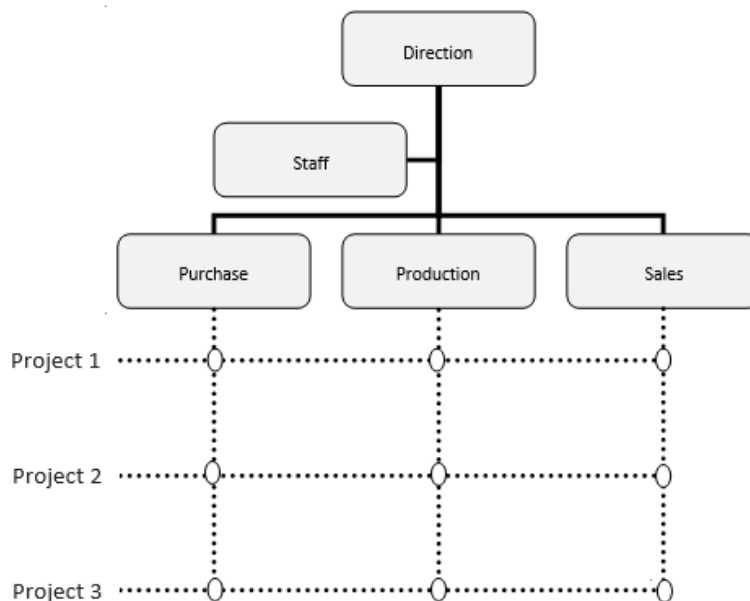
Fig 3.2: Matrix organisation

5.0 Organize according to Mintzberg

5.1 Basic elements

Mintzberg distinguishes the following basic elements in an organization:

  • top management: this is the highest management, who bears the final responsibility for the organization and determines the strategic policy
  • middle management: nowadays there is also talk of "middle management": officers who manage departments etc., so at lower levels

- executors or operational core: the people with the executive function; they perform the actual production process (or primary process).
- Techno structure: the persons who provide staff services for the execution of the production process; supporting staff: the persons who perform a supporting role for the organization itself and not directly for the production process.
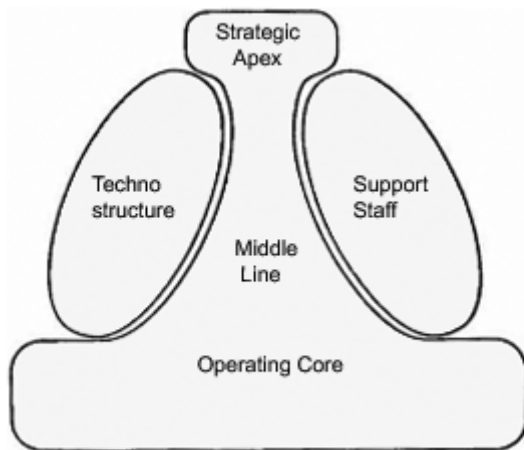
Fig 3.3: Basic elements Mintzberg

5.2 Five coordination mechanisms

How can the various sub-tasks be coordinated, so that the goal is achieved as optimally as possible? Mintzberg distinguishes five coordination mechanisms:

Mutual coordination via direct communication:
it normally concerns mutual consultation. This is common in situations where people have to work together in small groups and have to coordinate their activities. This form of coordination is flexible, but vulnerable because the result depends on the mutual understanding.

Direct supervision by the management:
if the direct communication falls short because the organization becomes too large, one will often appoint a supervisor to coordinate the work of a number of officials. The style of management will have a major impact on the quality of the work. This form of coordination is also reasonably vulnerable, because here too there is a coordination mechanism based on feedback.

Standardization of work processes:
A typical example is the assembly line in a car assembly factory. The work to be performed is, as it were, pre-programmed. Here is sent on the throughput (the quantity `` work '' (for example the executed instructions on a processor or the number of forwarded bytes through a network) per time unit.

Standardization of results:
With this form, the so-called output is controlled. The management determines which results must be achieved by a department. The advantage of this is that a lot can be delegated which can both contribute to the job satisfaction of the workers and to the steering capacity of the top. This, however, requires great expertise in middle management and executives.

Standardization of knowledge and skills:
This is sent to the input. One tries to make the people knowledgeable through training so that they can carry out the work to be fulfilled. However, having certain knowledge and skills does not guarantee a good application of that knowledge and skills.

5.3 Configurations

Mintzberg assumes that the effectiveness of an organization is determined by the degree of internal consistency of a number of structural factors and by the degree of adaptation to a number of situational factors. Situational factors include the size of the organization, the environment (stability, complexity), and power relations. In structural factors, the degree of decentralization can be considered. According to Mintzberg, in a certain situation a certain combination or configuration of structural features will be effective. He distinguishes five configurations of effective types.

1. The simple structure
A not too big contractor, a car dealer with a branch, a shopkeeper with an independent supermarket, they are all examples of people with an organization in which the simple structure is recognizable. There is no or hardly any technical staff, no or hardly any support staff, no too strong specialization (everyone does the work that is done), and little hierarchy. There is little fixed in formalized rules, there is mainly informal communication, little planning and training. Coordination is mainly achieved through direct supervision. The top (usually a person) decides on all important matters.

2. The machine bureaucracy
Post.nl, a car assembly factory, an insurance company are examples of the so-called machine bureaucracy. The most characteristic feature is the high degree of standardization and routinisation (is the drafting of such rules by the management of an organization that people can do without much thought). Strong specialized tasks and thus differentiation of formalized procedures, large departments characterize the machine bureaucracy. Communication is highly formalized and follows the hierarchical line. The most important coordination mechanism is the standardization of work processes. This also means that the technical staff plays a major role. The top management is highly dependent on this. One might think of the engineers in a car assembly plant that determine in what order, with what actions the car should be assembled.

3. The division structure
Most large companies, multinationals etc., have developed a divisional structure. The organization is divided into parts (divisions), usually in accordance with the various markets that one wants to serve. For example, a multinational in the field of electrical and electronic devices can have divisions for: audiovisual devices; kitchen appliances; image and sound carriers; etc.
Each division has sales, production, maintenance, personnel department, etc. Each division functions almost as an independent organization. This is also the reason for choosing a division structure. The organization has become too complex to organize them as a unit.
Standardization of the output (the results) is therefore the coordination mechanism.

4. The professional bureaucracy (the professional organization)
Examples of this type of organization are schools, hospitals, institutions for social work and so on. Usually speaking about professional organizations. Many professionals work in the professional organization: people who, on the basis of reasonably high-level specialist knowledge and skills, practice their profession, aimed at providing services to the public. The execution of the specialist work is difficult to assess and control by others. This is why coordination is mainly done through standardization of skills. Well-trained people are attracted and then receive a large degree of self-control.

There is an increase in the number of professional organizations in our society. There are various reasons for this. A human as an extension of machines is less needed by increasing automation, while a professional usually earns more and has a higher status than many other employees. So people want to be professional. Companies must also increasingly compete for their innovative capacity and therefore need more and more innovators (professionals). A further specialization in a number of professions and the extent to which specialist knowledge should be used therein is increasing.

5. The adhocracy

Innovation and pioneering innovations are difficult to realize in the organizational forms that have been discussed so far. Scientific research institutes are prototypical for this organizational form. Innovation requires a form in which specialists from different disciplines work together in ad hoc teams. These teams are put together for a specific purpose (for example: develop a new drug). Once the goal has been achieved, the specialists will spread over other teams to fulfil another assignment. In this organizational form there is little formalized behavior and the degree of hierarchical structuring is small. People work together based on expertise and coordinate their work by mutual consultation. However, there is a project manager who is responsible for coordinating and coordinating the work of teams on the organizational goals.

Chapter 4 – Systems

1.0 Introduction

In the 7S model the word system has a specific meaning. It concerns the management and control systems of the organization. Thinking in the terms of systems has its own place in organizational science, namely in system theory. This theory is aimed at improving the effectiveness and efficiency of the organization through an analysis. This concerns the improvement of the management and control systems of the organization.

With regard to system theory, two aspects can be distinguished from each other.
The **methodical aspect**: how can we look at an organization with the aid of system theory? The **content aspect**: which systems can be distinguished in an organization?
One of the substantive systems that can be distinguished in an organization is the production system, perhaps it can even be said that the production system is the most important system.

In this chapter we deal separately with each of these three subjects, so:

1. the methodical aspects of system learning;

2. an exploration of the content systems in organizations and

3. a further elaboration of the production system to different types.

After studying the chapter;

  1. can you distinguish between managing and controlling;

  2. can you relate the concepts of control and control;

  3. can you briefly describe the procedure for drawing up a model;

  4. you can apply the control paradigm to an elementary situation;

  5. do you understand the difference between sub, aspect and phase system;

  6. can you name content organization systems as examples within system thinking;

  7. You can describe the four types of production systems on the basis of the description characteristics and the scales;

  8. you can mention some management aspects of each production system

  9. you can make a planning using a planning board and a network plan and you are able to make a simple pareto analysis

2.0   The system theory, a short methodical treatise

We start with the core of system thinking, namely the principle of control and management of an organization.

"A system is a collection of objects (or elements) that are mutually related in such a way that no (groups of) elements are isolated from the others".

In order to be able to analyze the management and control of an organization, models are often used. That is why making a model, the control parameter (the meaning of this word will be clear soon) and a further elaboration of the system thinking will also be discussed. Analyzing the control and control processes in the organization gives the opportunity to make recommendations for improvement.

2.1 Control and control processes

The concepts of manage and control are strongly related to each other. There is, however, a clear qualitative difference between the two. Control involves giving direction to the organization: the important decisions regarding strategy and structure. Control focuses on the processes for the proper functioning of an existing organization: instruction and control of production processes.

In the diagram below (taken from M. Weggeman et al., 1987) the various elements from the manage and control cycle are related to each other.
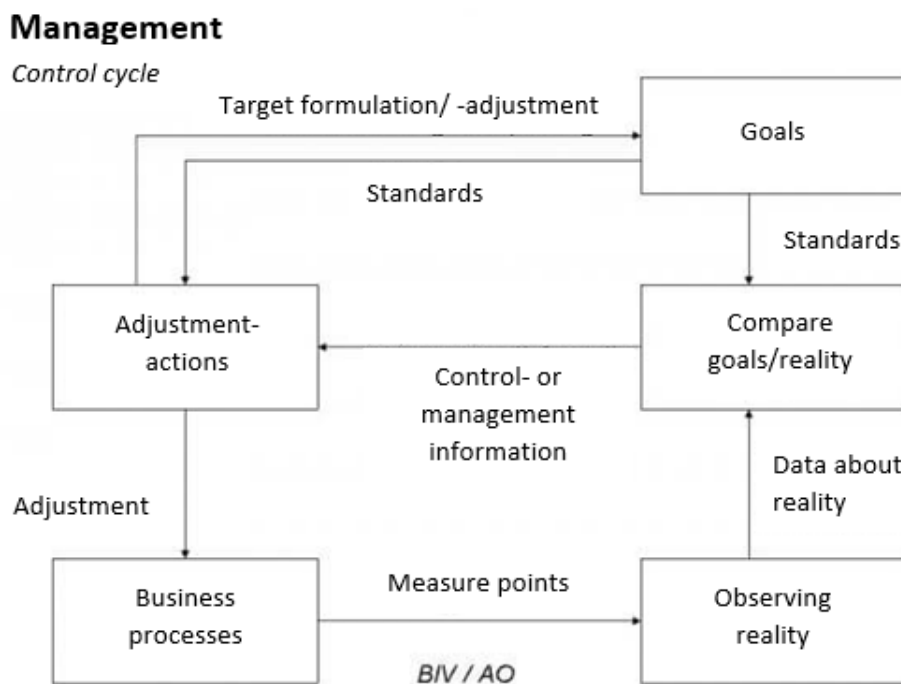
Fig. 4.1 Manage

In chapter 2 we have already seen that determining a direction for an organization (the strategy) is essential. This strategic plan includes ideas and plans for the future of the organization. On the basis of this strategic plan, the structure of the organization can be determined or adjusted and the production process formulated. This process is called the management of the organization. After this has happened, the production process can be processed.

In the implementation one will have to make an operational planning, on the basis of this operational planning the progress of the production process can be checked by recording the state of affairs (2), comparing it with the production standards from the (strategic) plan (3) and if necessary adjustment (4) of the production process. Adjustment must be realized through concrete activities (5). This is the management process. This entire management and control process can be very complex, depending on the size of the organization. In order to increase the understanding of complex processes of this kind, one often makes a model of reality.

2.2 Model construction and the control paradigm

A Model construction
An organization is a 'living system'. There are people working together according to a certain pattern and with a certain purpose. Understanding and searching the appearance of an organization is not easy. In order to come to a certain understanding of this reality, a model can be made. In a model, a systematic approach is taken to simplify reality while leaving out certain details. Every time we omit more details, the model becomes simpler, but it also becomes more abstract.

B The control paradigm
The control paradigm can be described as a concept module in which the operation of control is explicitly made. In the simplest situation, a control situation is shown like this.

This schematic representation of the control paradigm is called 'GB-MS'.
GB stands for 'governing body' and MS stands for 'managed system'. Essential in this scheme is that reality is presented as a network of GB's and MS's and with which we can then 'play'.
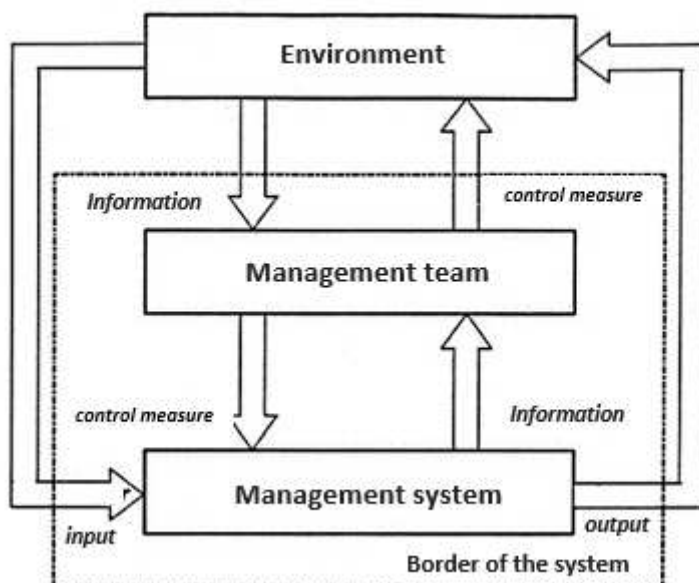
Fig. 4.2: Control paradigm

With the aid of this control model, the different variables can be systematically inventoried:
- what is the output of the system?
- What is the input of the system?
- what are the controls?
- what are the reporting signals (data) from the MS?
- what are the control signals from the environment?
- what are the reporting signals to the environment?

With the image thus obtained and given the nature of the production process, one can then ask the questions:
- Where do I want to go?
- numbers;
- productivity;
- cost;
- lead time.

What is measured in the process and where do I want to send?
- output (feedback);
- transit;
- input (forward link)

Which data should be recorded?
- who (name, address, age, etc.);
- what (work order number)
- which (component parts / components);
- true;
- when

How are the planning and budget input compared with reality? A moving annual average or the fixed budget? Sometimes, after answering these questions, one will have to go back to the management model, because new insights will bring new questions to the fore. Eventually there will be a total picture with which the 'ins and outs' of the system are recorded. The value of the control paradigm is that the problem has been made explicit in relation to system thinking. The control measures to be taken and the data required for this are subsequently to be filled in.

3.0   The content systems of an organization

In the previous section the method of system theory has been explained. This is a way of viewing organizations. The next step is to look at what substantive systems of an organization we can focus on to analyze and improve. In this section we therefore want to briefly review a number of substantive systems of organizations. The retaining systems are classified according to management and control systems.

Control systems

Control systems include all planning and control systems that are used in an organization. Planning an organization may for example include a budgeting system or production planning (including materials, machinery and order planning). Monitoring sessions in an organization can, for example, focus on

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progress, quality or absenteeism. With planning and control systems, it is always about optimally running the production process of the organization.

Planning can be defined as: "Determining the goals and end results to be achieved in the future as well as indicating the activities that are necessary to realize this objective (s)".
This takes into account the existing situation and the environmental factors, insofar as these can be foreseen. Planning is now deciding for what to do in the future.

Advantages:
Prior to the implementation of the process, careful consideration was given to future activities; good planning prevents hasty decision-making.
Already during the planning, the weak spots in the organization become visible; the management is prepared for certain risks and uncertainties, so that timely (extra) measures can be taken.
Thanks to planning, employees and other production resources can be used efficiently.
On the basis of the planning, reliable delivery times can be given to customers.
The plan is used as a guideline for work to be processed. A plan therefore forms the starting point for process control.

disadvantages:
Planning is never an end in itself, but only a means to indicate which concrete activities are needed to achieve the desired result. Planning can also have disadvantages: planning requires time and money. Planning can lead to rigidity; this occurs when the planning process is not so flexible that people can jump in time on changed circumstances. Information is needed for proper planning; nevertheless, when making a plan, uncertainties arise. Sometimes the 'execution according to plan' is held too tightly, as a result of which opportunities are missed.

Planning at all levels in the organization is part of the tasks of the managers concerned, although the content of the planning activities will clearly differ per level. An order supervisor plans on a different level than for example the owner. In organizations different types of planning can be observed that can be distinguished according to time, content and hierarchical level:

- strategic planning
- organizational planning
- operational planning

In this chapter we limit ourselves to the last level: Operational planning

Operational planning

The strategic and organizational plan is insufficiently detailed to serve as a guideline for the actual implementation of the activities. The plans are too general for that and the time period is often too long. There is a need for planning at the lowest level in the organizational structure, with clear standards and guidelines for the work to be processed.

This is called the operational planning, which involves the elaboration of the strategic and organizational plans at the lowest level. This planning is short-term, for example the drafting of a production plan, taking into account desired start and end stocks; selection and training of employees; the provision of supplier credits; providing work assignments (work preparation); order planning in the production process. Two very common planning techniques are: the planning board and the network planning.

Planboard (not automated)
In a production company, the lead time of an order is made visible by means of a planning, divided into a number of sub-operations.
For each order, the total planned production time is made visible, as well as the times of the sub-operations in the various departments. A specific time slot for each operation. By placing signals in the planning it is visible which orders are running according to plan and which orders have fallen behind.

Network planning
Mostly used in projects. The network clearly indicates which relationships exist between the various sub-activities that make up the project. The goal of network planning is to determine the total duration of the project; this is sometimes referred to as the "critical path" ". With the 'critical path' we mean those activities of the project that are decisive for the duration of the entire project and where no play is possible. Any delay of activities that are on the critical path leads to a delay in the total project duration.

The application of network planning is only useful if the following points can be implemented:

− The total project must be divided into sub activities.
− The required time must be known for each subactivity.
− It must be indicated which relationships exist between the different subactivities (when can an activity be started?). We call this the structural analysis. This is displayed in an activity overview.

Process control

When making a plan, consideration is given to the activities that are necessary to realize the objectives. As soon as the plan is ready, the management of an organization has insight into what has to happen in the future. After all, the plan can be seen as a blueprint for the activities to be carried out. Processing is not possible without planning!

Operating systems

Operating systems go a step further than control systems. Management systems focus on the functioning of an 'existing' organization. The operating systems focus on adapting and changing the organization to new goals or circumstances. We distinguish here, in imitation of Weggeman et al. (1987) cultural control systems, strategy and structure determination systems. Culture control or better culture control includes all systems to influence the identity of the organization. Here one can deliberately change the power and influence distribution. It is also possible to improve the 'atmosphere' among the staff, or the loyalty to the management. Strategic determination has been discussed extensively. We refer back to that. Structure determination should be based on a thorough analysis of the existing structure of the organization.

4.0   A typology of production systems

This section on a typology of the production system is structured like this. First a short description of the production process is given. Then the characteristics are explained on the basis of which we can describe the four types of production systems. It is then possible to actually describe the four types of production systems.

4.1   A general description of the production process

In order to deepen us in types and characteristics of production processes, it is necessary to make an unambiguous agreement what we mean by a process.
A process can be described as:
  "A series of transformations during the transit, as a result of which the input (the input element) changes in place, shape, size, function, property or any other characteristic".

The process itself can be characterized as a system, whereby we make a distinction between a static system where no events occur (a suspension bridge, a building) and a dynamic system where activities do occur (a company, an engine, the man). Dynamic systems require input from the environment for materials, such as materials, energy etc. The process (dynamic system) can be distinguished according to input (input), throughput (throughput) and output (output).

The throughput is the primary process, but in order to keep that primary process going, support processes are usually required.
In contrast to the primary processes, which are the processes from which the organization derives its right to exist, supporting processes are aimed at making the progress of the primary processes possible in the shorter and longer term.

To this end, the primary process must be provided at the right time, from the supporting process, with quantitatively and qualitatively sufficient personnel, materials and / or semi-finished products, equipment and information. Examples such as machine maintenance, the logistics process, personnel matters, training, etc.

It will be clear that the type of primary process has a major influence on the organization of the supporting processes, the manage and control processes, the to be recruited employees and the desired management style (the other S).

The process described above can be controlled in different ways. The feed forward (forward link) and the feedback (reverse link) are two basic control mechanisms. The disadvantage of this feedback control is that it only takes effect after a deviation from the desired situation is detected. In a feedforward control, relevant variables are measured and, based on knowledge of the system, try to predict what can go wrong and then take the necessary and adequate measures in good time before the error occurs. An example of such a coupling is the entrance check when it is delivered to the warehouse from the supplier.

4.2 Typologies

Botter has developed a typology of industrial companies. The purpose of this typology is to provide some insight into a number of characteristics that play an important role in certain industries.

Especially for those who are concerned with the development of management and operating systems, it is interesting if these systems are applicable in several branches or companies. Important issues in industrial companies often relate to stock control, lead time management or a combination of these two. In his typology, Botter uses two classification characteristics, namely the place in the supply chain (the activities the company deals with in the phases between raw material extraction and finished end product) and the composition of the product range (series size and product range).

A number of important characteristics of Botter's typology are discussed below.

a. Piece production.
b. Series production.
c. Mass production.
d. Project production.

A. Piece production

Great variety of end products. In terms of product structure, the emphasis is on the processing structure.

Because of the large variety of products that influence the product structure and there are a number of different operations, the applicability of the capacity is high. Usually general capacities are used. The uncertainty in the production unit primarily relates to the total turnaround time.

B. Series production

The variety of products here is rather small. Most of the time it is a number of variants of standard products, each with a fairly high volume of sales. In terms of product structure, the emphasis can be on materials as well as on operations. For both factors, the structure is neither extremely complex nor extremely simple. Operations are carried out in a fixed sequence, whereby step-wise materials can be added. The main source of uncertainties is usually formed by slacking in the proceeds of the production process as a result of dropout.

C. Mass production

The variety of products here is minimal and sometimes even nil. The most extreme situation occurs when the production unit produces only one product (for example certain chemical installations, or production lines for electric motors for shavers). The product structure is singular and simple in both operations and materials. The applicability of the capacities is very low. The link between the capacities is usually maximal. As a result, the throughput time is a constant and the production unit can be regarded as an indivisible capacity. Due to the high degree of coupling, however, the production process is susceptible to disruptions.

D. Project production

Here the variety of products is very large and unrestricted. We work entirely on the sales order. Before starting production, extensive development and work preparation activities are carried out. These activities must be planned separately and can be considered as the first part of the production process. The product structure is usually complex with regard to materials. In terms of operations, this is usually less complex within the production units.

Capacities are usually formed by people who perform certain activities in collaboration with tools and resources. There is therefore maximum applicability.

Since each product is potentially unique, when assembling the various parts all kinds of problems can occur that are not foreseen during development. This uncertainty mainly affects the lead time.

4.3 Further elaboration of the control aspects per type of production system

With the knowledge that has now been gathered, we will look at what is the most obvious form of control system for each **type of production process**.

A. Piece production

The control problem of piece production consists of reducing the spread in the total lead time, with the aim of achieving an equal capacity utilization (reconciliation order and occupancy planning).

Queues can be formed between the various capacities, which consist of products of production orders that have to be processed at the capacity (the disconnection between capacities makes this possible). For each capacity, a choice is made from the production queues based on priority rules. Last in First out is an example of a priority rule: when this rule is applied, the half-products that are in the back of the queue are first processed by the capacity. It will be clear that this rule will result in a wide spread in lead time if the queue is long (overstaffed), since then the first products in the queue are never discussed.

A very detailed data recording, forms the basis of the here used information systems. The emphasis is on the files where processing instructions, standards and orders are recorded and are recording the progress of production orders (possibly per suborder). It must be possible to trace from each production order to which sales order it relates. For each capacity, an overview must be generated of the production orders that are in the queue and the orders that are added to them during the plan horizon. Production orders that are ready are reported and added to the queue of the next capacity (or they leave the production unit).

It must be possible to make visible from each production order, what the remaining operations are and how much time is still available (compared to the planned date of completion).
In the event of any disruptions (for example a machine failure) it must be possible to determine which production orders and ultimately which customer drivers are at risk of being delayed.

B. Series production
The most important control task consists of the timely addition of required materials to the various processing or assembly sites. This can be done by a central department or by the people who collect their material at a warehouse. This concerns materials that are reserved at the product flow level for the production unit in a certain period of time. In terms of information system, the emphasis is on measuring unit quantities per unit of time. This is done for the production unit as a whole and possibly for capacities within this unit with an increased risk of failure or failure rate. Production orders are divided into quantities per day or per week that serve as a normative item. Actually produced quantities are compared with the standard. It can be checked for each period whether a trend in the production process has occurred. It is then about discovering extreme deviations due to faults. Machining instructions are often present at the workplace and do not have to be supplied. At a workplace, one only needs to know when the first half-product of another series arrives and which product it is.

C. Mass production
In mass production, the production control problem with a range that consists of only one product is very simple. One has only the choice of whether or not to produce. If produced, that is with a fixed volume per unit of time, which is fully determined by the installation.
If no production takes place, it is usually due to a maintenance shutdown. Any disturbances or downtime must be immediately detected.
Often closed processes are involved and the consequences of disruptions can be disastrous (for example chemical installations).
The information problem consists of measuring and presenting values of measurement results.
This must be done continuously and the data must be presented to a central station, the measuring and control room function.

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D. Project production

At product unit level, good coordination between the different activities is important. Because of the high degree of uncertainty, a large part of this coordination will have to be left to the group of people involved in the implementation.

Often it is only indicated in advance which operations and actions must be carried out and within which period of time this must be done.

The necessary material is transported to the workplace by the people themselves (unless it is voluminous or very specific). The information provision may be more important at this level than the management function. Especially the timely delivery of the correct drawings, bills and complete processing instructions is a condition with regard to being able to produce.

The information contained herein almost completely controls every action that must be performed. The provision of information goes a step further than with piece production, where in certain cases it is sufficient to have standard parts lists that are copied and then adapted to the specific wishes of the customer (as far as this wish differs).

For projects, it is important that registration takes place of spent hours and materials used per project in order to arrive at a subsequent calculation. Such a cost calculation can be used to support the issuing of offers in the future.

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Chapter 5 – Style

1.0 Introduction

Although their role should not be overestimated, managers are the ones who have to 'keep the tent running'. They set goals, determine resources and manpower, monitor progress and adjust if necessary. In other words: planning, organizing, managing and controlling (POMC).
Does the management style match the other S's of the organization?

After studying this chapter;

1. are you able to describe the management task;

2. are you able to describe the process of influencing;

3. do you know the importance of formulating good goals and can you do this in a SMART way;

4. you can describe the different ways of managing and you can apply the leadership types to your own work situation and in given practical situations;

5. you have insight into the situational leadership model of Hersey and Blanchard and you can apply it to your own situation and to practical descriptions;

6. can you describe the seven forms of power;

7. you can relate the forms of power to the four leadership types of Hersey and Blanchard;

2.0 Management skills

The main task of leaders is to influence others to realize plans. Sometimes it concerns their own plans, sometimes the plans of a group. In order to be able to realize these plans, the entrepreneur / manager / supervisor must have a good number of skills in house.

1. To influence

Influencing is an important skill when working together. In fact, we all want to exert influence within an organization. If you are manager of a technical department or director, you will always have to do your best to win others for you.

In an organization there are many situations in which the interests and goals of the manager and the employees vary. Consider, for example, budgets that can only be issued once. Or a promotion where only one person can get the job. It is important to keep in mind the goal that needs to be achieved and to influence others so that your goals and interests are (partially) given weight. If you have analyzed the situation, you can make a conscious choice for an influencing style. Here are the following questions:

- What is your purpose and your interest?
- Who will play in this game?
- What are the goals and interests of others? Do the interests meet?
- How much power do you have?
- Who is decisive in the decision?
- Are there feelings in the game or is it a business issue?

2. Setting goals

A goal is a desired situation, something that you want to achieve. As a manager, you can control the behavior of an individual, group or organization by setting goals.

A good goal is important and meaningful. It is important to formulate goals the SMART way. SMART formulated goals indicate specifically when the results have to be achieved. SMART is an acronym for: **Specific, Measurable, Acceptable, Realistic and Time-bound.**

So for good organizational goals:

- They stem from the mission of the organization.
- There is a balance between achievable goals and challenging formulated goals.
- They are measurable and the progress is monitored.
- They are consistent with each other.
- Managers and employees know and understand the goals.
- They are guiding for acting in the organization.
- There are agreements about adjusting the targets if they are not reached or too easily.

3. Handle different styles of management

Do you give leadership to the company, to a team? Are you guiding individual employees? Every situation requires a different style of management. What is the best style?
The best style depends on many things:
- What do you want to achieve, so what is your goal?
- Who do you work with, what does the team look like? Do you give leadership to a group or to an individual?
- What are the circumstances, for example: how much time do you have or how independent are your employees? Do the employees have the right competences?
- What are your own strong and weak characteristics? For example, can you listen carefully and motivate people?
- What is your own position, what are you allowed to and can't decide for yourself?

So there is not one style that you always have success with. You as a manager have to be able to apply multiple styles yourself. One moment you have to lead a very knowledgeable team that will come very far independently; the next moment you will supervise a trainee who can and does not know much.

What is the difference between a leader and a manager?
A manager is responsible for people: she / he directs the employees, leads. Management consists of a number of tasks: you give people assignments, monitor the results and adjust by, for example, adjusting the assignments or giving people more support.

As a manager, in many cases, but not always, you are responsible for people. Think of the manager of a production department or the hotel manager. There are also many management positions that have little to do with management. For example, you manage 'customers' (account manager), a product (product manager) or a project (project manager). A manager , also has to make plans, organize, monitor and adjust.

Which styles are there?
Napoleon Bonaparte, Angela Merkel, Steve Jobs: leaders exist in all sizes and types. Each and every one of them is or were important leaders: for their company, for a government or for a complete empire. They all had their own style. Different styles are appropriate for the different situations.

1. Group-oriented management
Group-oriented management means that the leader of a number of individual individuals can make a group that is capable of achieving intended goals. The strong forces within the group are combined, the weak aspects are caught and a we-feeling is created.

2. Individually focused management
What should one pay attention to when giving guidance to an individual? As a manager you're responsible for several employees, one has to deal not only with a group, but also with the individual members of that group.

For the employee, he applies:
– responsibilities (what should he do?)
– has powers (what can he decide?)
– needs targets and agreements about the compensation (salary)
– likes to feel comfortable in work and wants to develop.

So there is a kind of exchange ratio, in which a number of agreements are actually recorded (tasks and compensation) and a number of things remain more implicit. The way management and employee interact with each other is often determined by the corporate culture and it is not fixed on paper. That exchange ratio between tasks, powers and compensation, between rights and obligations is also called psychological contract.

3. Task-oriented management
Task-oriented management means that the manager gives the employees clear assignments and supervises their implementation.
• You give an employee assignments that fit his job.
• You clearly give task assignments and you show what you expect from your employee and to which you address him.
• You give instructions on the execution of the task.
• You make clear agreements about the quality and quantity of the work to be delivered.
• You monitor the execution of the task and intervene when necessary.
• You have regular consultations about the work to identify bottlenecks in time and to monitor progress.

The opposite of task-oriented management is people-oriented management. Where in a task-oriented way of managing the emphasis is on a timely and correct execution of the task, in a people-oriented approach the focus is mainly on the employee. By motivating, encouraging and guiding him, you try to get the best out of him.

With task-oriented management, the emphasis is therefore mainly on the execution of the task and there is one-way communication: I say what I want and where and when. A pitfall is that you are very authoritarian and due to the lack of personal attention you can demotivate your employees.

The trick is to choose the style that suits the situation. One of the best-known models for management is the model of Situational Leadership by Hersey and Blanchard. This model assumes that you have to look at each employee for each task how you should manage someone:
- • Is someone able to do the job? (being able)
- • Is someone motivated to do the job? (want)

3.0 Situational Management

In the introduction of the chapter we have already indicated links with the other chapters. Strategy, structure and systems are all important for the functioning of employees in the company. In this section we will discuss the Situational Management. Delivery is a process in which different elements play a role, for example:

- • the style of management;
- • the characteristics of the staff;
- • the nature of the work;
- • characteristics of the leader;
- • the size of the organization (unit).

In the next section we will continue to work on the Hersey and Blan-chard model. Hersey and Blanchet have developed a model in which they link characteristics of the staff to the style of management.

3.1 Hersey and Blanchard's Situational leadership style

Paul Hersey and Kenneth Blanchard have developed a theory that can be seen as a summary of the existing theories. They assume that it is not primarily important how ideal or beautiful the leader's leadership style is, but how effective his style is. This does not necessarily have to be a people-oriented or a task-oriented style. Sometimes one style leads to better results and sometimes another. In order to arrive at the complete model of Hersey and Blanchard, we have to explain three concepts in more detail. These are: leadership, task maturity and power.

3.2 Leadership behavior

Hersey and Blanchard recognized man and the task-oriented side of leadership. The terms are defined as follows.

1. Task orientation (production orientation) indicates the extent to which the leader indicates what, when, where and how something should be done. It is therefore about the management of the employees, in which the actions or tasks serve as the first guideline.

2. Human focus (relationship-orientation) indicates the degree to which the leader pays attention and is interested in his employees. This is about supporting the employees.

These quantities can be plotted against each other in a graph.
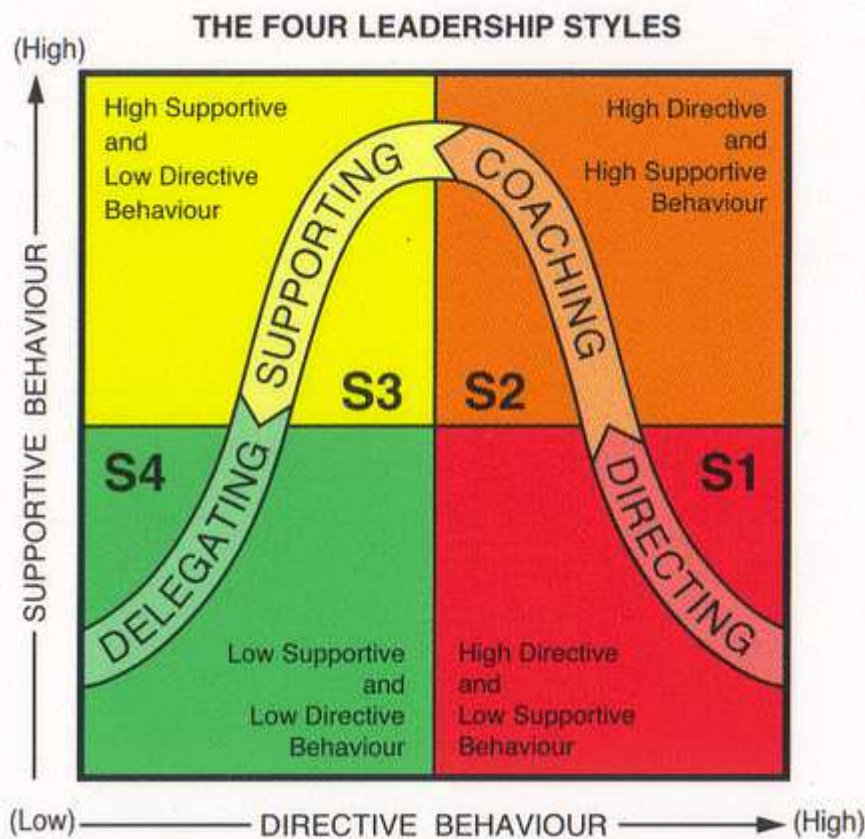
Fig. 1.0 Leadership model Hersey and Blanchard

According to a rough classification, four combinations are possible in the relationship task orientation versus people orientation, namely:

S1-style:

High task-oriented / low people-oriented. The S1 style of management is also called the **leading or guiding style**.
Employees are directed and instructed, but little supported. From step to step it is indicated what they have to do and careful attention is paid to ensuring that this happens. The process is one of giving orders and guidelines, setting clear standards, making agreements about the task, checking the results, adjusting if necessary and continuing to emphasize the results. In short, a situation of one-way traffic in which the employee is treated with respect.

S2-style:

High task-oriented / highly people-oriented. The S2 style of management is also called the **accompanying or convincing style**. Employees are directed, supported and consulted. Their input in making decisions is appreciated. They are closely monitored when taking decisions and performing tasks. Process-wise, the line is one of cultivating understanding of the task (convincing that it is necessary), responding to ideas and suggestions of the employee, explaining and asking whether he understands the task properly, answering questions and answering them clearly, listening carefully show understanding and try to find any resistance. So there is two-way traffic between manager and employee.

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S3-style:

Low task-oriented / highly people-oriented. The S3 style of management is also called the **supportive or participation style**.
Employees are generally not steered, but more support and participation is taking place by the management. In line, the steps look like this; listening and understanding for the employee, trying to find the cause of any dysfunction, together trying to solve problems where the colleague resists most work, rules and tasks in the background, no advisers or unsolicited opinions but let the co-worker be responsible and give him solutions. There is two-way communication and group interaction;

S4-style:
Low task-oriented / low people-oriented. The S4 style of management is also called the **delegation style.**
There is little guidance and little support, there is delegation. The employee is regularly helped to express his problems (when performing tasks), he is asked the right questions and given more insight into the cause and reason for his dysfunction in certain tasks, and he is asked about solutions for the raised problems. Decisions are left to the employees themselves, as well as the responsibility for the implementation of the decisions taken. We can now fill in the chart with regard to leadership behavior.

3.3 Task maturity
Apart from leadership behavior, leadership effectiveness depends on the job maturity of the employees.
We distinguish two aspects here:

1. Competence: the 'ability'.
This is the extent to which the employee is competent to carry out his work. This factor depends on the knowledge and experience of the employee.

2. Willingness: the 'wanting'
This is the extent to which the employee is motivated to carry out his work. This factor depends on the attitude, sense of duty and perseverance of the employee concerned.
These aspects can occur from none to present.

Again four combinations are possible:
 − not competent, not willing: very low task adult T1
 − not competent, but prepared low: task adult T2
 − well competent, not willing: reasonable task maturity T3
 − well competent, but willing high: task maturity T4.

According to Hersey and Blanchard, there is a relationship between leadership and task maturity: the leadership effectiveness is greater as the relationship between the two optimisers.

We recognize the following relationship possibilities:
 • At an estimated T1 level, the effective style is S1.
 • At an estimated T2 level, the effective style is S2.
 • At an estimated T3 level, the effective style is S3.
 • At an estimated T4 level, the effective style is S4.

The theory states that effective leadership behavior always leaves room for growth in the job maturity of the employee. The employee is, as it were, always a bit ahead, with the difference being overlooked

for the employee, as a result of which he continues to grow. If the difference is too big, he will decline. If it exceeds its ability, it becomes frustrated.

Continuing to join the T level of the employee is called **leadership effectiveness**. Being able to adopt a different leadership style, depending on the situation, is called **leadership flexibility**.
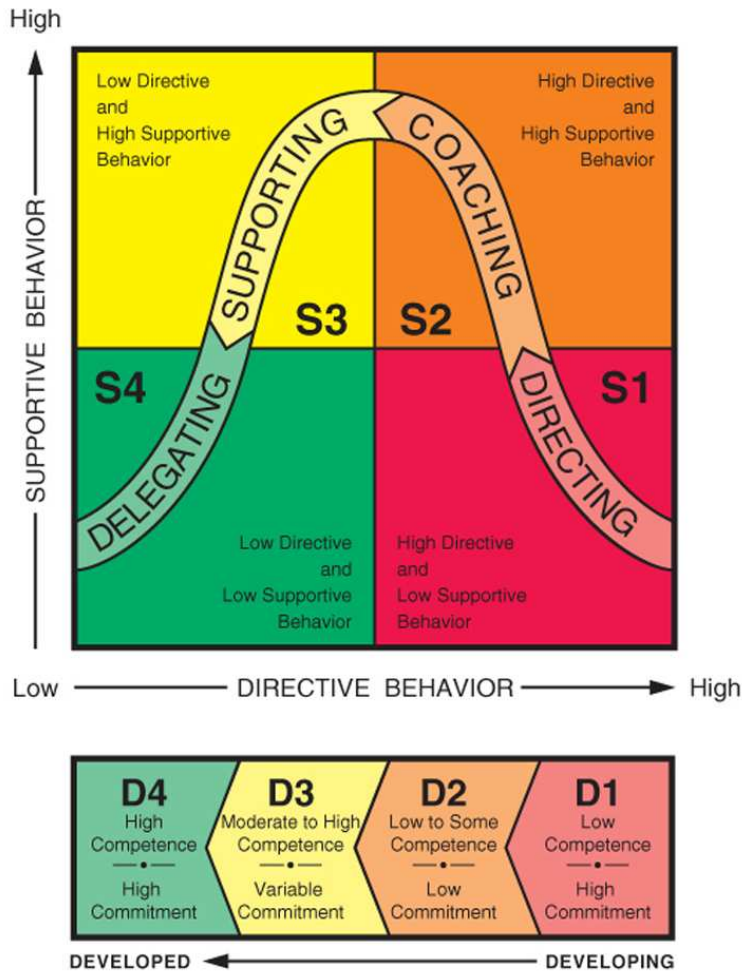
Chapter 6 - Staff

1.0 Introduction

The next chapter deals with the people within an organization. Of course, the strategy of an organization is important to give direction to the future developments of the organization. By means of the structure, task and function are determined within an organization. These systems ensure the control and management of a company. However, all this will remain in the void if there were no people to actually give substance to the strategy of the organization, to perform the tasks and to take control. The organizational culture is thus strongly determined by the way in which the people within the organization deal with each other. When it comes to the skills the strengths and weaknesses of the company, people are the decisive factor when it comes to improving the weaknesses and maintaining the strengths.

After studying this topic:

1. are you able to indicate the importance of the personnel for the operation of the company;
2. you have knowledge of the personnel tools: recruitment and selection, assessment, remuneration and personnel planning.

This chapter deals with the following aspects of personnel management:
the recruitment, selection and introduction of the personnel, the assessment, the remuneration, the promotion, the omission, the dismissal and the personnel planning. By dealing with these aspects, the most important facets of personnel management are highlighted.

2.0 The recruitment, selection and introduction

The start of a career of a staff member is (almost) always through the steps: recruitment, selection and introduction. This is a very important phase for both the person applying for the job and for the company. The best known method of recruitment takes place through a **"personal ad"**, offline or online.

There are two requirements that you must make to this advertisement; he must be real and informative.
Real because the advertisement does not have to present things better than they are, because this creates false expectations and reacts to the wrong people. Really also because it is nonsense to look for sheep with five legs. For example, a candidate graduated in 3 fields of study with between 10 and 15 years of experience and an age under 35 can't be found.

Furthermore, the advertisement must be informative so that no vital questions remain open. So information about the nature of the company, what the job involves, the salary, growth difficulties, terms of employment, etc. Another aspect is the decision where to advertise.
The choice is great; offline: national or regional magazines, general or professional journals, newspaper, week or monthly. Online: advertising sites, LinkedIn, other social media. It is advisable to keep track of the response and the results per advertisement so that it can be improved every time (cost monitoring). Of course, many other aspects play a role here.

A wholly-owned place is then occupied by recruiting **among its own staff**, the so-called internal solicitation. The advantages are that it is motivating for employees who are offered career prospects,

while the vacant provider knows or can figure out what kind of meat he has in the cockpit. Disadvantages, are that it can arouse envy when a colleague becomes a manager, that a vacancy is left and that it is culture-affirming, because there is no fresh blood in the company (see chapter 'Style'). It is very questionable whether that is desirable!

Finally, a final method of recruitment is recruitment **via its own staff**. In general, this method accounts for about 10 to 50% of people's growth.

The selection follows after the recruitment. A distinction can be made between the preselection and the actual solicitation interview. The first could be done on the basis of letters by a Personnel Department or in a smaller company the person who fulfills this function, who essentially functions as a 'sieve' and only selects those people for a conversation based on their knowledge and experience. This saves the manager concerned a lot of work, because conducting a conversation with every applicant is, certainly with a high response, an unfeasible matter.

During the job interview that takes place afterwards, are both, the future supervisor and the employee, responsible for Personnel Affairs are present. During the interview questions must be asked to gain insight into the suitability of the person for the job in question. The extensive demand for hobbies, leisure activities and life courses is less relevant because it says nothing about alleged qualities that are required for the employee being asked. Finally, in order to support the interview, the applicant can still be subjected to a psychological examination. antecedents research. When it is decided to accept the applicant, he will have to be introduced within the organization. Often little or no attention is paid to this. This situation could be prevented by assigning a mentor to the new employee. This could familiarize him within the formal and informal organizational structure.

3.0 The assessment

Good assessment means being primarily objective. It is therefore advisable to draw up assessment criteria prior to an assessment that are handled and accepted by and for everyone. A good job description and competence profile are indispensable. The assessment criteria are generally not all equally important for the execution of the work. For example, the appearance of a production worker will be less important than the quality of his work. But at a receptionist this is important again. Weighting coefficients can therefore be assigned to the criteria, taking into account the importance of the different criteria. Only then can an assessment score be achieved for each co-worker.

When assessing employees, a number of rules must be observed.`
- base your judgment strictly on behavior and performance; watch out for prizes, for and reject;
- determine each part in its own right and do not let it 'resonate' in other points;
- do not let yourself be influenced too much by a single and / or recent experience in a negative or positive sense;
- assess regardless of the last assessment;
- try to formulate standards in advance;
- in principle, judge on facts and not on impressions;

It is logical that the staff member gets his or her assessment and the results explained. It is customary for the assessed person to sign the assessment form beforehand.

4.0 The reward

There are many different pay systems (piecework, piece pay with base, tariffs, time wages, etc.), but it is beyond the scope of this course to discuss this. The trade-off between 'paying the man' and 'paying the job' is fairly basic and is therefore treated.

Paying the man

With the reward systems mentioned, a distinction can be made between performance and time wages. In the first system, the salary depends on the performance delivered, while the second case the salary is determined per unit of time, whereby no relationship is established with the fluctuating performance of the employee. Paying the man is clearly a form of performance reward, which, by the way, can be severely limited by collective negotiations with the trade union. When this is the case, the question arises whether the extra reward is still of such a nature that it can serve as an incentive for an extra achievement.

Paying the job

At this point of view, not the man but the function he fulfills is paid. Very simply reasoned this is a matter of supply and demand. Personnel whose supply is low and the demand high, receives a high salary and vice versa.

Problems that occur are:
- the relationships within an organization between employees can be distorted;
- the market value outside of one's own company may be low for someone while he has a lot of specific knowledge for his own company;
- the market value is not known for all functions;
- a person's job can be scored high while the person who fulfills the job does not bring much of it.

Both systems often indicate the difference between different types of organizations. Paying the man usually happens at smaller companies, while paying the job generally takes place at larger companies / bureaucratic organizations.

Promotion

It is important to pay careful attention to a good promotional policy. In this respect, one should primarily think of:
- a plan for the future occupation of the organization;
- individual promotion plans.

The first point deals with staff planning (about which will be more) and the second point about the qualities of the individual employee. If those qualities are of such a nature that the organization sees this as a 'potential grower' in that employee, it is also important to supervise that fellow worker.

This can be done on the one hand by training and training and on the other by applying job rotation.
Job rotation is a method in which co-workers successively work in different parts of the company to get to know the company well. This often involves management functions. Particularly large companies use this system and form their own framework (you see less often staff advertisements in which large companies ask experienced people than advertisements in which they ask for a young graduate who has the necessary dose of enthusiasm).

6.0 Absenteeism

For many departments, the phenomenon of absenteeism is a crime because, certainly when many people are missing, production is at risk. The question, of course, is what causes a high absenteeism.
It is good to keep figures on the failure and to compare it with similar departments and, in the event of a negative drop-out, to look for the cause. Apart from departments, it is also interesting to see whether there is a difference between small and large companies (a simple structure versus an expert bureaucracy). Besides paying attention to the working conditions, it is of course also necessary to monitor 'being sick'.

7.0 Dismission

The concept of 'dismissal' has a negative connotation in our society when, in fact, this is not justified. Dismissal can be voluntary or forced and only the last form is, sometimes, negative.
The emphasis here is on 'sometimes' because that is also dependent on the situation. The situations that can occur in case of forced dismissal are:

a) fired immediately
b) resignation with mutual consent
c) resignation from a permit issued by the Employee Insurance Agency (UWV).

Immediate dismissal

Sometimes the behavior of an employee is so serious that it justifies a summary dismissal. This form of dismissal is the most far-reaching for an employee, the employment contract ends **immediately** and he or she has no entitlement (or no longer) to wages or unemployment benefits. Because of the far-reaching consequences of immediate dismissal, strict legal requirements are imposed on legally valid dismissal. Is a certain act or behavior serious enough for a valid summary dismissal?

The employee who has been summarily dismissed can appeal to the subdistrict court. This involves a procedure that takes quite some time, half to a whole year is normal. Finally, if the ex-employee is in the right, the company is obliged to pay the full wage over the period that the proceedings ran, plus a compensation. In addition, immediate dismissal is literal. This means that the worker is indeed dismissed immediately when the incident that forms the order takes place or comes to light. Of course, it is often the case that people want to take a closer look at the case before the dismissal decision comes to an end.

Dismissal with mutual consent

The need for dismissal can also occur, regardless of an immediate cause. For example because the employee always fails in his work or creates a source of unrest for his environment. The employee can then be informed of the intention to dismiss him. If he does not oppose this, the dismissal takes place by so-called mutual consent. Naturally, at least the legal term of dismissal is taken into account. Negotiations will be negotiated. (In the Netherlands the so-called transition fee).

Another way is that the employee is given the opportunity to resign himself. A certain period is then set for this. He then has some leeway to look for new work and his chances are better when he has his letter of resignation in his pocket. If the employee fails to take the initiative himself, the application for a dismissal permit follows the UWV.

Dismissal on permit from the Institute for Employee Insurance

The third possibility arises, among other things, in the case of collective dismissal. The Institute for Employee Insurance then issues a dismissal permit or not. In itself much more interesting for the company in question is the voluntary dismissal. Because when people leave, it brings with it high costs. We only have to think of the severance pay, costly application procedure and coordination problems in the organization.

8.0 The personnel planning

Personnel planning is important in the short and the long term. In the short term (0-5 years) the personnel planning must ensure an effective recruitment, housing and promotion policy. In this way it can be prevented that certain departments employ too few or poorly trained personnel.

In the long term (5 15 years), personnel planning should achieve a healthy structure of the total workforce per personnel category and per department.
For example, a healthy age structure of the workforce is important in order to have maximum return on staff. The maximum productivity is the maximum per employee category. On the whole it could be said that the maximum productivity for the following categories is reached at an age of:

- production staff: 25-40 year olds
- administrative staff: 30-45 year olds
- higher framework: 35-50 year olds.

Of course, this does not mean that you should only have staff of this age; if that is the case, then in about 15 years you will be in a very aging organization. You must also have young people as a supplement to the middle group and older people who can transfer their knowledge and experience. A good age structure could possibly look like this:

- 25%: younger than 25 years
- 50%: 25-45 year olds
- 25%: older than 45 years.

Chapter 7 – Skills

1.0 Introduction

The chapter 'Skills' is about the skills of the organization. A company has strengths and weaknesses. In the strategic analysis (chapter 2) we have paid attention to this in the internal and external analysis. However, there are other characteristics that determine the strength of the company, especially the strength to maintain itself. The other S and that we have dealt with so far are of course also important, but they too do not let certain features come into its own. In this chapter we want to review these 'Skills' or knowledge or characteristics of the company.

In this chapter we will try to find out the relevant 'skills' of organizations along three lines. In the first paragraph we look at the characteristics of 'front runners and survivors', as Van der Zwan (1990) analyzed them. Then we let Peters and Waterman speak. Finally, we look at the characteristics of the 'Learning organization'. These are three images that together give an overview of what the strong skills of a company can be.
After studying this chapter:

1. you can name business economic characteristics that distinguish front-runners from laggards;
2. you can name management factors from the front runners;
3. you can name the eight characteristics of excellent companies;
4. can you describe the learning organization in your own words;
5. do you know the difference between improving and innovative learning;
6. you can describe the four elements of the learning culture;
7. you can indicate why learning teams make a positive contribution to the learning capacity of the organization;
8. you can indicate the relationship between the characteristics of a learning organization and the components of the 7S model.

2.0 Leaders and laggards

In a study Van der Zwan made a comparison of thirty pairs of companies. Thirty couples of companies were formed that had an equal financial starting position around 1970. Subsequently, certain financial figures have been registered for these sixty companies. These are data collected afterwards (1985) for the period 1970 to 1985. This shows a clear dichotomy. There are so-called leaders and laggards.

Van der Zwan and colleagues have looked for the explaining factors for this difference. Two types of data emerged from their analysis, **business economic characteristics** and **organizational characteristics** in which the front-runners of the stragglers differ.

1. Business economic characteristics

The business economics are the things that are primarily influenced by the top management of an organization. The central variables that, according to Van der Zwan, dominate the differences in the groups are the cash-flow. The cash-flow of the organization is the amount of money that the company

can immediately dispose of for investments. Research shows that this has increasingly diverged for the two groups during the period.

It then appears from the data that the leaders are pursuing a fairly conservative investment policy. There is as little investment as possible with the help of foreign capital. As a result, the interest costs are limited, so that the profit is less heavily taxed. The circle is rounded when it appears that due to the larger profit margin there is again a certain cash flow faster to do follow-up investments. We see an upward spiral.

2. Organizational characteristics

From an organizational perspective, the front-runners appear to recognize a number of characteristics. We will now go deeper into this. It concerns the following five management factors:

a. Consistency in policy.
A clear line can be distinguished in the planning of management. Despite the adaptations to external circumstances, there is a coherence between the plans.

b. A healthy conservancy in the financing of investment projects.
This point is closely related to what we have just done in the business-economic perspective: no loan capital for the financing of investments.

c. Make investments strongly in line with the core activities of the company.
In the seventies we saw a strong diversification of the activities of companies. The philosophy was that a spread of the risks could be realized by spreading the activities. However, it often turned out to be an adventure in the dark. The activities outside our own core activities were not well manageable due to a lack of management expertise. Many companies have therefore retreated to their core activities in the 1980s.

d. Creating a broad management base within the company.
This means two things. Everyone in the organization must be focused on the same goals. This increases the quality of the work. In addition, it is essential to create a broad management base in the form of a number of good and professional managers in the organization. By not concentrating management with one or a few people, the company becomes less vulnerable. One can use the expertise of several people and if a manager fails, there is not too much gap.

e. Entrepreneurial vision.
The ever-growing changes require not only good management of the standing organization, but also a vision of the future.

3.0 Excellent companies

The excellent company is a concept that has become fashionable in the direction of the book by Peters and Waterman. The excellent companies that they have researched seem to have a number of common characteristics, just like the front-runners from the previous section. There are eight in number. We will see that there are similarities with those of the front runners. A preliminary note is desirable. The Peters and Waterman survey mainly concerns large to very large companies. The success

factors should therefore be placed in this context. The factors can also be very valuable for a smaller company and may be easier to realize than in a large company.

We briefly describe the eight characteristics below:

1. A deviation for action.
The lifespan of products is getting shorter and shorter. If a company wants to maintain its market position, it will constantly have to come up with new products on the market. This stream of new products and ideas can be promoted by a 'deviation for action'. We want a strong stance within the company by management to try out all kinds of new things and take action. Only through this action orientation is the chance created for sufficiently viable ideas and products.

2. Stay close to the consumer.
There are several situations to consider that show a distance between the company and the customer. We still see that the complaints handling department hardly has a direct work relationship with the production department. This distance contains an increased risk that competition with better customer orientation will conquer the market.

3. Promote entrepreneurship and autonomy in the company.
The previous two points can be promoted by optimizing entrepreneurship and autonomy in the company. Entrepreneurship leads to a great commitment and drive from the people to make a good product and to conquer the market. A condition here is a fairly large autonomy. If people are given a piece of autonomy and self-reliance, the chances are that they feel involved in the course of events.

4. The productivity is realized by the people.
There is no company that can market its products without people. The machines or other non-human production factors can cause faults that increase costs. For the implementation of many production processes people need. In both cases, therefore, the productivity can be guaranteed or even increased by placing man at the center of the production factor. Attracting the right people and optimally motivating the sitting staff and training schools for the tasks of the organization is the crucial condition.

5. A continuous focus on productivity.
In a company, besides production, all sorts of other processes are important to ensure that the whole process runs smoothly. It is about supporting processes, but also about social processes. In the course of time, a kind of independence can occur of these kinds of processes. A cozy atmosphere becomes a goal in itself. In fact, these support and social processes are then no longer tested for their functionality with regard to the goals of the company. In this way too much overhead can arise.

6. Cobbler stay with you.
This means the same thing as in the previous paragraph that a company must have its investments contracted for its core activities. We will not go into this further.

7. Simple structures and small staff members.
In the foregoing, something has already been put forward several times that is related to the structure of the organization. Autonomy, entrepreneurship, action orientation have a clear relationship with the structure and staff. Complex structures and large staff bodies seem to go hand in hand. The simpler the organization, the greater the chance that the goals of the organization are clear to everyone. The smaller the chance that all kinds of activities will arise that are not productive. The more likely that actions in the organization will develop (you do not have to pass many chefs and bosses and

departments for approval). In short, a simple structure is the condition for the other factors. In addition, an important cost saving factor can also be identified.

8. At the same time direct and loose links.
It seems a contradiction to want both a direct strong link and a loose link. In a way it is. Nevertheless, it is an important idea to fulfill the other seven success factors. The underlying factor that makes this possible is the organization's value system: the culture. Thanks to a strong culture, it is possible to give people a great freedom and at the same time strongly commit them to the rules and objectives of the organization. The rules and goals are then not an end in themselves but a means to realize these central values. With regard to the culture of the organization we refer back to the chapter 'Style'.

We have dealt with eight success factors for excellent companies. We can already see that there is a correlation with the characteristics of the front runners. There is a third incident angle, that of the learning organization. The following section deals with this in more detail.

4.0 The learning organisation

Learning from people and organizations is gaining in importance. The speed of change in our society is such that the expression 'young learned, old done' has lost its luster. Increasing the learning capacity of people and organizations increases the chance of gaining new knowledge and skills for the future (G.B.J. Bomers, 1989).

A learning organisation is:
'An organization that pursues a conscious policy to increase its learning ability at all levels and on a continual basis to optimize its effectiveness'. An analysis of this definition points to five important elements, namely:
- learning capacity; this is the ability to continuously pick up signals from the environment and translate them into relevant actions within the organization;
- aware policy; we assume that a learning organization is not accidental learning, but wants to increase the conditions for learning through a conscious policy;
- all levels; a learning organization can't be actual learning if only certain parts of the organization have a learning capacity (for example only the management, only the sales department, not only the employees on the floor, the purchasing department and all other parties involved must have a learning ability);
- on a continual basis; an organization will not have to learn from the environment every now and then (in case of a crisis), but still and again and again;
- the effectiveness is the most important goal and the testament to which the learning capacity must be related. It is not an end in itself, but a function for better effectiveness.

Learning ability involves two different learning concepts. The first learning concept is **improving learning,** the other **learning innovative**.

Improving learning occurs when an organization picks up and corrects certain errors in the functioning of the existing organization. The existing is perforated. There is a great internal focus on one's own functioning. As soon as you have to deviate from this, you encounter major problems.

The innovative learning of an organization is an answer to this. Innovative learning has a strong external focus. The organization has an open attitude towards new things. This includes the introduction of new technologies, organizational structures, working methods and, for example,

strategic changes. The learning culture and an adapted structure are the prerequisites for a learning organization.

The learning culture starts with **the willingness to unlearn things**. Bomers points out that many people derive a piece of their identity from their knowledge and skills. If one has to let go of the existing knowledge and skills at the expense of something new, this may give the impression that one loses themselves. It is therefore very important to provide people with sufficient positive feedback during renewal processes.

Next, **a tolerance for errors must arise**. Innovations inevitably involve errors. The essence of innovation is precisely that we enter an area where we do not have any knowledge or experience yet. Punishing these kinds of 'natural' mistakes will make people cautious and reticent. Avoidable errors can be reduced by means of improvement. This way we see that improvement is also important for an organization.

A third element of the learning culture is **an experimental attitude**. People who want to experiment are apparently willing to put their energy into new ways and ideas.

A final element of the learning culture is **openness and dialogue**. People who experiment and do new things have more uncertainties. This increased uncertainty can have a paralyzing effect. Create openness and conversation. This knife cuts on two sides. The first side is the exchange of questions and problems between people. This allows us to come up with solutions and share the uncertainties. The other side is the spread of the learning culture to others.

The structure that fits a learning organization is characterized by a large amount of degrees of freedom of the employees. Freedom degrees doesn't want to say more than have the space to be able to take the decisions that are necessary for the execution of the work.

In order to be able to work independently and to express the characteristics of the learning culture in this work, people are put together with a number of different characteristics. It concerns the relevant skills and skills to perform the task. More important, however, is that the people in the team have a different learning style and role orientation. Someone's learning style can vary from coming up with new ideas; or being able to elaborate this idea into concrete actions; or looking back on the execution of the process and improving it. The role of orientations can be about integrating the group, or just dividing the tasks, or maintaining contact with the 'outside world' (other groups or customers).

An organization that is structured in this way meets the characteristics of the learning organization. There is a conscious policy, learning is spread to all levels, it will take place continuously and the effectiveness of the organization is optimized.

Thrive!

Chapter 8 – Shared Values

1.0 Introduction

This last chapter deals with the "Shared Values". Shared Values are part of the culture, a pattern of thinking and doing people, based on convictions of what is good and what is wrong. In an organization 'good or bad' is related to the goals. In one organization it is quite normal that departments compete with each other, in another it is out of the question. Perhaps the value of 'individuality' is of paramount importance to one, while the value of being 'loyal to each other' is different.
The corporate culture, including the shared values, regulates the behavior within the organization, but also the behavior of the organization outside.

- What identity does the organization have for the environment?
- Which values and norms are seen as important both inside and outside the organization? A political party, for example, stands for certain values. A member of that party shares these values with all other party members.

In the original 7S model, the Shared Values are in the middle. There is much to say for that central location. With shared values it is expressed that the corporate culture is the foundation. The corporate culture determines the way people behave internally, but also how external stakeholders are dealt with. Shared Values are therefore ideals that people in an organization perceive as connecting. They are completely behind that and they want it to translate in everything that happens in the organization. Yet it is sometimes difficult to put those values into words exactly.

 After studying this chapter;

1. are you able to reproduce the definition of organizational culture in your own words;
2. are you able to describe the layers or elements of the organizational culture;
3. do you know the internal and external functions of the organizational culture;
4. you can reproduce the primary and secondary mechanisms of culture formation
5. can you the Handy model distinguishes different cultures
6. can you describe the leadership types of Vollebergh and Adizes;
7. you can apply the concepts and models from goals 1 to 6 to their own work situation and to give practical descriptions
8. you are able to indicate the links between the significant values and Skills and Style;

2.0 Culture, a concept clarification

At a time when things were doing less well in the West, the Japanese economy flourished very strongly. The culture of Japanese companies would be a decisive reason for success. The interest in the culture of organizations was also strongly encouraged by Peters and Waterman's bestseller on "Excellent companies". This book attempted to analyze the success of the best companies in the US. Here too, the cultural factor was pointed out as an important element.

The characteristics of an organizational culture can be calculated:

- Values (is that what is considered important in an organization) and a number of expressions of it, such as rituals, heroes and symbols, so ideas that are expressed in behavior and in symbols.

- Symbols are objects, words or actions that want to express what the organization wants to be or mean. For outsiders it is not always easy to find out the meaning of those symbols. Such as: jargon, clothing and hairdress, status symbols such as private parking.

- Heroes are persons (real or fictional) with qualities that the people in the organization value highly. Those heroes function as behavioral models. Examples are Henri Ford in the automaker of the same name, Steve Jobs of Apple etc. Often they are the founder (s) of a company, but also the top seller.

- Rituals that are carried out as collective activities and that give meaning to certain events. Examples such as celebrating anniversaries: this expresses the loyalty to the company. Many rituals confirm the authority. Compare, for example, the opening ritual of a meeting (Gentlemen, welcome, I propose that we ...), confirming the President in his presidency.

- Values and basic principles form the core of a culture. They express that one chooses something over something else and that which one tacitly accepts for true or correct. They form the basis for judging all sorts of things. (for example: people cannot be trusted, if you are born for a dime you will never become a quarter).

Characteristics of culture

The element of **community**: Culture is shared by people. The relatively **stable character**: Culture is difficult to change; people are attached to it. That certainly applies to the values within a culture. Rituals and symbols are easier to change, but they express more a culture than they are culture.

The culture of an organization is sometimes also presented as an iceberg. Culture is largely under water, is **not immediately visible**. All kinds of forms of culture are noticeable, as is the formal policy, the formal structure, etc., but they are only the top layer. What is under water is more important: the values and norms, the "look" of people at their organization, etc.

In summary, we can now consider as an organizational culture:

Culture is formed by the common views, ideas, values and norms and the behaviors and symbols based on them that people have acquired as members of an organization.

3.0 The functions of a culture

The functions of an organization can be divided into internal and external functions.
Internally refers here to the functioning of people in the organization, while external functions refer to the relationship between company and environment.

3.1 The external functions of culture

The five external functions can be briefly described as follows:

1. The mission and strategy of the organization.
Based on the mission choices are made with regard to the manner of survival of the company and at the same time these choices lead to a further deepening of the mission and identity.

2. The goals of the organization.
Agreement on the operational goals of the organization is not a simple matter. They often reflect a compromise of certain interest groups within the organization. The implementation can then again

get all kinds of interpretation differences. It is therefore important to also reach agreement on accordance.

3. The means.
The resources of the organization include all material and immaterial resources that the organization possesses for the execution of its goals. This concerns, on the one hand, human resources (background knowledge, education, knowledge and experience), as well as technological aids (machines, information systems, computers, buildings, transport equipment, etc.), and the way in which organization has linked the human and technological goals.

4. The assessment criteria.
The goals of the organization lead to certain results. It is very likely that several similar results will be booked and that there are several goals from which the results can be assessed. Some agreement of the assessment criteria is necessary for the organization to determine whether one is still on course.

5. The corrective measures.
These are the measures that one wants to take to correct a deviation from the above aspects. Again, many roads lead to Rome, but for an effective and efficient solution of the identified deviations one must agree on the approach. Corrective measures do not only relate to negative developments, but also to the positive ones. If it turns out that everything develops more prosperously, measures have to be taken in order to get hooked on or to just slow it down.

The above-described functions of a culture all have in common that they are aspects in which the organization has to make decisions about how the organization can achieve optimal coordination with its environment. The next step is now the internal cultural functions in an organization. We will continue with that now.

3.2 The internal functions of culture

The six internal functions can be briefly described as follows:

1. A common language and frame of reference.
The language and frame of reference of people is the basis for the mutual communication of those people. Words from a language are usually open to multiple explanations. People who regularly interact with each other have given a common meaning to words.

2. Clear boundaries of the group and a delimitation of who does and doesn't belong to the group.
The unity of the group benefits from a clear definition of who does and does not belong to the group. The world is divided into 'we' and 'them'. The demarcation stimulates the solidarity feeling. The greater the solidarity feeling, the stronger the group feels in relation to the outside world.

3. The power and status distribution.
Every individual has an (instinctive) need for control over his or her life and from there a control of the environment. A group will have to find a way to survive with these feelings in order to survive. Most likely, there will be a hierarchy in the status and power of the members of the group (similar to animals). This status and power distribution can be found in the formal and informal structure of the organization.

4. Intimacy, friendship and love.
Man comes from his family environment in the social world. This goes fairly gradually through family, school and friends. In this process one learns which social norms are in society with regard to friendship and the like. In an organization, an own system of norms can develop in this area. We often see a stronger bond between members in crisis situations. For a good functioning of the members, familiarity with these rules is very desirable.

5. Rewards and punishments.
Remuneration and punishment can be done in accordance with the status and power structure, namely remuneration in the form of status increase or power increase and punishment in the form of relegation or exclusion. It is fairly self-evident that it stimulates people to the desired behavior. A strong adaptation to the desired behavior increases the 'we feel'.

6. Ideology and 'religion'.
The ideological dimension indicates the maintenance of a certain belief in one's own ability. This faith will be nurtured by telling myths and stories. The stories originated in a real event, but will lead a life of their own. A special characteristic of the organization is put forward in such a story.

The external and internal functions of culture are the result of and at the same time basis for the basic values and norms of the organization. The functions of a culture do not arise just like that, a process of cultural development precedes it.

4.0 The process of culture formation

The process of culture formation can be analyzed along different lines. In the context of this chapter, we limit ourselves to the relationship between the leader and the process of culture formation. Scientist Edgar Schein makes a distinction between the primary and secondary cultural formation mechanisms. The award is based on the extent to which a leader directly influences or can use it. The primary mechanisms are easy to use and the secondary (very) difficult. The secondary mechanics only 'work' if they are in accordance with the primary mechanisms.

4.1 Primary mechanisms for culture formation

In the first place there is the **attention of the manager or leader.** It is an important signal for employees where the manager pays his or her attention to inferring what is important to the company.

Secondly, we mention management's **response to critical events**. This reaction can strengthen the existing values, but can in fact also form the basis for new values. A third aspect is the **active occurrence of, learning or counselling** of subordinates what is expected of them. This is a very straightforward form in which the leader of an organization can transfer important skills and manners to his or her subordinates**. The allocation of extra bonuses or status symbols** the fourth aspect is an indication for the employees of things or behavior that is positively appreciated. A similar situation applies to the fifth point, namely recruitment, selection and promotion. Here too, a strong signal function goes out to the staff.

4.2 Secondary mechanisms for culture formation

The first two mechanisms concern **the structure and the systems and procedures** of an organization. The effect on culture lies in the fact that both have a direct relationship with the way people interact with each other. The third mechanism is the **physical environment**. The culture is radiated through the

physical environment (the building, office spaces, stationery or furniture). An investment bank had the policy that the building should look sober and tidy. This indicated responsible behavior and gave the investors' confidence in society. Finally, we point to the formal statements about the **company philosophy and values** by the management. The described mechanisms that determine a culture require a great knowledge of human life and leadership qualities of managers. Every manager will react differently in a certain situation with a different result as a result.

In the next section, we will discuss the relationship between certain types of leadership behavior and the cultural types arising from them. The different types of leader- ship that are presented are 'used' by the culture-making mechanisms in a different way.

4.3 Culture types according to Handy

The influence of culture on the behavior of people is very large and not easy to change. But this does not alter the fact that culture is something that is constantly being constructed and reconstructed in our interactions with people. Think of examples such as the behavior of people when they visit someone or when they are at home, ask a chef something or ask a family member something, etc. In the behavior that is shown, all sorts of rituals become visible.

We can distinguish different cultures in organizations. A useful model, in which these differences can be made visible, has been developed by Handy. He distinguishes four ideal types:

1. The Task culture

In a culture task, people are primarily interested in the work itself, and are personally involved in it. In an organization with a culture task high demands are placed on the energy and time that people have to invest, where people assume that they have interest and pleasure in their work, and are therefore intrinsically motivated by their work. The emphasis is on cooperation and problem-solving ability.

2. De Role-culture

In a role culture, the emphasis is on the way people fulfil their function. Every employee knows, as it were, his role, which presupposes a certain behavior, manners, clothing, work attitude, etc. Through the training policy the vision of the company is translated into the actions of the personnel. This is how we deal **with each other in our company**, with customers, with the work.

3. The Power culture

In a power culture, the emphasis is on the dominance of some and the subordination of others. The leaders are expected to be powerful and knowing, of the subordinates who perform what is said.

4. The People culture

A people's culture differs from the other cultures, especially by not putting the organization at the center, but by the individual people in the organization. The premise is that people will contribute to the goals of the organization from their personal needs and involvement in the group. Insofar as the emphasis is on engagement with the group, it is also called a supporting culture. Hierarchy, specialization and routine are at odds with a supporting culture. The organization is here at the service of man, where equality is a great good.

4.4 Organizational cultures and control

The methods used in an organization to exercise control are also influenced by the organizational culture.

In the hierarchically organized role and power cultures, internal control can be described as follows. Plans are made to achieve certain goals. The plans are made by senior managers (with the help of staff officers), the execution is done by subordinates. The management would like to be kept informed of the execution, where corrective actions can be taken if necessary.

In a role culture one will exercise control by describing impersonal rules and procedures. A stock manager who has the goal that a certain stock is in-house (related to the requirements of the production process, the costs of storage, the value of the stock, etc.), will receive all kinds of feedback (which must be carried out according to certain procedures, for example via a computer) in case of deviation from the plan (and what is a deviation, is fixed) influence the stock supplementation through a fixed method.

In a power culture, people will rely more on supervision or supervision as an important means to implement plans. Regulation as a form of control is largely based on extrinsic motivation among the co-workers. Their behavior is guided by externally imposed rules and by fear of negative sanctions for violating them. Although practically speaking, every organization will use control by regulation, other forms of control are possible and demonstrable.

In organizational cultures that we characterize as task-oriented or people culture, the separation between making plans and executing is less sharp. Planning and execution can be done by the same people. The responsibility for the work lies more with the people who do the work, not with someone else. Especially if there are highly educated people who have special qualifications, this is possible. In a task culture and people culture there will be self-control, in a supporting culture the group will play an important role in the control of what has been done.

The structure of an organization tries to achieve a number of goals. The structure must be such that:

- the work is organized efficiently: the work needs to be divided and coordinated.
- the work is controlled: decisions taken at the top must be carried out and that must be checked.
- new challenges can be taken: new markets, changes in the wishes of customers etc.
- there can be cooperation.

Depending on the emphasis on these objectives, different structures can develop. In other words, depending on the emphasis on values such as coordination, control, innovation and cooperation, different structures become visible.

A role culture is noticeable in organizational structures that show a concentration of power and where there is a lot of regulation. A culture of power is recognizable in those organizations in which direction is given to the work, not by many rules, but by direct instructions from the (strong) leader. A task culture can often be seen in those organizations (or parts of them) that are focused on innovation and where cooperation plays a major role. The people culture can be structured in two ways. In organizations where people rely on high-quality knowledge and skills. But in contrast to a task culture, cooperation does not always exist here. An individual can only finish the work. For example a doctor in a group practice. The few possibilities for standardization and central management lead to a flat organizational structure with little management. There is a cluster of people working in the same organization. Sometimes, however, it may be necessary to lead the work of the "professional" through all sorts of rules. Consider, for example, the medical examiner, social worker, etc. The work will be more standardized by rules. This can lead to a structure with, on the one hand, a regulation, hierarchy and administrative procedures, and on the other hand a personal responsibility and a personal task.

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4.5 Leadership and culture

In this section two models of leadership behavior are discussed. The first is from Vollebergh, the second from Adizes. In the chapter 'Staff' a typology of leadership behavior is also presented, namely that of Hersey and Blanchard. The typology of Hersey and Blanchard specifically focuses on the relationship between leadership and effective performance of duties. The relationship management and personnel is central. In the two models of leadership roles in this section the relationship with the corporate culture is in our attention.

1. The model of Vollebergh

The Vollebergh model is interesting because, in addition to the description of leadership types, a direct relationship with different cultural types is established. Vollebergh underwrote two factors on the basis of which he derives four types of leadership agreement. The two factors are:

- degree of organization;
- degree of participation in decision-making.

The **degree of organization** is about the structuring of the organization. Opposite each other are the structure with little organization and rules and where so much improvisation and influence of the leader is possible, and the structure that is tight with many procedures (desk criticism) and where the leader has little 'play space'. The 'free' structure is positive because of the flexibility and the possibilities for innovation but negative because of the confusion, the impulsivity and the lack of clarity. Positive in the tight structure are the clarity, the continuity and the integrated, while the rigidity and the lack of daring are negatives.

The **degree of participation** in the decision-making process indicates to what extent decision-making is a matter of only the leader / management or, in the case of large participation, that the group participates. A little participative organization has the advantage, but as a downside the possibility of dictatorship and the lack of consultation. In a participative organization, the use of the available knowledge and the activation of the employees as a positive one and negative conformism and the lack of courage are considered as positive. In combination with this organizational (degree of ordering) and social (participation rate) approach, four leadership roles can be recognized:

- the classic entrepreneur;
- the coordinating leader;
- the official leader;
- the managing leader (manager).

The classic entrepreneur;

It is a combination of little organization and little participation in the organizational structure. The management can then only be decisive with many possibilities for improvisation. This leadership role suits organizations in which quick decisions have to be taken, which are often not based on a complicated knowledge management.

The coordinating leader

This role can be fulfilled in organizations with little organization on the one hand and much participation on the other. The management can make extensive use of consultation and teamwork and on the other hand use the freedom to improvise.

The official leader

This form of leadership arises in organizations with a tightly structured structure and with few opportunities for participation. The management can then be bureaucratic and only decisive. This

leadership role suits organizations where it is desirable to structurally structure the organization, while consultation makes little sense because there is very little room for own decisions.

The managing leader (manager)

This leadership role becomes possible at organizations that are set up both on structuring and on consultation (participation). So it is attempted to share the responsibility for the functioning of a well-structured organization with all those involved. This mainly occurs in large organizations with a complex relationship between the components, each with a strongly different knowledge management, such as for example in modern production companies or departments with a sophisticated technology.

2. The four types of Adizes leaders

The management of an organization has a big impact on the organization. It therefore makes a lot of difference to the corporate culture with what kind of leader we have to do.

For the description of the most significant types of slate owners, we use the format of Adizes as developed in his book 'mismanagement'. Adizes uses the following format:

- the producer;
- the manager;
- the integrator;
- the entrepreneur.

In his theory, Adizes assumes that it is impossible for an individual to perform all roles optimally while dealing with mismanagement (failed management) when one 'saps' in one of those roles.

According to Adizes, effective management only arises when we come to management teams in which the various roles are represented and complement each other in managing.

The producer (P)

A manager must achieve results. In order to be able to carry out this task, a manager must have subject-specific knowledge, the urge to ensure that he achieves results, he must be able to act effectively. When the producer breaks down in his role, we speak of a:

The lonely wolf (P2)

He is productive, but does nothing about planning or management. The manager makes no proposals about taking a new course and, moreover, he does not engage in team formation or development of the capacities of his fellow workers. He runs from crisis to crisis, is always busy with the current problems of the organization. In fact, he prefers to do the work himself instead of being a leader. His most important role ensures results in the short term:

- Strong point: things are being done
- Style: complete dedication , work-addicted
- Decision making: first acts, thinks and analyzes
- Attention to: the work of this moment
- Typical complaint: I do not have time
- Leadership: he himself is the center, employees are messengers

The manager (B)

As the producer has decisiveness, the manager has systematics.

He manages the system, can plan in detail, coordinate, state procedure, etc. He provides the assurance that the system is going according to plan. Good management means a routine and regulated execution of the work. When the administrator breaks down in his role, we speak of a:

The bureaucrat (B2)

He is someone who is solely concerned with management. He spends extremely much time on administrative details. Everything must be done in writing and he keeps himself on time. He often undermines the objective by sticking to the rules, even if it is necessary to book results. Uncertainty is reduced by applying a rule to each situation. Employees do what they are told and do not develop their own initiative. Finally, a department led by a bureaucrat will carry out the same tasks with more and more complicated procedures. This stands in the way of changes that are perceived as a threat to the possibility of control. Creativity within the organization is nipped in the bud by him.

- B2 ensures systematics, organization;
- the first attention is planning, keeping things in order;
- he is concerned with how the work is done, not what or why;
- B2 is internally oriented, on its own organization;
- style: hierarchically oriented, careful;
- leadership: arranging, in writing; employees are yak-frogs;
- attitude to change: opposes, because he is afraid to lose control of the execution;
- it is about discipline, order and peace.

The integrator (I)

Organizations consist of people. Managers must therefore take into account the needs and wishes of those people. The manager must ensure the integration of people, that is, people must be brought together, express their feelings and ideas and ensure agreement. He must ensure that individual plans are merged into a collective plan. When the integrator breaks down in his role, we speak of a:

The super follower (I2)

The super follower ensures that everyone is 'behind the case'. He has no ideas or plans that he wants to realize. He does not pursue concrete results except for resolving conflicts. It is about unity, to be accepted as a leader. He thinks in the short term, does not make any decisions about the direction the organization should take because he does not want to endanger the existing agreement.
Characteristics:
- the first attention is the atmosphere in the department;
- engages with people;
- checks which plan is acceptable, looks for compromises;
- style: listening, integrating ideas, friendly, full-bodied, no direction, not result-oriented;
- leadership: spreading a warm atmosphere, its informants, spreading rumors to attract attention.

The entrepreneur (O)

Management is more than producing or managing. It requires insight into the setting of goals, strategic planning and policy determinations. The entrepreneur pays attention to the strengths and weaknesses of the organization and, on the basis of analysis, tries to respond as well as possible to a changing environment. Characteristic for this role are creativity and the willingness to accept risks. When this role is emphatically filled in, we get to deal with:

The arsonist (O2)

The arsonist is only concerned with innovation, storms on every new goal. He continually presents new tasks and expects his employees to implement these immediately. He is everywhere at the same

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time, likes to see everyone running. The arsonist hates details. His decisions are vague. He delegates tasks and powers. At first he is loved because he is stimulating, enterprising and full of energy. Until one finds out that he is never satisfied, unrealistic and vague. Characteristics:

- role of O2: renewal;
- constantly responds to developments;
- typical complaint: there is never anything finished here;
- decision making: everything is temporary;
- style: presses through, hunted;
- O2 systematically detests leadership and detailed planning;
- the employees are apparently energetic at work.

In order to choose a leader suitable in the culture of your company or to choose a leader who directs the culture in the direction you want, it is therefore important to pay the necessary attention to selecting a leader. On the other hand, it is important for the leader to know himself so that he can decide for himself where he is not but where he would fit.

Example:
1. Requested is an accountant. Someone who is very precise with the rules and procedures
and keeps up the books. Innovative drive and social skills are not so important.
2. The applicant is poor in details, likes to work well with others and is full of ideas.
Conclusion: do not accept.

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual
Assignments
Part 1. Introduction on the course Female entrepreneurship

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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Preface Female Entrepreneurship Course

Welcome to the female entrepreneurship course. It is an entrepreneurship course especially developed for female entrepreneurs within the creative industry, and for women and students that would like to become an entrepreneur within the creative industry. The course covers all entrepreneurial aspects of managing a business. In addition to the entrepreneurial aspects within the course, competences are added to every step of the entrepreneurial journey of designing your business optimally. Research in entrepreneurship depict entrepreneurs as white males with light-colored hair and blue eyes. It is the dominant conception of entrepreneurs. Entrepreneurial competences are therefore seen as masculine competences, that only men possess or can develop. Nothing could be further from the truth, competences are not masculine nor feminine, they are situationally identified, such as entrepreneurial competences. Entrepreneurial competences are defined as underlying characteristics possessed by a person, which result in new venture creation. This definition of entrepreneurship is: when you act upon opportunities and ideas and transform them into value for others. The value that is created can be financial, cultural, or social (FFE-YE, 2012).

Research on entrepreneurial competences and the differences in the way men and women act upon these competences shows that there are five entrepreneurial competences where men and women act significantly different upon. These are self-efficacy, decision making, management style, network ability and risk tolerance.

In recent research 'The entrepreneurship Competence Framework' is developed, commissioned by the European Commission. This framework, also known as EntreComp, aims to build consensus around a common understanding of entrepreneurship competence by defining 3 competence areas (into action, resources and ideas and opportunities), a list of 15 competences, learning out-comes and proficiency levels, which current and future initiatives can refer to. EntreComp also includes the five distinct entrepreneurial competences, whether or not in combination with other competences. Although there are no female or male competences, due to our history, women did develop some competences through the evolution of mankind. The female position within our society is still behind the position of men. The socio-cultural status (or lack thereof) of women is mostly perceived as a disadvantage, but women have developed some competences more than man because of their position. The primary role of women with family and domestic responsibilities led to female concern for relational aspects in so many supporting roles. The competences that females developed through the years are the ability to adapt to the situation, socially awareness, delegation ability and the ability to engage in longer-term planning. These are presented as valuable organizational exploitable resources. Therefore, by following this course, you will focus on the development of your entrepreneurial competences as an entrepreneur, but also learn how to exploit your "typical female competences" to the benefit of your business.

We wish you a successful career!

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Part 1. Introduction on the course Female entrepreneurship

Introduction

The concept of "competence" is used in many different areas of research, including psychology, education, management, human resources and information systems. It is also used in a variety of ways, sometimes as a synonym for performance, other times as a skill or personality trait. Within this course the definition of competence is defined as follows.

Competences are the personal characteristics that are reflected in the behavior of individuals, often related to successful job performance.

Competences are often seen as a whole of three characteristics of a person. These are knowledge, skills and attitude. It is about what a person knows (knowledge), can do (skills) and what he or she is defined by their actions (attitude).
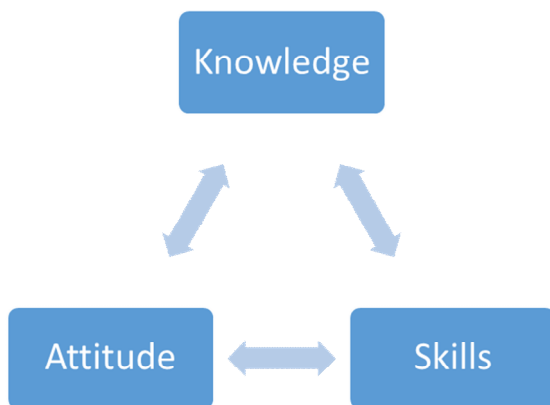
fig.1. Competence

The competence is an enabler, providing the means to a better performance. Because it is difficult to assess competence, performance is often used as a proxy for it. However, while these concepts are related, factors other than competence—such as motivation, effort, and supporting conditions—may influence the actual performance . Furthermore, competence does not necessarily imply performance.

Learning outcomes

General aim of the lesson

In this lesson, you will get to know yourself in relation to your entrepreneurial role. You will reflect on your personal skills and competences. Then, you will gain knowledge about entrepreneurial competences that women act upon differently than men do. You will analyse how your skills match the entrepreneurial competences so you can improve the entrepreneurial competences you feel your need to improve in order to be a successful entrepreneur. Last, you will forecast what future competences you need to realise business continuity. Throughout the course you will built your portfolio that functions as a journal and that will stimulate you to take action upon developing competences that are important for your entrepreneurial success.

By the end of the lesson you will be able to:

Knowledge

- Know what competences entail

- Know how to define competences

- Know why competences are important for successful entrepreneurship and learn about entrepreneurial competences

- Know the differences of men and women in approaching entrepreneurial competences

- Know what entrepreneurial competences you should develop for the future

Skills

- Reflect on situations where entrepreneurial competences were needed and learning from your behaviour in certain entrepreneurial activities.

- Recognize the entrepreneurial competences you need to improve in order to be a successful entrepreneur

- Forecast what entrepreneurial competences you need to develop for the future

- Exploit your "typical female competences" in favour of your business

Attitudes

- Consciously exploit your entrepreneurial competences (needed for successful business performance)

- Development of competence self-efficacy and building entrepreneurial self-confidence

Additional Learning Outcomes

Because the course is focused upon improving your own (future) business, you will be able to:

- Explain what entrepreneurial competences are imperative to improve in favour of your (future) business

- Explain why these entrepreneurial competences are necessary to improve

- Derive actions from the analysis of your entrepreneurial competences

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1. Competences

There is a lot of research available on competences in relation to entrepreneurship. Most of what we have known about entrepreneurs has been based on the study of men who initiated ventures. Because the number of women starting their own business has grown so large, it is important now to understand whether their experiences differ from their male counterparts. Thus, research on male entrepreneurs is dominant, but the research of female entrepreneurship is trendy and therefore increasing. The gender gap in entrepreneurship is one of the important puzzles in entrepreneurship research nowadays.

Assignment 1.0. Defining your general competences

Play the game who am I? using the STARR Method. This method helps you to describe competences in context. The game consists of rounds.

Round 1: Lay the competence cards on the table, take a few minutes to read them. Choose two competence cards that you consider to be one of your strengths.

Round 2: Use the STARR Method in order to get to know your strengths better. The STARR Method consists of the following steps:

Situation
- describe a situation wherein you acted according to the concerning competence
- who were present?
- Where did it take place?

Task
- What was the task to perform?
- What role was expected of you?

Action
- What actions did you perform?
- How did you handle it?

Result
- What was the result of your actions?
- What was the effect of your actions upon yourself and others?

Reflection
- Was it adequately? (Was it enough?)
- What improvement is possible?
- Give an example of an action that would improve the outcome

Round 3: Choose two competence cards that you consider to be one of your weaknesses. These competences you desire to have, but you do not possess them at the moment.

Round 4: Use the STARR Method in order to get to know your weaknesses better.

Within the creative industry, research is conducted comparing the competences of female entrepreneurs to the competences of male entrepreneurs. A set of competences was examined. The results show distinct differences in attitude between men and women concerning the five subjects, self-efficacy (motivation), decision making (financial), management, network ability and risk tolerance.

Self-efficacy

A person's belief in his or her capability to perform a task, influences the development of both entrepreneurial intentions and actions or behaviors.

Decision making (financial)

The thought process of selecting a logical choice from the available options (taking financial figures into account).

Management style

Style of motivating and supporting others to achieve organizational goals.

Network ability

The ability to network and benefit from the network.

Risk Tolerance

The degree of variability in investment returns that an investor is willing to withstand.

Assignment 2.0. Analyzing the diagnostic scan.

Looking at the results of the diagnostic scan, fill out the form which is added as an attachment (assignment 2.0.). First, describe your definition of the subjects and write down your score (outcome of the scan). Then analyze your personal attitude towards the subjects in relation to your business (is it a subject I should be able to master in order to have a healthy business, and so on). Decide whether you want to focus on developing the competences needed to master the subject by grading between 0 -10, 0 meaning no focus on the competence, 10 meaning imperatively focusing (high focus) on the competence. Check if you filled out the table completely and correctly. Finally, describe the subjects that require main focus, arrange them by the score of focus and describe how mastering the subject will improve your business.

Subject	My definition of the subject	My score (outcome of the scan)	My analysis of my attitude towards the subject in relation to my business	Focus (score 1– 10)
Self-efficacy (motivation)				
Decision making (financial)				
Management style				
Network ability				
Risk Tolerance				

Fig 1. Example of table assignment 2.0.

2. Analysis of competences

The dominant discourse, although derived from men initiating businesses, is perceived as gender neutral which urged women to masculinize themselves. Due to prejudices and stereotypes and biological differences between men and women, women are not able to act in the same manner upon the five subject. Actually, women should not want to because it can conflict with their nature.

Compared to men, female entrepreneurs are more adaptive, more socially aware, have wider experience in different business areas, delegate more and engage in longer-term planning. This may be derived from female concern for relational aspects in so many supporting roles, as well as their everyday coordination of family and work responsibilities. Women have skills that derive from biological (unchangeable) differences.

Assignment 3.0. Competences unraveled

Fill out the table below. Describe the competences that an entrepreneur should possess in order to perform on main competence. Choose from the list of competences provided as attachment 3.0. List of competences. One competence per subject is already filled out.

Self-efficacy	Decision making (financial)	Management style	Network ability	Risk tolerance
Independency	Decisiveness	Persuasion	Social skills	Strategic vision

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2.1 Research outcomes

Theory on the subjects show that many differences in men's attitude in comparison to women's attitude are due to biological differences and stereotyping derived from the biological differences. A summary is described. The research is attached in this course.

Self-efficacy: A person's belief in his or her capability to perform a task, influences the development of both entrepreneurial intentions and actions or behaviors.

This competence is defined within the resource competence area of the EntreComp framework. Self-efficacy is defined as a personal resource. Read the EntreComp framework for more information (attached to this course). This resource should be translated into taking action. Developing your self-efficacy competence means that your individual belief in your innate ability to achieve goals grows and you become more self-confident.

Literature shows that men score higher on all entrepreneurial competences than women. Women wonder about their capabilities to perform certain tasks whereas men are (over)confident about their skills to run their business. Research suggests that it is due to the choice or necessity to become an entrepreneur. For women, starting a business is mostly viewed as a life's choice. This means it is necessary for the business to succeed. Nowadays, the number of women who choose entrepreneurship for greater professional fulfilment increases. If necessity is not present, entrepreneurship feels more free.

Also, historically and by gender differences, women are perceived as successful only in relation to the reproductive life cycle. The socio-cultural status (or lack thereof) of women which identifies the primary role of women with family and domestic responsibilities, reduces the credibility if women intent on setting up business in a variety of ways. This might reflect upon the female entrepreneurs.

Decision making (financial): The thought process of selecting a logical choice from the available options (taking financial figures into account).

This competence is derived from the competences financial and economic literacy, which is a resource competence. This resource competence, in combination with spotting opportunities, vision, and learning through experience of the EntreComp leads to more valid decision making or taking initiative. In short, improvement of decision making lies within the mobilizing resources, in order to gather and manage the information and resources you need to come to valid decision making.

The decision making process differs significantly by gender, especially concerning financial decisions. Female entrepreneur have different focus. They focus on more relational aspects instead of money. Men are guided by rules, guidelines and business tradition, mostly focused upon obtaining financial capital. Women let go of rules and take the interest of other people into account. Women make more honest and moral decisions that may affect the obtainment of financial capital. Women also tend to involve others in the decision making process

Compared to men, women are more active in seeking venture capital funding. Taking into account the social-cultural status of women resulting in perceiving women as not trustworthy as entrepreneurs, it is harder for women to obtain capital funding. Also, the access to network is more or less an overt mechanism of gender exclusion. That, plus the fact of underrepresentation of women in the financial industry makes it harder for female entrepreneurs to obtain financial capital. Also, female entrepreneurs often operate in sectors where capital is less evident. This is immediately of influence of obtaining financial capital.

Management: Motivating and supporting others to achieve organizational goals.

This competence is defined within the 'into action' competence area of the EntreComp framework. Management is accompanied by planning what mean that management should be structured and planned and ad hoc, not incidental. This competence is derived from the personal resources of an entrepreneur. Also, mobilizing other is closely related to the management of human capital. Read the EntreComp framework for more information (attached to this course).

Most women possess management characteristics close to a transformational leader, seeking to foster positive interactions and trust relations with and among employees, to share power and information and to encourage employees to subordinate their personal aims and interests to collective ends. This may be derived from female concern for relational aspects in so many supporting roles, as well as their everyday coordination of family and work responsibilities. It is shown in their business decisions. Also, female entrepreneurs are often task-driven. Men tend to have a transactional leadership, focusing on supervision, internal business processes and performance. Both leadership styles work within the right conditions (type of business, industry and so on). Female entrepreneurs should assess to what degree her management style complements the several aspects of the business.

Network ability: The ability to network and provide from the network.

This competence is regarding EntreComp derived from mobilizing resources, working with others, taking initiative and valuing ideas. The ability to network thus derives from all three areas of the EntreComp. It entails coming up with *ideas and seeing opportunities*, but in order to do that you need certain *resources* and finally you need *to take action* yourself. Networking is a two way dialogue.

Historically, women have been excluded from the 'old boy networks' in large organizations. Perhaps, this is why women developed different networking strategies than those used by men. Frequently, female entrepreneurs start their businesses sectors they were formerly employed in. Therefore, their network is often small, concentrated and relational. It prohibits access to networks of information and assistance, which are often the main sources of information and contact. Also, the socio-cultural status of women influences the ability of female entrepreneurs to network. If connections bring access to resources, women have a severe disadvantage compared to male entrepreneurs.

Unfortunately for women, networking by gender predominates over networking across gender lines. Female entrepreneurs are therefore less likely to have women bankers or venture capitalists in their network. Also, the spouse of men typically play a secondary role. Female entrepreneurs indicate that their husbands are their most important source of support, also located in their small informal network. Men rely on such outside advisors as bankers, lawyers, or accountants for information, advice and support.

Risk Tolerance: The degree of variability in investment returns that an investor is willing to withstand.

Within the EntreComp framework this competence is defined as coping with ambiguity, uncertainty and risk. This competence is also viewed as a competence that is directly exploitable, meaning a competence where action is required.

Entrepreneurial difficulties and the risk entrepreneurship entails is inevitable. The way you cope with it results in gain or loss. On average, women tend to be more risk averse and less competitive as compared to men.

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"Typical female competences":

Also, the research shows that women have certain competences that have evolved through the years of the existence of mankind. Because of the physical characteristics of women they historically stayed at home raising children. Also, they managed the household. Women obviously used management skills to succeed in their everyday coordination of family and household responsibilities. By seeking to foster positive interactions and trust relations with and among the community, to share power and information and to encourage members to subordinate their personal aims and interests to collective ends. Female entrepreneurs are therefore more adaptive, more socially aware, have wider experience in different business areas, delegate more and engage in longer-term planning. These competences are naturally to you as a female. Be aware of your skills and use them to your advantage.

You will start your portfolio in the next assignment. During the assignments earlier you reflected upon your personal competences and perform an analysis of your skills concerning the entrepreneurial competences that differ in exploitation by men in comparison to women.

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3. Development of competences

Think about the outcome of the scan (assignment 1.0) and discover the weak spots in your business are due to a misfit between your strategy and your competences. The scan is your starting point of this course, you are free to focus on the weak points during this course. You can also choose to enhance all aspects of your business by focusing on all needed competences, whether they are underdeveloped or well developed within your ability to run your business. This will allow you to elevate you entrepreneurship altogether.

Assignment 4.0. Portfolio (1)

Start writing your portfolio. During this course the portfolio will be your personal development plan. It will help you to develop your entrepreneurial competences, and thereby, yourself as a person. By writing down experiences and describing the development (or lack) of your entrepreneurial competences, you will be able to reflect on your development, your behavior in certain situations and adapt your personal development strategy. It is important that you are honest with yourself without becoming modest.

The portfolio serves two purposes:

1. Supporting you to learn to grow in favor of your business during this course, and to be an instrument to continue self-development after this course.

2. Providing your tutor conversation about your self-development during this course.

The portfolio should consist of the following aspects:

1. Description of the initial situation (at the starting point of this course)

2. Summary of learning moments accompanied by describing the status of developing the aspired competences

3. Actions to take derived from analyzing your learning moments

4. Description of the execution of the actions taken.

5. Evaluation of the executed actions.

How you design your portfolio is entirely up to you. Be creative!

Start now by describing the initial situation. Think of the following:

- What is the subject of this lesson?

- What do I know about the subject?

- What do I want to learn and practice?

- Why do I want to master it?

Within the other parts of this course your portfolio is your personal strategy. All subjects within this course require certain competences in order to analyze them and execute them later on. Your portfolio will be your mirror. Start writing the initial situation before the start of every part of this course. After (and during) the course you summarize the learning moments in your portfolio, make a description of the status of your competences and actions that derive from it. After executing the actions, evaluate them in your portfolio. Consider it to be homework. You submit your portfolio at

the end of the course. In between there will be moments to discuss your portfolio with your tutor. Contact your tutor to plan the meetings.

4. Competences in the future

The future of the creative industry will undoubtedly by different than it is today. Within the creative industry there are several subsectors. The forecast is that there will be five 'main sectors', print with integrated marketing solutions, packaging, sign and display, digital marketing and gaming. The competences that are necessary for business in the specific sectors differ from each other. Overall, entrepreneurial skills, digital skills are required in all five sectors.

Female entrepreneurs are forecasted to develop certain skills for the future. The necessary skills are:
- Sophisticated skills in project management (with regard to the digitalization, especially modern concepts such as agile project management).
- Skills in communication.
- Competences in leadership.
- Their ability to adapt (resilience).
- Time management
- Self-management (ability to set goals).
- Their cultural competences (their ability to work in teams, networking).
- Improve their willingness and ability to take financial risks.
- Support decision making by methods and tools that accelerate the process of decision making.
- Balance work – life.

Project management	Communication	Leadership	Adaptiveness	Time management

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Self-management	Networking and teamwork	Attitude towards taking risks	Decision making	Balancing work/life

Assignment 5.0. Portfolio (2)

You started with a description of the initial situation. In practice, you will experience some learning moments connected to the subject competences. Now, evaluate your learning moments. Summarize your learning moments accompanied an analysis of the status of developing the aspired competences.

Think of the following:

- What is the subject of this lesson?

- What aspects did stand out during the lesson?

- What subjects are of my interest and why?

- What learning moment did I experience in practice/real life?

In order to actually put into practice what you have learned, the next step is to define actions that will be effective. The actions should be described concretely and concisely. Describe how you are going to execute the actions and within what timeframe.

The next step is to execute the actions and evaluate the execution. Describe your experiences in executing the actions:

- How did I act?
- What was the effect of my behavior?
- Did I accomplish my goals?
- Am I satisfied with my progression?

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Furthermore, repeat the same steps in evaluating your "typical female competences". These are adaptiveness, socially awareness, delegating ability and engaging in longer-term planning. How did you use these competences within this part of the course?

5. Bibliography

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

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6. Additional information

Attachment 2.0. Assignment form.

Attachment 3.0. List of competences.

Attachment 4.0. Developments, future company profiles, and entrepreneurial skills in the creative industry

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual
Assignments
Part 2. Knowing your business

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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Part 2. Knowing your business

Introduction

Within the first part of the course Female entrepreneurship, you filled out a scan in order to discover the strengths and weaknesses concerning your personal entrepreneurial competences in relation to your business (or your future business). Within this part of the course you will deepen your understanding of your (future) business. First a mission statement must be written. The mission statement derives from the vision and mission of the organization and is the start of the so-called micro analysis, the internal analysis of the organization.

Learning outcomes

General aim of the lesson

In this lesson, you will get to know your business' identity as a self-contained entity first. Through this process, you will learn about your urge to identify your business through your own identity. You will learn to separate your identity from your business and define an identity for your business as a self-contained entity instead of an extension of yourself. You will write the mission statement of your business using different perspectives and decision making techniques. Also, you learn what personal competences you use in order to carry out your mission statement and built an image for your (future) business. Throughout this process you reflect on your entrepreneurial competences by using your portfolio.

By the end of the lesson you:

Knowledge

- Know what a mission statement is

- Know how the vision, mission and mission statement are related

- Know how to derive the business' competences from the mission statement

- Know how to set SMART goals that align the mission statement of the business

Skills

- Are aware of the urge of female entrepreneurs to identify their business as part of their own identity.

- Write a mission statement using different perspectives

- Derive the business' competences from the mission statement of your business

- Optimize the written mission statement using different decision making techniques

- Set SMART goals that are aligned with the mission statement of the business and its competences

- Reflect on your competences in relation to setting and executing goals

Attitudes

- Consciously exploit your entrepreneurial competences (needed for successful business performance)

- Building self-confidence by developing the entrepreneurial competence decision making

1. Mission statement

Now we established your initial situation, it is important to do the same for your business. Starting a business starts with developing a mission statement. Why does your business exist? What purpose does it pursue?

A mission statement is a written statement of the vision, purpose and goals of your business. The mission statement is the statement of the mission. The mission itself should include the work area, right of existence, meaning for shareholders, standards, values, beliefs, intentions and ambitions. The difference is that the mission statement shortly states what the mission entails.

The mission statement of your business is the starting point of your business strategy. It should clearly communicate what it is that your business does. Good mission statements should be clear, concise, and useful. What is it that you do with your business?

Writing a mission statement

This assignment is about defining a purpose for your company. You are going to converge towards a (temporary) mission statement for your business. You will use different techniques and perspective to describe your business, that ultimately will converge into the mission statement of your business

Assignment 1.0. Write the mission statement of your business using the questionnaire.

Write the mission statement of your business through answering questions.

- Why did I start my business? (why do I want to start a business?)

- What are the characteristics of my business?

- How does my business distinguish itself from other businesses?

- What is the ultimate purpose of my business?

- What standards and values fit my business?

- Wat image do I want my business to have?

- What would it look like when my business is doing our best work?

The mission statement derives from your answers. Try to create a mission statement by combining your answers to the questions above. Write down every word that you think you need in order to complete your mission statement.

My mission statement (1) is now:

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Assignment 1.1. Write the mission statement of your business using storytelling.

Organize a storytelling session with colleagues/fellow students and/or friends/family. Every person gets a few minutes to share a story. The main question that should be answered within the story is: What does it look like when we are doing our best work?

Write details of all stories out on paper. View the stories together and identify any mention about the business making a difference or taking action, circle the words with a **red** pen. Also, identify every mention of a specific place or person. Circle them with a **blue** pen. Finally, circle words or sentences that show changes for better or work results with a **black** pen.

The **blue** circled words define the cause of the business (who, what and where). The **red** circled words show the actions of the business (what the business does) and the **black** circled words show the impact of the business on its surroundings.

Now, write down the mission statement of your business describing its cause (blue), actions (red) and impact (black). Do not worry if this mission statement is severely different than your first mission statement.

My mission statement (2) is now:

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Assignment 1.2. Write the mission statement of your business.

Create your (temporary) mission statement combining the two described mission statements. Take the following tips and remarks in consideration while creating you mission statement.

Tips and remarks:

Writing a mission statement is a process, take your time.

A mission statement is part of all the stakeholders of the business.

Try to shorten the mission statement progressively (less words makes it more powerful).

Get inspired by reading the mission statements of famous businesses below, but do not copy.

Believe in your mission statement.

Test your mission statement through stakeholders.

Your mission statement should raise intelligent questions.

Your mission statement should make people curious about your business.

All stakeholders should have the opportunity to have a say about the mission statement.

Examples of mission statements:

Facebook: to give people the power to share and make the world more open and connected.

Ben and Jerry's: to create linked prosperity for everyone that's connected to our business: suppliers, employees, farmers, franchisees, customers, and neighbours alike.

Google: to organize the world's information and make it universally accessible and useful

Starbucks: to inspire and nurture the human spirit – one person, one cup and one neighbourhood at a time

Positive Gaming (The Netherlands):   to create innovative, technologically advanced gaming concepts of top quality that pervade as many different environments as possible, bringing numerous physical and cognitive benefits to their users while they are having fun.

The Print Group (Australia):   to provide exceptional service and to follow through on our promises

The packaging company (USA)   to help businesses thrive by streamlining packaging and logistics processes after checkout.

My mission statement (3) is now:

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A mission statement often becomes forgotten due to the daily activities of the business and is left to gather dust somewhere. The purpose of the mission statement is to guide you as you work towards your goals, building a great business.

Assignment 1.3. Test your mission statement

A mission statement defines a company's goals in three important ways:

- It defines what the company does for its customers

- It defines what the company does for its employees

- It defines what the company does for its owners

Some of the best mission statements also extend themselves to include fourth and fifth dimensions: what the company does for its community, and for the world.

View your mission statement(3). Undertake the following actions in order to test the image of your mission statement, its interpretation.

1. Add personality.

2. Cut the frills.

3. Create an logo that reflects your mission statement.

4. Combine your mission statement and logo in an image.

5. Upload the image on your social media accounts asking for feedback

6. Gather all feedback and draw a conclusion

7. Adjust your image by processing the feedback

The mission statement is not definitive yet, and maybe it never will (because it has to be able to adjust accordingly to the business reaction on trends and developments). In order for the mission statement to stay active within this course, the mission statement (3) will be part of the course in part 4 as well.

2. Competences and the mission statement

In order to write a mission statement you need a set of competences. In this chapter you will reflect on them. Carrying out the mission statement of your business correctly is the next step. To be able to do so you and your (future) colleagues students should possess certain knowledge, skills and a favorable attitude (competences). What skills are required derive from disassembling the mission statement. These are the competences of your business that should reflect in the behavior of you and your (future) colleagues

Assignment 2.0. Portfolio (3).

Describe in your portfolio what competences are needed to create a mission statement. Reflect upon your own competences and evaluate them separately. Evaluate what competences you should improve or develop in order to reanalyze and rewrite the mission statement through time. What actions should you undertake that will benefit the improvement of the desired competences? Describe the execution of the actions and their timeframe. Execute the actions.

From mission statement to its competences

The competences of your business represent its distinctive character. The character of your business is a specific combination of technical, social and cultural characteristics. What do we as an organization value? What is our distinctive character? What are our values? Ask yourself these questions considering your mission statement.

The competences of your business are described in your mission statement. The next assignment is to define the competences your business entail.

An example

The mission statement of Positive Gaming is *to create innovative, technologically advanced gaming concepts of top quality that pervade as many different environments as possible, bringing numerous physical and cognitive benefits to their users while they are having fun.*

We will disassemble the mission statement by identifying the action(s) and work result(s) within the mission statement.

- Identify taking action

  Create gaming concepts (that pervade different environments)

- Identify changes for better or work results.

  Bringing physical and cognitive benefits

Out of the answers competences can be defined.

Create gaming concepts	Physical benefits	Cognitive benefits
Creativity	Customer focus	Customer focus
Perseverance	Theoretical and practical vision	Theoretical and practical vision
Quality awareness	Analytical skills	Sensitivity
		Analytical skills

Assignment 2.1. Define your business' competences

Disassemble your mission statement (3). Identify taking action(s) and the work result(s). Write down the action(s) and result(s) and define the competences needed to take the action(s) and accomplish the result(s).

3. Goals

Introduction

There's an old saying that goes, "He who aims at nothing, hits nothing!" The mission statement is the starting point of the development of organizational goals. Organizational goals are directly or indirectly derived from the mission statement and describe a situation that should be achieved within a specific timeframe.

Goals give meaning and direction to your company. Goals are powerful, they can focus attention on achieving desirable outcomes such as profitability. Goals support decision-making as well. Thereby, employees prefer to know what management expects them to accomplish, goals provide them direction. The human brain has amazing problem solving abilities, and goals channel brain power toward finding solutions. Therefore, setting goals will automatically create the motivation to reach the goals one way or another.

Furthermore, goals that have been achieved are an opportunity for celebration. Successful companies set goals that support the mission statement and recognize employees for a job well done. Even a sole proprietor can benefit from goal setting and celebrating accomplishments.

Setting goals

Read the following business goal: *My business will be profitable.*

Assignment 3.0. Exploring goals

What questions would you want to ask the entrepreneur about this business goal?

Questions:

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You should have written down questions like 'how profitable?' and 'when will profitability be reached?". You should have noticed that the goal is not very specific. Goals should be specific, measurable, achievable, realistic and timely (SMART) in order to work. The previous business goal SMART defined will look something like:

My business <name of the business> will attain a 10 percent net profit margin by the end of the year <date>, based on sales of 15.000 products."

Now it's possible to plan actions to reach that goal and adjust the progress towards attaining the goal if necessary.

Assignment 3.1. Setting goals

In order to set SMART goals you can, again, converge towards the desired description of the goals. First, write an answer to the following questions:

- What desirable outcomes would I like to achieve with my business?
- When will my business achieve success?
- What factors are crucial in order to achieve success?
- What factors are crucial for the survival of my business?

Second, consider the following questions:
- What measurable results do I want to achieve?
- Within what period do I want to achieve these results?
- How am I going to measure the results (what data, what measurement instrument, frequency of measurement)?

Write down the answers to the questions.

Third, divide the goals over the different aspects of your business:
- Financial goals
- Market goals
- HRM goals
- Goals concerning internal business processes

Make an overview of the divided goals.

Assignment 3.2. Setting SMART goals

Now, create goals out of your answers to the questions by making them SMART.

Specific: (make more sales, make more profit, gain customers, develop new products, minimize expenses, create a better image, be more sustainable)

Measurable: (turnover, return on sales, returning customers, and so on, customer satisfaction, impact on the environment)

Achievable: (according mission statement, support within the business)

Realistic: (costs, challenging but not infeasible)

Timely: (deadline and planning)

First, describe your goals following SMART (starting at specific). Second, rewrite each goal in one sentence.

Goal 1.

Specific: …….

Measurable: …….

Achievable: …….

Realistic: …….

Timely: …….

Definition of my SMART goal 1.

……

……

Goal 2.

Specific: …….

Measurable: …….

Achievable: …….

Realistic: …….

Timely: …….

Definition of my SMART goal 2.

……

……

Goal 3.

Specific: ....

Measurable: ....

Achievable: ....

Realistic: ....

Timely: ....

Definition of my SMART goal 3.

....

....

Goal 4.

Specific: ....

Measurable: ....

Achievable: ....

Realistic: ....

Timely: ....

Definition of my SMART goal 4.

....

....

Goal 5.

Specific: ....

Measurable: ....

Achievable: ....

Realistic: ....

Timely: ....

Definition of my SMART goal 5.

....

....

4. Competences and goals

In order to set feasible and effective goals it is imperative that you and your (future) colleagues possess analytical skills. Other skills will be needed to guide the process. In order to succeed achieving the goals skills are also required. Within this chapter you will reflect upon your competences setting and achieving your business goals.

Assignment 4.0. Competences in setting goals

The process of setting goals entails analysis of the mission statement and the business' competences, the translation of the competences in aspired goals and the proper description of the goals so they can be accomplished. Besides analytical skills the process of setting goals requires decision making and certain management skills. Decision making is necessary to come to a valuable list of goals, to prioritize the goals and to determine the focus of the business. Management skills are requires through the process to motivate and inspire your (future) colleagues through the process and to facilitate the process.

Deepen your understanding of the decision making process in this situation.

- What decisions have to be made?

- When do the decisions have to be made?

- Who is involved in the decision making?

- Who is responsible for the decision making?

What competences are required in the decision making process? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Repeat this method to assess the management skills necessary. Deepen your understanding of management skills needed in this situation. What competences are required in to manage the process? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Assignment 4.1. Competences in executing goals.

In order to succeed in achieving the business goals, decision making skills and management skills are obviously a necessity. Network ability could be a required skill as well as risk taking. The most important is a high degree of self-efficacy. You and your (future) colleagues have to believe in the goals, in your capabilities to perform the tasks needed for achieving the goals.

Evaluate the aspects that are of influence on your self-efficacy.

What competences are required in order to believe in your capabilities? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Deepen your understanding of the decision making process in this situation.

- What decisions have to be made?

- When do the decisions have to be made?

- Who is involved in the decision making?

- Who is responsible for the decision making?

What competences are required in the decision making process? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Deepen your understanding of management skills needed in this situation. What competences are required in to manage the process? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

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Repeat this method for all skills you believe are necessary to act upon the goals.

Do you believe risk taking skills are required? Deepen your understanding of risk taking skills needed in this situation. What risk analysis will be conducted? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Do you believe network abilities are required? Deepen your understanding of network abilities needed in this situation. What persons/businesses do we need in order to achieve our goals? Write them down in the table. Evaluate to what extent you master the competence.

Competence	Evaluation of the competence

Assignment 4.2. Portfolio (4)

Make a summary in your portfolio of the evaluation of the skills and competences needed to create your mission statement, for setting effective goals and for executing the goals correctly.

Also, conclude how your typical female competences can enhance defining and execution of the goals. Reflect upon your adaptiveness, social awareness, delegation skills and engagement in longer-term planning in regard to setting goals and executing them.

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual
Assignments
Part 3. Surroundings

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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Part 3. Surroundings

Introduction

Every business operates within its environment. Its surroundings constantly changes and the business has to adapt to the changes in order to survive long-term. It is imperative for entrepreneurs to analyze the surroundings of the business and interrelation between the business and its surroundings. The business does also influence its surroundings. Gaining understanding of the mutual influence will support your business decisions.

This part of the course provides you knowledge and skills to analyze your business surroundings, you will learn to conduct an external analysis. In order to create a structure, the external analysis is divided basic principles.

1. The surroundings that have influence upon your business but you nor your business can influence them. In business terms the macro surroundings.

2. The surroundings that have influence upon your business and you and your business can influence the surroundings in return. There is a mutual influence. In business terms the meso surroundings.

Analyzing both and combining them together will improve your view and confidence of executing the right strategy for your business.

Learning outcomes

General aim of the lesson
In this lesson, you will conduct analysis of the surroundings of your (future) business. You will analyse the macro factors, the meso factors and learn how to gather information for a risk analysis. You will perform the analyses by using entrepreneurial models. Also, you will forecast the macro and meso factors for the future. This future scenario will provide knowledge for determining a business strategy. You will improve your risk tolerance competence by forecasting the influence of the external factors on your (future) business. During this part of the course you will also participate in a collaboration game with your (future) colleagues/fellow students.

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By the end of the lesson you:

Knowledge

- Know how to conduct a macro analysis of the external environment of your (future) business
- Know how to conduct a meso analysis of the external environment of your (future) business
- Know how to derive a business strategy form the external analyses
- Know how to summarize the influences of the external analysis on your business

Skills

- Reflect on your collaboration skills and develop your networking competence
- Determine your business' strategy by developing your decision making competence
- Reflect on your management style in a game setting

Attitudes

- Consciously exploit your entrepreneurial competences (needed for successful business performance)
- Self-confidently exploiting the competences decision making and networking
- Re-evaluating and adjusting my management style and my attitude towards collaboration

1. Macro surroundings

The macro surroundings defines the trends and developments that are of influence on your business, often long term. Trends and developments that cannot be influenced by your business. It is important to take them into account because they will have an effect on your business. The macro analysis defines the trends and developments within the world that need to be assessed on its impact on your business. The macro analysis will result in an overview of crucial certainties and uncertainties to take into account. The model for analyzing the macro surroundings is the PESTEL, Political, Economic, Social, Technological, Environmental and Legal.

fig2. The PESTEL factors

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1.1 . Political

Political factors are the influences that a government has on your business. Analyze to what degree a government (central government and local government) intervenes in the economy or a certain industry. This can include government policy, political stability or instability, corruption and (expected) changes within the political climate. Foreign trade policy, tax policy, labor law, environmental law and trade restrictions are other examples of political factors. Additionally, the government may have a profound impact on a nation's education system, infrastructure and health regulations. These are all factors that need to be taken into account when assessing the attractiveness of a potential market.

Assignment 1.1. Analyze political factors

Conduct an analysis of all the political factors that (can) influence your business. First, describe the questions that you have concerning political issues. Take a look at the examples for inspiration. Second, answer the questions and discuss them with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all political factors that may influence your business.

TIP! Do not try to reinvent the wheel and use the sources available. For example, search for a PESTEL analysis of the sector your business is in. Also, look at famous research institutions or researchers, like Gartner (see attachment 3.0. Macro surroundings; the Gartner Hype Cycle).

Overview political factors

1.2. Economic

The economic surroundings reflect the economic condition of a country or an area within the country. Economic factors are determinants of a certain economy's performance. Hence, it also affects the way companies price their products and services. It affects the purchasing power of consumers. Therefore, the factors may have a direct or indirect long term impact on your business. Economic factors include economic growth, disposable income of consumers and unemployment rates, exchange rates, inflation rates and interest rates. Also, trends like globalization, international

economic trends, unemployment rates, labor rates and expected changes within the economic environment.

Assignment 1.2. Analyze economic factors

Analyze all the economic factors that (can) influence your business. First, describe the questions that you have concerning economic issues. Take a look at the examples for inspiration. Second, answer the questions and discuss them with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all economic factors that may influence your business.

Overview economic factors

1.3. Social

Social factors represent the demographic characteristics. Norms, customs and values of the population within which your business operates. This includes population trends; population growth rate, age distribution, income distribution, career attitudes, safety emphasis, health consciousness, lifestyle attitudes and cultural barriers. It provides insight in the local workforce and its willingness to work under certain conditions.

Assignment 1.3. Analyze social factors

Analyze all the social factors that (can) influence your business. First, describe the questions that you have concerning social issues. Per example: 'what are the social consequences of the strong increase two-income households? ' and 'What are the social consequences of the 24-hour economy'. Second, answer the questions and discuss them with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all social factors that may influence your business.

Overview social factors

1.4. Technological

Technological factors include innovations in technology that may affect the operations of the sector and the market favorably or unfavorably. Examples are technology incentives, the level of innovation, automation, research and development (R&D) activity, technological change and the amount of technological awareness that a market possesses.

Assignment 1.4. Analyze technological factors

Conduct an analysis of all the technological factors that (can) influence your business. First, take a look at the Gartner Hype Cycle for inspiration, see attachment 3.0. and describe the technological trends and developments that will affect your business. Discuss them with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all technological factors that may influence your business.

Overview technical factors

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1.5. Environmental

Environmental factors are extremely trendy at the moment. They have become important due to the increasing scarcity of raw materials, pollution targets and carbon footprint targets set by governments. Furthermore, growing awareness of the potential impacts of climate change is affecting how companies operate and the products they offer. Sustainability should be a part of you core business at the moment. A business striving for sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. This includes ecological and environmental aspects such as weather, climate, environmental offsets and climate change which may especially affect every industry. Many businesses get more and more involved in practices such as corporate social responsibility (CSR).

Assignment 1.5. Analyze environmental factors

Analyze all the environmental and ecological aspects that (can) influence your business. Also, take into account the impact that your business has on its environment. Discuss your thoughts with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all environmental factors that may influence your business.

Overview environmental factors

1.6. Legal

Legal factors are inextricably linked to the political factors, although they are different. Legal factors include more specific laws like discrimination laws, antitrust laws, employment laws, consumer protection laws, copyright and patent laws, and health and safety laws. It is clear that you need to know what is and what is not legal in order to trade successfully and ethically. If your business trades globally it becomes you need to take into consideration that each country has its own set of rules and regulations. Also, potential changes of legislation is very important as it affects you're the future environment of your business.

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Assignment 1.6. Analyze legal factors

Analyze all the legislation that is of influence on your business. It is recommended to verify your findings through a legal advisor. Discuss your findings with your (future) colleagues/fellow students and other people you consider your advisors. The result of the discussion should be an overview of all legislation that influences your business.

Overview legal factors

1.7. Today's environment

Assignment 1.7. Combining the factors

To be able to act upon the macro analysis, it is important to combine the different factors and examine their mutual influence, their reinforcement upon each other and the contradictions between several factors. Combine the factors, examine their influences and write down the factors that influence your business the most first. End with the factor that has the least influence on your business according to your analysis (bullet points).

Take a look at the example of the PESTEL analysis of a printing company within the United Kingdom, written in 2010.

Overall

The Printing Industry is the UK's fifth largest manufacturing industry. It employs over 160,000 people in 12,000 companies most of which are fairly small. It is a vital manufacturing sector and has strategic importance to the economy catering for public authorities, retail, distribution, financial services, travel etc. In Northern Ireland Printing is a long established and mature industry and many of the companies that operate within the sector are long serving and have been involved in printing for a number of decades.

Political, environmental and legal

Within political factors, environmental factors and legal factors the emphasis is on sustainability. IPPC (Integrated Pollution Prevention and Integrated Control) is the most crucial and looks at resource and energy efficiency, accident prevention and minimization of other pollutants including noise and heat. The Printing Industry is a hugely polluting industry and environmental issues include: Water, large quantities of water are used in most printing processes and Water charges are being introduced at the end of the year in Northern Ireland. The alternative would be waterless printing nevertheless the printers are expensive to purchase and run. Waste, relatively high levels of waste are generated by the printing process. This is also a social issue. Emissions, VOC's are believed to come from the Printing Industry. These can cause headaches, dizziness, nausea and much more serious affects if exposed to for long periods of time. Ink , heavy metals and non-renewable resources in ink. The alternative would be vegetable based inks however not used by all printers. We will focus upon this factor as it is the most trendy.

Economic

The economic downturn is the most evident with approximately 200 companies already going into administration with 3000 jobs lost. This is contributing to the high levels of unemployment the UK is facing. Several major paper suppliers have announced price increases. Paper giant 'Sappi' said it will raise the price of certain types of paper by at least 10% in March next year however Printing companies will find it hard to increase their prices as there is continual undercutting of prices to secure contracts. This means that we need to reassess our strategy in order to cope with this issue.

Social

Do It Yourself. With disposable income lower and a wide more diverse range of packages available, consumers can choose to print for themselves whether it be using templates available on Microsoft or Desktop Publishing etc. We should conduct research into more B2B (business-to-business) solutions. Also, we should investigate how we can of the customer's service as they print themselves.

Technological

Advancement in technology has an unavoidable impact in the industry. It is needed to survive and ahead of competition. A Marketing Week article reports that the trend of digital technology and printing will ultimately open up new markets. For our business this means we need to explore potential markets and decide whether we will act upon them. We will investigate what products to launch, what not launch and if we should outsource production activities abroad.

The internet is another technological factor. 73% of households in the UK have it with 30 million adults using it daily therefore an opportunity for the industry to exploit. The Printing Industry could use the internet as an online ordering tool which is a trend in demand. The internet could too be used as a medium, for example a campaign online could be enhanced with a printed one to match.

Ultimately all the factors would need to be strongly analyzed and considered in order to survive in an environment which is rapidly changing. With regards to the Social Enterprise sector, they have a vital role to play in the country's economic recovery as they tackle social unemployment and crime or environmental issues and still support financial growth. Despite the recession, social enterprises are twice as confident of future growth as small to medium enterprises, with 48% of social enterprises reacting positively as opposed to just 24% of SMEs. Since the economic downturn began, 56% have increased their turnover from the previous year whilst less than 20% have seen it go down. We will investigate in what manner we can become a more social business as it fits our values.

Now, write your own macro surroundings.

1.8. Future's environment

Assignment 1.8. Future factors

Write an analysis that shows your business environment as you expect it to become within five years, considering potential changes in the macro surroundings.

2. Meso surroundings

The meso surroundings consists of the trends and developments within the industry that your business is in and off that in its direct environment.

The analysis of the industry is structured through four aspects, namely customers, distribution, competitors and the stakeholders. The customers analysis include the market analysis, segmentation of the market and the needs of the customers. The distribution analysis gives insight into the way, function and canal of distribution. The competitors analysis consists of the analysis of the power of the competitors environment. Porter, an American professor, developed a model for analyzing competitors, the five forces model. This model is based on the beliefs that there are five powers of competition. Each force is to be examined on it is own in order to optimize your marketing activities. The forces are 'bargaining power of suppliers', 'threat of substitutes', 'bargaining power of buyers', 'threat of new entrants' (mobility) and the intensity of the competitors (competitive rivalry) within the industry. In general, the more competitive the industry, the less attractive it is to enter. Within this course the focus is on customers and competitors. Distribution and stakeholders are disregarded within this course.

2.1. Customers

The easiest way to map your customers is to answer the following questions:

Who – are our potential customers?
What – benefit do the current customers and potential customers gain by buying our product?
Where – do our current customers buy our product/service?
When – do our customers buy our products/service?
Why – do they buy our products? In what need is provided by buying our products?

Assignment 2.1. Exploring your customers' needs

First, define the products and/or services your business has to offer. Second, answer the questions stated above per product. Third, divide your customers into characteristics like the amount of purchases or needs.

Product/Service	Who	What	Where	Why

Customer (Name)	Criteria 1: ………………………..	Criteria 2: ………………………..	Criteria 3: ………………………..	Criteria 4: ………………………..

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2.2. Competitors

Before analyzing the competitors, participate in the following management game together with your (future) colleagues/fellow students:

Assignment 2.1.1. Synchronization dynamics.

Objectives	Difficulties	Material
- Achieve a high degree of concentration - Unify a single common objective for the group - Obtain a high level of productivity - Work in a group without excluding anyone - Observe the result of a difficult work done in a team - Practice the listening	- The activity will be done with the eyes covered, you will not see neither the physical environment nor the other participants. - Requires from the maximum auditory attention, a little used sense, "listening".	A bandage to cover your eyes.

Provision	Mechanics
- Form a circle with the students, to be able to be seated in front of each other - Keep a small distance between each of the participants in the dynamics - Once the circle is done, proceed to blindfold - Wait for the teacher's instructions	1. Pay maximum attention to the instructions of the teacher 2. Do the exercise with a loud and clear voice that will tell us what we have to do 3. Situate in space and time what we are going to do 4. Concentrate on the work in an absolute way. Do not think about anything other than what we are doing 5. Begin to perform the exercise with the premises that have been commented 6. If an error occurs in the development of the exercise, it stops and starts again from the beginning. It will only be carried out correctly if it is carried out without any error during the same 7. At the end of the exercise wait for the teacher's instructions to remove the blindfold

Learning reflections

What happened in the dynamics? Analyse this.

Describe what sensations have been felt when blindfolded and lack the sense of sight during exercise. Use some of the descriptions below.
- Insecurity.
- Relocation
- Nerves.
- Development of listening capacity
- Concentration
- Security
- Teamwork
- Effectiveness
- Empowerment
- Scenic fear

The exercise is an example that any group can work as a team if you want to, and if you get a high level of concentration on what you are doing. Discuss the results of the experience with the professor, and discuss how these factors can be applied to the daily work in the company.

Using the five forces model of Porter, you will analyze each force that is of influence of the competitors in the industry. You are going to analyze the competition of your business.
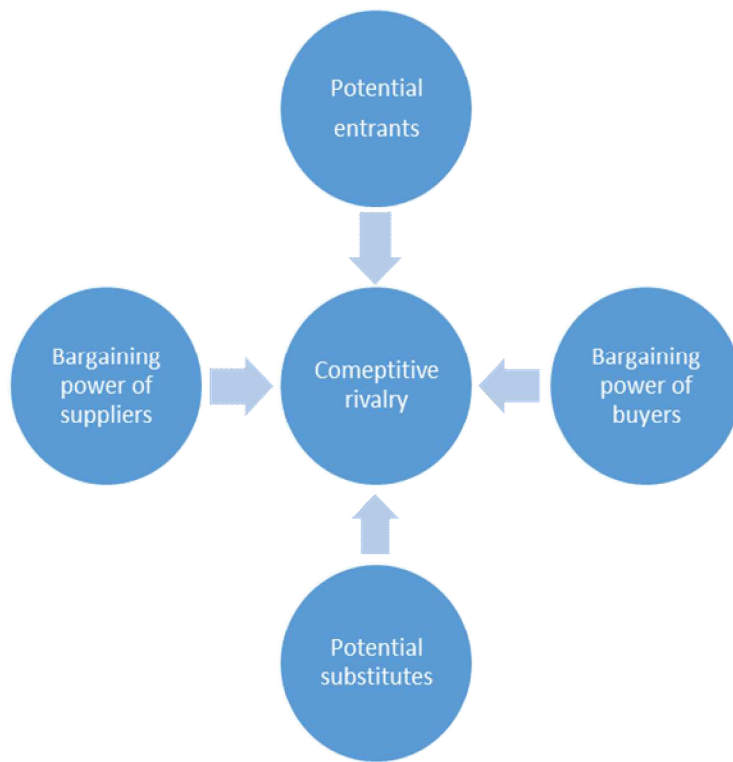

fig. 3 The five forces model of Porter

Assignment 2.2.2. Analyzing the current competitors

What is the number and strength of your competitors? How many rivals do you have? Who are they, and how does the quality of their products and services compare with yours? Where rivalry is intense, companies can attract customers with aggressive price cuts and high-impact marketing campaigns. Also, in markets with lots of rivals, your suppliers and buyers can go elsewhere if they feel that they're not getting a good deal from you.

Make an overview of your current and visible competitors.

Competitors (my visible and current competitors)

Assignment 2.2.3. Analyzing the competition of new entrants

Ask yourself the following questions: 'Is it easy to enter the market? What barriers are there for entering the market? Such as high startup costs or any patents within the market that protects it from new entrants will make it difficult, even unfeasible to enter the market. Also, think about the chain of value, do buyers have the possibility to easily change their suppliers?

Write down your analysis.

Assignment 2.2.4. Analyzing the bargaining power of buyers

A business has to be more focused upon competing if there are few buyers and a lot of suppliers. This downgrades the attractiveness of the market for your business. The other way around, few suppliers and a lot of buyers will save marketing costs, as the products will sell themselves. This is almost never the case.

An example: the automotive industry is a market wherein buyers have a lot of bargaining power. There are a few producers of cars. The supplier that is chosen to deliver a car part will immediately gain turnover. Suppliers are completely dependent upon the producer of the car and will have low bargaining power. Therefore, you can imagine what marge the supplier can obtain.

Write down your analysis.

Assignment 2.2.5. Analyzing the competition of new substitutes

A substitute is a product of service that replaces your product or service. Think about listening to the radio, or downloading songs to listen to in the car, or just browse the internet for a good playlist via Spotify. Substitutes do not have to compete directly or visibly, so they can be hard to detect. In general, the more substitutes, the less attractive it is to operate in the market.

Write down your analysis.

Assignment 2.2.6. Analyzing the bargaining power of suppliers

A lot of bargaining power for suppliers can work in the favor of your as you are able to purchase at a good price (pay less per product). Suppliers who have great bargaining power will have a lot of power in the market. So, it is hard and maybe infeasible to enter a market where suppliers have a lot of power. On the other hand, where competitive rivalry is minimal, and no one else is doing what you do, then you'll likely have tremendous strength and healthy profits.

Write down your analysis.

Assignment 2.2.7. Rewriting the analysis for a competitors analysis

Follow up on your separate analyses in order to combine them into a complete competitors analysis. Ask yourself the following questions:

- Are there possibilities to differentiate in products and services?

- Can I raise barriers for potential new entrants?

- Can I enhance the value of my product?

- Can I lower the power of suppliers by supply chain management?

Write you complete competitors analysis within 25 sentences.

3. Competences and external analysis

The external analyses results in an overview of opportunities and threats. Crucial certainties should be taken into account in the business strategy. Crucial uncertainties (I do not know if the development will actually take place, when and to what degree, but if it happens It will disrupt the market) should be taken into account for the assessment of the strategy, through scenario analysis. Gaining understanding of the mutual influence will support your business decisions.

By understanding your surroundings you are able to set a well-considered strategy. The macro analysis is of influence on the decisions made concerning entering certain industries, to launch or not to launch certain product and de decision to outsource production activities abroad. By understanding technological trends, you may be able to prevent your business from spending a lot of money developing a technology that would become obsolete very soon due to disruptive technological changes elsewhere. The meso analysis is mostly of influence on the decisions to be made concerning your marketing activities.

Assignment 3.0. Decision making in determining the strategy (1)

Gather your knowledge about the surroundings and analyze what information is missing in order to make well considered business decisions for your strategy. Gather the missing information first.

A strategy consists of measurements that have influence on different areas of your business. The measurements often are connected. For example, the introduction of a CRM-system makes sense if the organization and internal work processes are adapted accordingly.

This is why the internal analysis of your business should be taken into account setting the business strategy. Use your mission statement and the competences (part 2.) of your business as well to come up with the business strategy.

The purpose is to detect what competences of your business are suited in responding to the trends and developments of the external analysis. This way, you will find out what external factors your business should focus on in order to survive.

External factor/ Business competence				

Assignment 3.1. Decision making in determining the strategy (2)

Decide upon the right strategy to respond to the future environment of your business. First, conclude your overview made in assignment 3.0. External factors that can be acted upon using the business competences are the most suited for your strategy. Second, write your business strategy.

My business strategy is:

_____

_____

_____

_____

Assignment 3.2. Portfolio (5)

Start with a description of the initial situation, think about your attitude at the start of this part of the course. Also, analyze your learning moments. Summarize your learning moments accompanied an analysis of the status of developing the aspired competences.

- What is the subject of this lesson?

- What aspects did stand out during the lesson?

- What subjects are of my interest and why?

- What learning moment did I experience in practice/real life?

In order to actually put into practice what you have learned, the next step is to define actions that will be effective. The actions should be described concretely and concisely. Describe how you are going to execute the actions and within what timeframe.

The next step is to execute the actions and evaluate the execution. Describe your experiences in executing the actions:

- How did I act?
- What was the effect of my behavior?
- Did I accomplish my goals?
- Am I satisfied with my progression?

Last but not least, evaluate your personal competences in relation to the business strategy. What competences need to be developed in order to carry out the business strategy? Describe what action you should undertake in order to complete your set of competences in relation to your business strategy.

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4. Bibliography

Gartner Hype Cycles: https://www.gartner.com/en/research/methodologies/gartner-hype-cycle

Printing and Publishing. Comprehensive sectoral analysis of emerging competences and economic activities in the European Union.

5. Additional information

3.0. Macro surroundings. The Gartner Hype Cycle

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual
Assignments
Part 4. Action & Organize

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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

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Table of Content

Part 4. Action and organization

Introduction

There are several methods available in organizational science (read the theory book). In this part of the course, we use the 7S-model for organization development designed by employees of McKinsey (an American business consultancy company). The model entails seven fixed factors to analyze the performance if a business. De factors have mutual influence in order to realize an effective and efficient business. The perspective of one of the factors influence the other six factors, so it is imperative that the factors support each other. Thus, coherency in the factors is the most important!

The seven factors are divided into three 'hard' factors and four 'soft' factors. The 'hard' factors are strategy, system and structure. The 'soft' factors are shared values, style, staff and skills.

fig 1. 7S-model

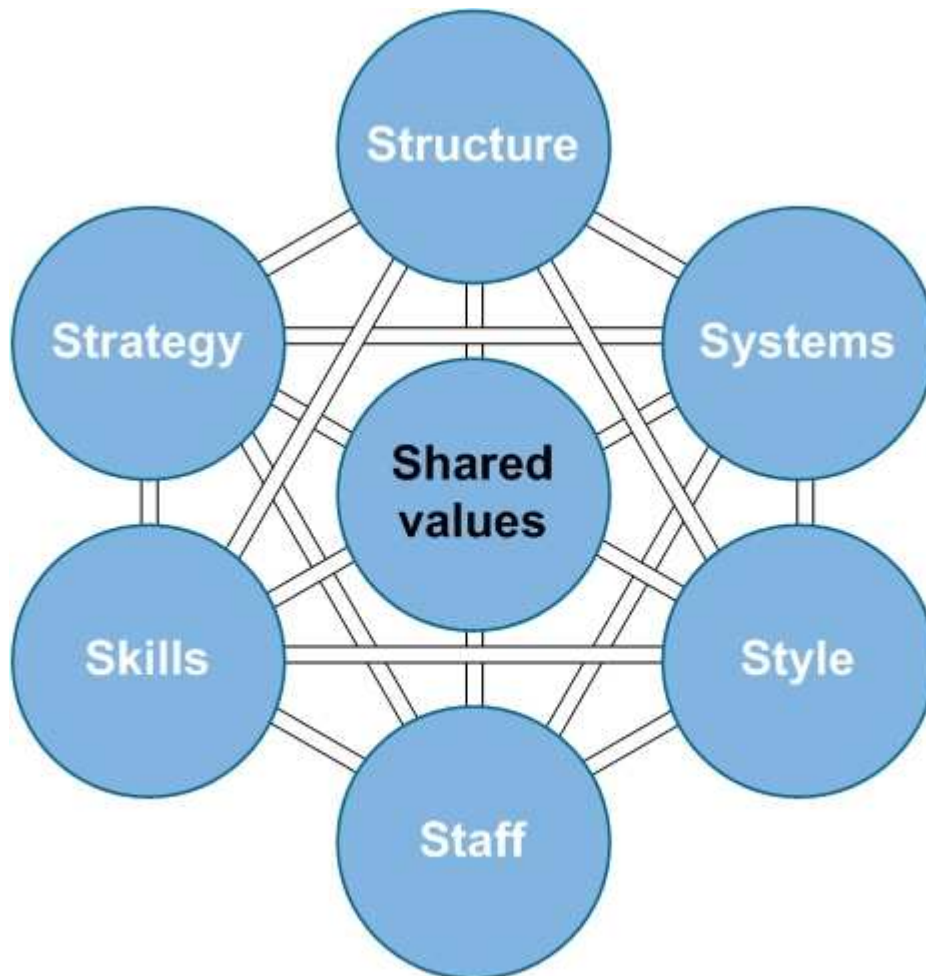The theory manual describes the theory on the 7S-factoren extensively. Below the factors will be defined shortly followed by assignments to determine the content of the 7S-factors for your business. Consult the theory in between the assignments for more knowledge. The competence aspect of this course is interwoven with the subjects. So, there is no paragraph about competences.

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Learning outcomes

General aim of the lesson

In this lesson, you will deepen your understanding of your (future) business. You will develop a strategy for your (future) business on the basis of the assignments and knowledge gained from the previous parts of the course. Second, you will use the 7S-model to reflect on all aspects of your business in order to align the aspects so they strengthen each other. You will reflect on your business' competences, the competences that your (future) employees should possess to perform successfully on the job. Furthermore, you will learn about situational leadership and apply the theory in practice. Last but not least, you accelerate exploiting your competences that are defined as typical female competences. You are ready to be an entrepreneur and successfully lead your business.

By the end of the lesson you:

Knowledge

- Know how to perform a risk analysis by conducting a SWOT-analysis
- Know how to forecast the future through scenario planning
- Know how to align all aspects of your business using the 7S-model
- Know how to define products on the basis of their relation to the market (product lifecycle)
- Know how to define job descriptions for your business
- Know the difference between business economic skills and organisational skills.
- Know the importance of the shared values of your business

Skills

- Reflect on your risk tolerance competence
- Reflect on your management style and learn how to lead on the basis of the situation
- Develop competences and assign them to the job descriptions of the jobs within your (future) business
- Align all aspects of your business by analysing the aspects separate and interrelated
- Conclude your progress in improving the competences you wanted to improve
- Continuously improving your learning curve by analysing, taking action and evaluation of the results.
- Accelerate in exploiting your competences derived from your gender; foster positive interactions and trust relations with and among employees, share power and information and to encourage employees to subordinate their personal aims and interests to business ends.
- Engage in planning at different levels, strategic planning, operational planning and workflow planning.
- Learn to develop a business canvas of their (future) business

Attitudes

- Consciously exploit your entrepreneurial competences (needed for successful business performance)
- Improvement towards taking risk
- Adjustment of the entrepreneurial attitude by approaching your attitude from the strategy perspective of the business
- Efficiently exploitation of your personal competences your own way and from your own perspective

1. Strategy

Your business strategy is the bridge between the mission statement and the 'harsh' reality that dictates that due limited resources not a goals can be accomplished at once.

Strategy management consists of three stages:

- Situation analysis, including internal analysis and external analysis.

- Strategy formation, including the analysis of different strategies.

- Planning and implementation, including strategic planning, operational planning and workflow planning.

Situation analysis

Internal analysis entails the analysis of the strengths and weaknesses of your business. The strengths and weaknesses should show the internal organization of your business. Production, marketing, employees are aspects of your internal organization. Also, financial aspects and organizational (internal procedures) should be examined.

The external analysis is, as you know an analysis of all factors of influence on your business, that can be received as threats or opportunities. In part 3. of the course you already mapped these factors.

The situation analysis should result in a conclusion of the confrontation between the strengths and weaknesses of your business and the opportunities and threats within the environment and will provide an answer to the following questions.

What opportunities are supported by the strengths of my business?

What opportunities are less feasible due to the weaknesses of my business?

What threats can my business face by exploiting its strengths?

What threats are strengthened by the weaknesses of my business?

Assignment 1.1. SWOT-analysis

Examine the strengths and weaknesses of your business. Consider your mission statement(3) and the competences of your business. The analysis made of the business' competences also provide insight in the weaknesses of your business (the competences your business needs to develop). Full out the matrix below.

SWOT-analysis	USEFUL	HARMFUL
INTERNAL	(strengths)	(weaknesses)
EXTERNAL	(opportunities)	(threats)

Scenario planning on product level

View your strategy (Part 3. assignment 3.1.). What term is set to your strategy, a year, three years, ten years maybe? Does the strategy cover the whole business?

Assignment 1.2.0. Perfecting my business strategy

Use your SWOT-analysis to adjust the strategy according to the stated questions.

My business strategy is:

_____

_____

_____

_____

The next step in strategy formation is to deepen the strategy by conducting scenario planning. Scenario planning is identifying a specific set of uncertainties, different "realities" of what might happen in the future of your business.

Due to the external factors (part 3.) markets and products are impossible to maintain constant. Product have a lifecycle. Introducing a new product is accompanied with a small market share and high introduction costs. If the product is received well it will enter the expansion phase,

characterized by market growth. After that, consolidation will occur and if no actions are undertaken to extend the lifecycle of the product the market share will decrease. The risk of decline should be avoided. The product-market-combination will support the nature of the action.

Assignment 1.2.1. Product Market combination

Use the figure below to determine if action should be taken upon product level. First, describe your products and there phase in the lifecycle. Second, decide what products are declining in sales. Third, fill out the PMC-matrix for those products.
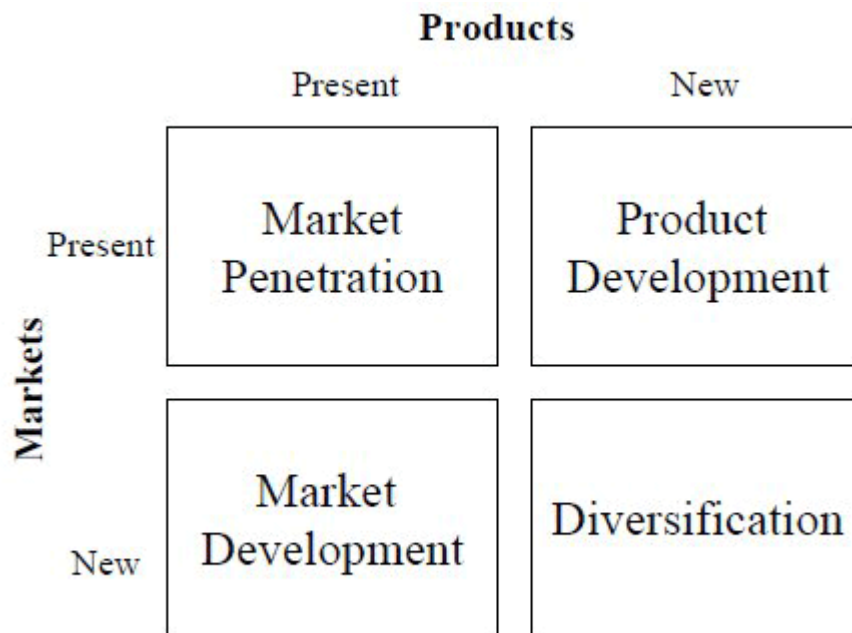
fig. 4. The PMC-matrix

Product	Stage of life	Strategy (one of the 4 possibilities)	Action to undertake

Assignment 1.2.2. Actions

Define the actions that should be undertaken on product level to decrease the risk of their decline. Evaluate how the actions fit your business strategy.

_____

_____

_____

_____

_____

_____

_____

_____

Planning and implementation

Time to set plans in motion! First, start by planning on a strategic level. Move on the operational planning and end with the workflow planning. The planning should become a continues planning.

Assignment 1.3.0. Strategic planning

Make a strategic planning for your business. 'Wat goals do we want to achieve within a period of two years with regard to growth, turnover, profit and market share?' 'How do we realize these goals within the deadline, what investments, financing, organization, human resources and information systems are needed?

Open an Excel and save it as 'planning my business'. Use this Excel sheet to develop your strategic planning.

Assignment 1.3.1. Operational planning

Elaborate on your strategical planning. 'What costs, revenues sales, products, investments, stock are needed within a year to stay on track in achieving the goals. Design your operational planning as you wish.

Use your Excel sheet to develop your operational planning as well. Open a new tab, rename it 'operational' and develop your operational planning. Discuss the planning with your (future) colleagues/ fellow students and your tutor or other people that are your business advisor.

Assignment 1.3.2. Workflow planning

The operational planning is your fundament. Use it to make a workflow planning for the departments depicting the daily work procedures. The work flow planning consists of monthly/weekly production

planning, schedule planning for production and liquidity planning. Try to work out a detailed workflow planning.

Use your Excel sheet to develop your workflow planning as well.. Open a new tab, rename it 'workflow' and develop your operational planning. Discuss the planning with your (future) colleagues/fellow students and your tutor or other people that are your business advisor. Check the three planning sheets to be coherent.

2. Structure

The factor structure is about the organizational structure and the structure of the human capital, bureaucracy, coordination and the division of tasks and responsibilities.

Assignment 2.0. Your organizational structure

First, design your business' organizational structure and the human relations by creating an business organizational chart. The business organizational chart shows how many different divisions and departments are defined within your business and what hierarchical relationship the departments and employees have. The design of your business organizational chart is up to you, but it should respond to the conditions above. Read the theory on the 7S- factor structure for more knowledge.

Example:
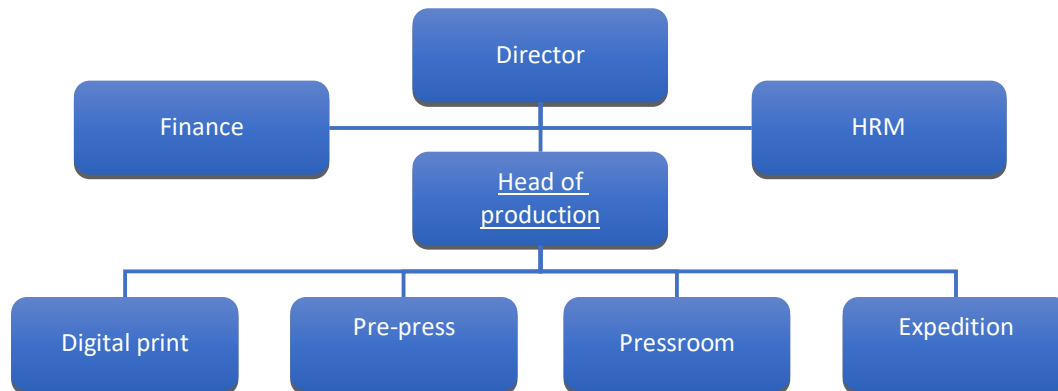
My business organizational chart:

Assignment 2.1. Analyzing the coherency

Analyze the fit between your strategy, business competences and its organizational structure. Do they enhance each other or do they contradict each other?

Write an conclusion and adjust one of the S-factors if needed, to ensure its coherency.

3. Systems

The operating systems and control systems of your business. Analysis of the operating systems and the control systems entails a definition of the systems of the organization and a evaluating the business organization from a system perspective.

You set your structure on the basis of the strategy of your business. Determine what structure is coherent with the strategy. Further, design or adjust the production process to the structure.

Assignment 3.0. Analyzing the systems

View you business' strategy. Develop a system that fits the business strategy and the structure of your business. The system should facilitate execution of the business' competences.

To implement the structure, operating systems and control systems the production process and the operational planning have to be developed. On the basis of this operational planning the progress of the production process can be evaluated by recording the results, comparing them to the production standards derived from the business goals, and, if necessary, adjustments should be made to the production process.

Use the following questions to analyze the systems.

1. What is the output of the system?
2. What is the input of the system?
3. What are the operational measurements?
4. What data can be generated from the system?

Ask yourself the following questions to determine the nature of the production process.

1. What do I want to measure and control? (productivity, costs)
2. What is measured in the process and where do I want to control? (input, output, transit)
3. What data do I need to record? (personal information, order number, components)

Output	
Input	
Operational measurements	
Data	

What do I want to measure?	
What data is measured and where do I want to control the data?	
What data do I need record?	

Adjustment must be realized through concrete activities. This is the control system. The original plan will have to be adjusted and re-planned. Determine if changes within operating systems and/or control systems are needed. If so, define actions in order to do so.

Action	Description of the action

4. Style

Your influence, as leader of your business, should not be underestimated. You set goals, determine resources and human capital, evaluate and control progression and if needed you will adjust the business strategy. What is your management style?

Also, the structure of your business will reveal a lot of the style of management. What is the degree of hierarchy, or is the business structure flat, showing an informal character? Is management top-down or bottom-up?

Assignment 4.1. Portfolio (6)

Management competences are essential for a successful business. Assess your abilities of the most important management competences in your portfolio. First, couple competences with the most

important management skills. Second, compare the development of your competences to the management competences and evaluate their status.

The most important management skills are:

- To influence

- To set goals

- To lead suited to the situation

Assignment 4.2. Practicing management competences

Review the management competences. Analyze the knowledge needed to perform them, and the capabilities needed.

To influence

- What is my goal and my interest?

- Who are in this process (stakeholders)?

- What are the goals and interests of the stakeholders?

- What power do I have?

- Who is determinative in the decision making?

- Are feelings part of the process?

To set goals

Your business goals are set throughout the second part of this course. They are SMART defined. View your business goals. Evaluate them by analyzing them in regard to the following conditions.

- Do they inspire and motivate?

- Do they inspire certain behavior?

- Do they support the decision making?

- Do they support teamwork?

- Are they coherent to each other?

- Are there rules set concerning adjusting the goals?

Substantiate your answers and if needed, adjust the set goals.

To influence	To set goals

To lead suited to the situation

Your leadership derives from your personal characteristics. However, leading a business demands different leadership (styles) in different situations. The elements of the situation are the characteristics of the one who needs leadership and the work nature. Off course the structure and systems of your business already determines the situations.

Within leadership there are two distinct aspects defined, task-driven leadership and leadership relation-driven leadership (focus on human capital). Literature shows a dominant discourse of four forms of leadership, to delegate, to support, to guide and to lead. Combining the two aspects of leadership results in four leadership styles.
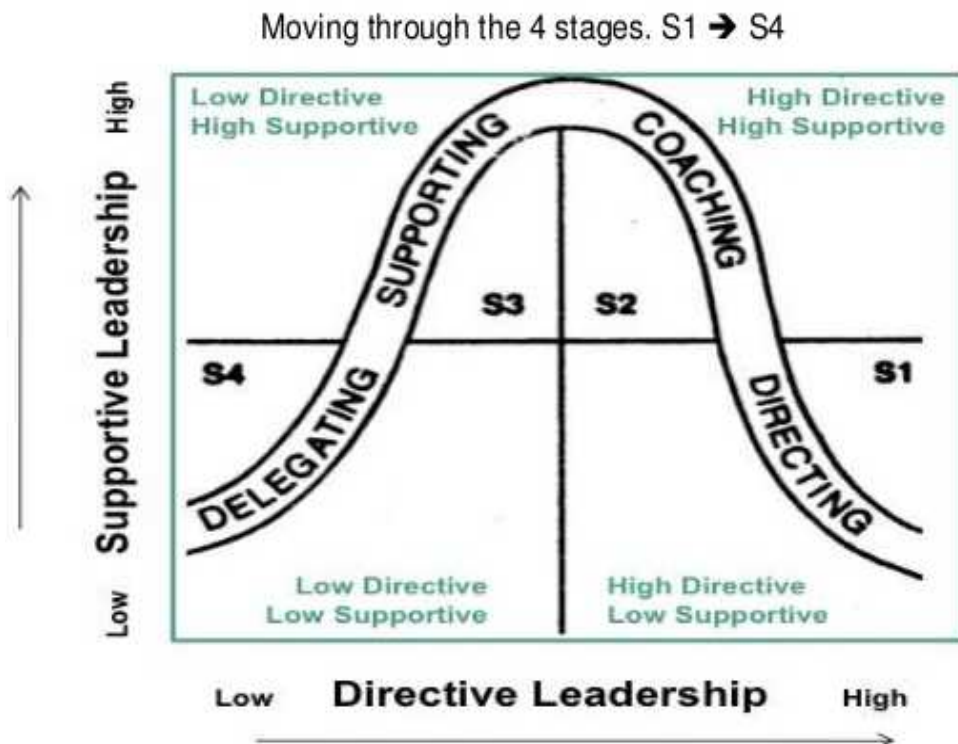

fig. 3. Hersey and Blanchard model

S1. High task-oriented / low people-oriented. This style is characterized by a focus upon results , employees will be instructed but not supported. Step by step the procedure is instructed and there is direct control. The process is procedures and guidelines, determining norms and evaluating results.

S2. High task-oriented / highly people-oriented. Employees are directed, supported and consulted. Their input in making decisions is appreciated. They are closely monitored when making decisions and carrying out tasks. Process-wise, cultivating understanding of the task (convincing it is necessary), responding to ideas and suggestions of the employees, explaining and asking whether he understands the task properly, answering questions and answering them clearly, listening carefully and showing understanding are important.

S3.

Low task-oriented / highly people-oriented. This style is also referred to as supportive or participation style. Support and participation is taking place by the management. Listening and showing understanding for the employees, trying to find the cause of possible dysfunction. Also, together an attempt will be made to solve problems and stimulate the employee himself to be responsible for the solution.

S4.

Low task-oriented / low people-oriented. The style of management is characterized by delegation. The employee will be supported to express his problems (when performing tasks), he is asked the right questions and given more insight into the cause and reason for his dysfunction in certain tasks, and he is asked to come up with solutions to the problems that have arisen. The employees make their own decisions and therefore are responsible for implementing the decisions taken.

Assignment 4.1.1. Portfolio (7)

Evaluate what management style you naturally perform. Analyze the fit between your management style and your business competences. Do they align? Substantiate your conclusion.

4.2. Task maturity and leadership

Effective leadership is besides leadership style (behavior) depended upon the task maturity of the employees. The task maturity is build out of two elements, the capability and willingness of an employee to perform the task.
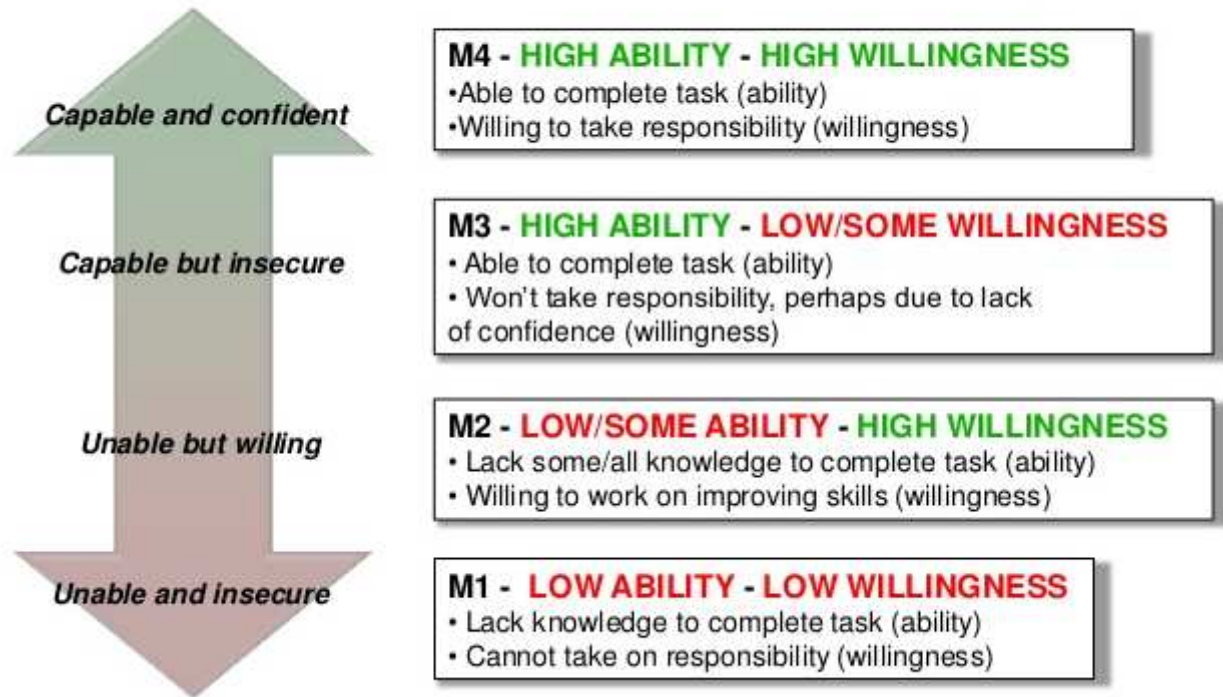
fig. 4. Levels of maturity

Assignment 4.2. Connecting task maturity to leadership style

The degree of the task maturity of an employee influences the leadership style that should be used in order to be effective. Connect and describe the four task maturity levels with the four leadership style. Substantiate why the connection is made.

5. Staff

The management style has influence on every aspect within your business. It also influences the kind of staff you attract. Staff is about hiring, selecting, evaluating, rewarding and firing employees. Planning of employees is also an important part of staff. Read more about these subjects in the theory book. and feel free to translate it to your business. Assignments below only create a basis for human resource management.

The strategy of your business, your business' competences and your business goals determine the job descriptions within your business. A description of the tasks a person is responsible for in a business. Take in mind your workflow planning as it is the planning of the operational tasks in your business. Employees are the executers of the business' competences.

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Assignment 5.0. Describe the jobs within your business

Job	Description

Requirements should be set for the function so competences can be defined. Complement the description with a set of competences needed to successfully perform on the tasks of the function.

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Assignment 5.1. Describe the competence profile per job description.

Job	Competences

In order to manage your human resources it is imperative to define how their performance and development of competences can be evaluated.

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Assignment 5.2. Determine the criteria for performance

Translate the competences per job description into data that can be gathered, monitored and evaluated for the purpose of human resource management. The information will provide insight in a person's competences, willingness to develop and task maturity. This will provide information about the effect of your management style toward the person. It is also input for the educational plan of your employee in order to prepare them for the future. This is aligned with your business strategy of course.

Job	Competences	Data to gather
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	- - - -	- - - -
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6. Skills

Research on organization show that the business-economic characteristics and organizational characteristics determine the success of a business. Some characteristics should be evident in order to be successful. The business economic aspect is:

- The cash flow of the business (business-economic).

The organizational aspects are:

- A consistent policy
- A healthy investment plan (do not invest with debt and connect the investments to the goals of the business)
- A supportive business culture
- An entrepreneurial mind set

Assignment 6.0. Calculate your cash flow.

Net cash flow = net profit + depreciation - net investments

First of all, determine which elements determine the cash flow within your business. What are the incoming and outgoing money flows? The cash flow is ultimately calculated by calculating the difference between the two cash flows. The cash flow can be calculated per period or per project. A negative cash flow means that more money exits the business instead of entering the business. When more money enters the organization, this is a positive cash flow. The calculation for a net cash flow.

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Incoming money flow		Outgoing money flow	
Description	€	Description	€

My net cash flow =

Assignment 6.1. Evaluate the skills of your business.

Evaluate the performance of your business by evaluation of the organizational criteria. First, determine the skills your business should possess in order to perform successful on the organizational aspects.

Second, translate the skills into competences. Compare the described competences with your business' competences as determined within the second part of this course (see assignment 2.1.).

Third, fine tune your business' competences and decide the level of relevancy:

- *Very important*: someone who does not have this competence cannot perform the job successfully.

- *Less important*: Having these competences can help to improve job performance, but it is possible to perform the job without them.

- *Irrelevant*: this competence has rarely anything to do with successful job performance.

Fourth, choose up to two competences of high relevancy to as organization-wide competences. These competences apply to virtually everyone in the organization. Add this competence(s) to the competences profile that complement the job descriptions within your business.

Organizational aspect	Skills needed to successfully perform
A consistent policy	
A healthy investment plan	
A supportive business culture	
An entrepreneurial mind set	

Needed skills	Competences needed to develop the skills
A consistent policy	
A healthy investment plan	
A supportive business culture	
An entrepreneurial mind set	

Competences	Importance (high, low, irrelevant)

7. Shared Values

The central factor is shared values. This factor provides a direct link between all other factors. It is about the business' culture and the compliance of employees.

- What are the shared values of the organization?

- Is there a vision, and are these known to the staff?

- What culture prevails within the organization?

- Do the defined vision and values of the organization correspond to reality?

- Does the management also adhere to the shared values and vision?

- What is the image of the business?

-

Assignment 7.0. Define the culture of your business

Culture is the common beliefs, values, norms and the attitudes, behavior characteristic and symbols people share as part of the business. In this course there are four types of cultures described.

The task culture.

People are mainly interested in the work itself. High quality is demanded and it is assumed that people are intrinsically motivated by their work.

The task culture is typical of business where one is more focused on work than on the rules. People are focused on a specific task and implement it in collaboration with others. Once the task has been

completed, they focus on another task, often with other people from the organization. The emphasis is on cooperation and problem-solving ability.

The Role culture

In a role culture the emphasis is on the way people fulfill their job description. Every employee knows his role, which presupposes a certain behavior, manners, clothing, work attitude and so on. The vision of the business is translated into actions of the personnel by an effective educational plan. is translated into the actions of the personnel.

The Power culture

In a power culture the emphasis is on the dominance of some and the subordination of others. Leadership is based on issues such as justice and paternalistic benevolence and, sometimes, upon fear. The leaders are expected to be powerful and knowing, of the subordinates who perform what is said.

The People culture

The main difference between a people's culture and the other types is the fact that the other types the business is in the center of it. A people's culture is centered around the individual people in the organization. The premise is that people will contribute to the goals of the organization from their personal needs and involvement in the group. This type of culture is also known as the supporting culture. The organization is here at the service of the personnel.

Analyze what type of culture fits your business. Substantiate your choice and describe how your culture type is coherent to your business' strategy, structure, system(s), style, staff, skills and competences.

My business culture is:
Coherence with:
Strategy

Structure

System(s)

Style

Staff

Skills

Competences

Assignment 7.1. Business Canvas

Design your business canvas using attachment 7.1. Business Canvas.

Assignment 7.2. Portfolio (8)

Start with a description of the initial situation, think about your attitude at the start of this part of the course. Also, analyze your learning moments. Summarize your learning moments accompanied an analysis of the status of developing the aspired competences.

- What is the subject of this lesson?

- What aspects did stand out during the lesson?

- What subjects are of my interest and why?

- What learning moment did I experience in practice/real life?

In order to actually put into practice what you have learned, the next step is to define actions that will be effective. The actions should be described concretely and concisely. Describe how you are going to execute the actions and within what timeframe.

The next step is to execute the actions and evaluate the execution. Describe your experiences in executing the actions:

- How did I act?
- What was the effect of my behavior?
- Did I accomplish my goals?
- Am I satisfied with my progression?

Last but not least, evaluate your personal competences in relation to the business strategy. What competences need to be developed in order to carry out the business strategy? Describe what action you should undertake in order to complete your set of competences in relation to your business strategy, shared values (culture), structure, system(s), staff, style and skills.

Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry

Module 3 – Female entrepreneurship

Student manual
Attachments

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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Project website: www.thriveproject.eu

Student (practice) manual attachments.

Competence	My definition of the competence	My score (outcome of the scan)	My analysis of the competence in relation to my business	Focus (score 1– 10)
Self-efficacy (motivation)				
Decision making (financial)				
Management				

Competence	My definition of the competence	My score (outcome of the scan)	My analysis of the competence in relation to my business	Focus (score 1 – 10)
Network ability				
Risk Tolerance				

My main focus is on the competence(s):

Competence (1): …………………………………….

Competence (2): …………………………………….

Competence (3): …………………………………….

Competences in order of focus

Competence (1): …………………………………….   Focus score …..

Competence (2): …………………………………….   Focus score …..

Competence (3): …………………………………….   Focus score …..

Competence (4): …………………………………….   Focus score …..

Competence (5): …………………………………….   Focus score …..

Competence (6): …………………………………….   Focus score …..

Competence development and your business

(1) Focusing on the development of the competence………………………………………… gives me the ability to provide

…….. for my business.

(2) Focusing on the development of the competence………………………………………… gives me the ability to provide

…….. for my business.

(3) Focusing on the development of the competence………………………………………… gives me the ability to provide

………for my business.

(4) Focusing on the development of the competence………………………………………… gives me the ability to provide

…….. for my business.

(5) Focusing on the development of the competence………………………………………… gives me the ability to provide

…….. for my business.

(6) Focusing on the development of the competence………………………………………… gives me the ability to provide

………for my business.

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Attachment 3.0. Part 1. Female Entrepreneurship course.

COMPETENCES

Definition
A personal characteristic (knowledge, skills, attitudes) which is reflected in the behaviour of individuals and which is related to successful job performance.

Characteristics of competency
These are derived from the mission and strategy of the organization.
It involves behavior, in a way that:
- The presence or absence of it can be objectively observed
- The degree of 'skill' in a competency can be easily determined
- That people can develop through experience and training

Guidelines of competences
- Keep the relation to the strategy of the organization and the results to be achieved.
- So no general list of competences; the strategy of each organization is unique.
- Describe the competences in a way that everyone in the organization knows what it is about.
- A limited list of truly critical competencies is preferable to strive for completeness.
- Review the competences over and over again in relation to the strategy and adapt if necessary.

Formulating competences
Competencies must be formulated in observable behavior, in such a way that:
- The definition is recognizable and the same for everyone.
- The presence or absence of it can be observed objectively.
- The degree of proficiency ('being able to') in a competence can be easily determined.
- Employees can develop themselves in these competences through experience.
- Employees can improve themselves through specific training / education

Choice of competences
There are 31 competencies defined. Of each competence 4 levels (grades) are defined as follows: very important, less important, irrelevant and organization wide.
Simultaneous use of all competencies in a job description is undesirable, because it is impossible to choose or assess on 31 criteria, or to desire a change in behavior. Therefore, follow the steps below:

Step 1: Select 5-8 decisive competences per job description (the so-called 'core competences').
Step 2: Decide per selected competence the level of relevancy:
  ✓ *Very important*: someone who does not have this competence cannot perform the job successfully.
  ✓ *Less important*: Having these competences can help to improve job performance, but it is possible to perform the job without them.

  ✓ *Irrelevant*: this competence has rarely anything to do with successful job performance.
Step 3: After all competences have been graded, up to 2 competences could be referred to as organization-wide competences. These competences apply to virtually everyone in the organization.

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LIST OF COMPETENCES

	Competences	General description
1.	Adaptability	Being able to easily adapt to changing environment, methods, working hours, duties, responsibilities and behaviors of others.
2.	Analytical skills	The ability to effectively identify problems, to search for relevant information, to recognize important information, to detect the causes of problems and to form a realistic opinion knowing the given facts.
3.	Decisiveness	The ability to take action and express (speak out) ones opinions or judgments.
4.	Social skills	The ability to use and maintain contacts in a smooth, correct and effective way, within the framework and objectives of the job/position.
5.	Creativity	The ability to create, generate and further develop new or original ideas for improvement or replacement of existing methods, ideas or products.
6.	Perseverance	To be able to work on a specific task during a longer period of time. To stick to an opinion or plan until the desired goal is reached.
7.	Balance	stability, not easily upset, calm, relaxed and no nonsense mentality.
8.	Flexibility	to be able to stay focused on the goal, by adapting ones behavior to changing circumstances.
9.	Initiative	The ability to spontaneously come up with ideas and plans.
10.	Customer focus	The ability to identify the needs / wishes of both internal and external customers and to act accordingly.
11.	Quality awareness	To follow and/or develop (high) quality standards, looking for ways to improve them.
12.	Leadership	The ability to give direction and guidance to a group in order to have them work towards the goal.
13.	Loyalty	Adjusts the own behavior to the needs, the goals and priorities of the organisation. Sets the importance of the organization above their own
14.	Oral communication skills	The ability to share ideas, suggestions and information and exchange it verbally in a correct, clear and adequately way.
15.	Accuracy	The ability to minimize errors and to deal effectively with detail information.
16.	Entrepreneurship	The ability to search, create and exploit new opportunities and innovation. Having the courage to take and carry out risk decisions.
17.	Organization skills	The ability to organize business effectively by dealing efficiently with resources and time.
18.	Persuasion	The ability to convince others for views, opinions and ideas.
19.	(Personal/individual) Development	The capacity to allow others or yourself to develop in such a way that the effectiveness of the work is increased, which affects the result as a whole.
20.	Planning capability	The ability to create a plan. Have the capability to implement this plan correctly and timely, monitoring the progress.
21.	Motivation to perform	High demands at work. Shows not satisfied with an average performance.
22.	Result orientation	The ability to optimally focus the own performance or performance of others on the desired / required result, without getting on sidetracks.

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23.	Collaborate (internal/external)	Internal: the ability to interact with others in a group, aimed at optimizing the results and without pursuing personal advantage. External: The ability to effectively use external contacts, to work together in partnerships, representing the interests of the own organization.
24.	Written communication skills	The ability to share ideas, suggestions and information and exchange it in writing in a correct, clear and adequate way.
25.	Sensitivity	Being aware of (one's own influence on) others and the environment. Recognize feelings and needs of others.
26.	Strategic vision	The ability to indicate trends and developments regarding markets, competitors, customers, etc. and to understand and predict their interrelationships and their developments towards each other.
27.	Stress resistance	The ability to continue to perform steadily under high pressure, opposition and / or adversity.
28.	Theoretical and practical vision	The ability to learn new information and knowledge gained by experience and implement these both effectively.
29.	Professionalism	To have and use the knowledge and skills related to the job.
30.	Persistence	The ability to persevere during a longer period of time and to overcome resistances and obstacles to achieve the defined goals.
31.	Independency	Being able to perform and act independently, within the context of the job description .

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THRIVE!
Developments, future company profiles, and entrepreneurial skills in the creative industries

The "Thrive! Entrepreneurial skills as solid base for a future in the Creative Industry" project has as central aim to support the (young) (female) entrepreneurs and companies and its employees in the creative sector to go through a transformation and innovation process that is necessary to survive the present times and to become a company with a sustainable business case.

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AR	Augmented Reality
BMAS	Bundesministerium für Arbeit und Soziales
BMWi	Bundesministerium für Wirtschaft und Energie
BRIC	BRIC countries – Brazil, Russia, India and China
B2B	Business to business
B2C	Business to consumer
e.g.	for example
etc.	et cetera
Fig.	Figure
GDPR	General Data Protection Regulation
IT	Information Technology
OECD	Organisation for Co-operation and Development
RFID	Radio Frequency Identification
3D	three-dimensional
24/7	twenty-four-seven
VR	Virtual Reality

Executive summary

Background

The creative industries have undergone massive changes since the beginning of the 21st century. Technology – mainly the digitalisation – has changed the way of production, sales and distribution fundamentally, new competitors – often from outside the branches – appeared and captured market shares, customer behaviour has become more and more volatile, close cooperation with customers ("pro-sumer") is normality. One effect of these developments is that competences become obsolete faster than in the past.

But the digital transformation does not only threaten traditional industries and players. It also offers tremendous opportunities for entrepreneurs and people with entrepreneurial spirit. Therefore the central questions of the Thrive!-project are

- What do future companies in the digital industry look like?
- Can some kind of „typical" company profiles be identified?
- What are the consequences for employees' competences and especially necessary skills for entrepreneurial activity?

Desk research

To answer these questions the desk research concentrated on

- Developments in the creative industries.
- The gigatrend digitalisation and the megatrends and their consequences on the creative industries and the competences of the future.
- Developments in innovation management and entrepreneurship.
- The characteristics of the target groups "Entrepreneurs", "Employees with entrepreneurial spirit" and "Female entrepreneurs".

Changing framework conditions in the creative industries offer opportunities for entrepreneurs

More and more routine jobs will be automated in the near future. In the creative industries there will still remain a lot of creative jobs that cannot be automated. The creative potential arises from the cooperation in new teams that combine and/or bring together ideas and impulses from different sectors/disciplines. This will offer a lot of options for entrepreneurs. Important competences for working successfully in this environment will be

- Sense of new developments/trends.
- Ability for a creative cooperation in permanent changing teams consisting of different cultures and disciplines.
- Organisational talent.
- Project-management.
- Entrepreneurial thinking from the perspective of the customer.

The digitalisation creates a new innovation-ecosystem
"Creative industries of the future"

The digitalisation has outstanding effects on the future of the creative industries. The implications on the organisation of the future as well as the mode of working in the future ("Work 4.0") are tremendous. The options for new business for creative people increase with increasing digitalisation. Digital competences are seen as the key element for adaption to the digital change – they open the door for new business models. The company of the future will be organised as a „fluid organisation" – often you can't differentiate who belongs to the enterprise und who doesn't: agencies, consultants, external experts are involved in business processes as well as permanent staff. A new innovation-ecosystem evolves (see fig.1).
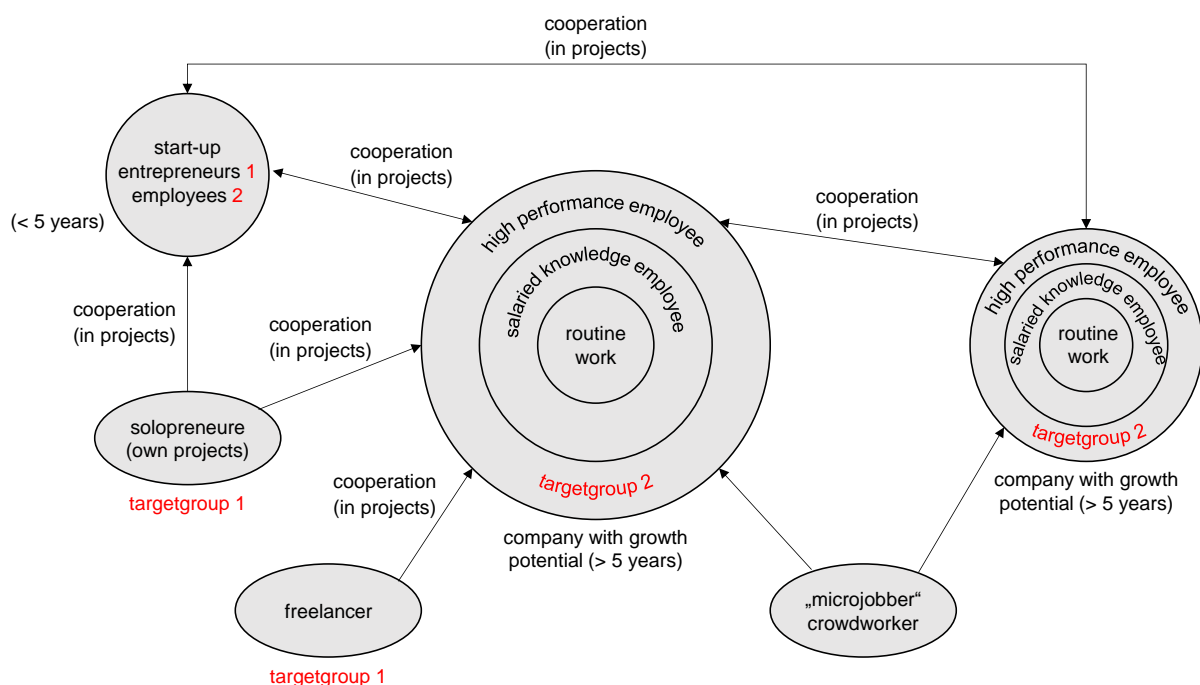
Figure 1: Ecosystem "Creative industries of the future"

A "typical" company consists of high performance employees that mainly work on innovations and new business models. They have a high degree of entrepreneurial spirit. The second group are the salaried knowledge employees. They have an over-average qualification and conduct challenging tasks in business administration. The routine jobs are executed by "micro jobbers" (often crowd workers). In the context of entrepreneurship and innovation these companies cooperate with other companies, start-ups, freelancers, and/or solopreneurs.

Megatrends

Megatrends mark middle-to long-term perspectives in society, economy, technology etc. We analysed 12 megatrends (Silver Society / Demographic Change, Neo-ecology, Mobility, Urbanisation, Connectivity, Gender Shift / Diversity, Globalisation, New Work, Knowledge Society / New learning, Health, Individualisation, Safety and Security) and tried to identify

impacts on the future of the creative industries. There are impacts both on new products and services as well as on the way to work and the structures of the companies of the future.

Megatrends offer manifold opportunities for new, individualised products and services, customers and market segments. This development tends to forward entrepreneurship in the creative industries and beyond. Entrepreneurs must be able to analyse trends and future developments in order to identify consequences for their business. That implies

- To know and be able to use different sources of information on trends and developments (e.g. trade-organisations, specialised consultants, science – universities and research institutes).
- To know and be able to use basic methods and tools of "impact assessment".
- To be able to identify chances as well as risks.
- To be able to think in the "philosophy" of business models.

Innovative approaches in innovation management and entrepreneurship require new competences

Success in innovation is highly connected with business model innovations: the economic success does no longer primarily depend on new products, new services or new processes, but on new business models. Innovation is no longer the result of technological development and market-/customer analyses, but of a new definition of the rules of the game in nearly all branches. The emerging role of business model innovations opens new opportunities for entrepreneurs and start-ups. Furthermore the new strategic approach of many established concerns opens new opportunities for employees with entrepreneurial spirit.

Following the new understanding of innovation(-processes) there has also been a shift in the understanding of entrepreneurship. One trend is that an entrepreneur doesn't have to be an "all-rounder" who knows everything around the management of a business. This tasks - communication, logistics, accounting etc. - can be delegated to external specialists. The business concept is in the centre of the foundation of a company – and the (administrative) functions mentioned above are organised by cooperations. The entrepreneurial design has to be "user-oriented" and must follow the principles: simplicity, scareability, "white-label"-solution, minimize risks, experimental pre-start, intelligent prototyping. In this mind-set the entrepreneur is something like a moderator of a process who coordinates and orchestrates the different duties in connection with running a business successfully.

The core competences of an entrepreneur are close related to the business concept – the modern profile of qualifications/competences/skills of a successful entrepreneur covers the ability

- to identify trends and technological developments early.
- to develop an innovative (business) concept.
- to implement the concept.
- to inspire the employees (and business partners) of the concept.
- to adapt the concept to changing framework conditions.

The basic knowledge in business administration is still relevant in entrepreneurship – but there are some fundamental changes in the "core" issues of business administration. The

developments that can be summarised with the term "crowd-#" have a profound impact on business knowledge. Especially funding has changed fundamentally ("crowdfunding"). The catalogue of basic skills in business administration for entrepreneurs has to be enriched by topics as crowd-funding, social-media, new organisational concepts, new leadership concepts, (virtual) cooperation etc.

Characteristics of different „types" of entrepreneurs induce particular challenges

Target groups of the Thrive!-project are young entrepreneurs / start-ups (companies younger than 5 years), employees with entrepreneurial spirit / companies with growth potential (older than 5 years) and female entrepreneurs.

Young entrepreneurs need

- in many cases more profound skills in (fundamental) business knowledge and skills.
- specific management tools for dealing with crises (crisis management).
- a functional early-warning system.

    and on the level of personal competences

- a good self-management.
- resilience / health management.

Employees with entrepreneurial spirit need

- Sophisticated skills in project-management (with regard to the digitalisation especially with modern concepts in project-management like agile project-management, scrum etc.)
- Skills in communication.
- Competences in leadership.

Specific competences for *female entrepreneurs* that could be developed via education and training are

- improve the willingness/ability to take financial risks, e.g. negotiation with VC and banks.
- support decision making, e.g. by methods and tools that accelerate the process of decision making.
- work-life-balancing/-blending.

Company profiles of the future in the creative industries – implications for entrepreneurial competences

Print companies with integrated marketing solutions

Entrepreneurs will have a deep understanding of Big Data. Data-driven marketing systems will be established in every printing company and will be rely on a wealth of personal data for successful marketing campaigns. For this purpose, future specialists also demand knowledge of automated read-out data algorithms. Technical understanding of the

automation and networking of machinery will be an important aspect to enable the production of edition 1. This also requires competences about upstream and downstream production processes of the machinery. Owning personal data for marketing purposes further requires data security competencies to protect the end user's privacy and keep it anonymous.

Packaging

Entrepreneurs have to master programming skills in order to create intelligent packaging solutions. This programming knowledge allows setting up interfaces to provide relevant additional information for specific end devices. Software-specific competences enable a professional handling with 3D-simulation programs to design innovative and unusual packaging. Expertise in innovative materials for packaging materials that are cheap and completely recyclable will be essential for the future.

Sign and display

Display production requires knowledge of content creation and design creativity. Likewise, technical skills for the maintenance of defective displays are required. For the production of signs also competences in the field of material science are necessary to be able to offer customers innovative substrates and special inks and lacquers.

Digital marketing agencies

Self-employment in digital marketing agencies will demand skills for social media marketing. Successful campaigns require 24/7 content creation, which must be mastered by the workforce. However, the right target group must be addressed via the respective social media channels, which also requires customer orientation. In addition, understanding of data analysis / management (e.g. methods in artificial intelligence) is an important competence for working with social media channels to be able to measure the success of marketing campaigns.

Gaming

Technical skills for augmented reality (AR) and virtual reality (VR) as well as mixed reality will be of great importance to make game solutions seem ever more realistic. In order to adapt game solutions as closely as possible to the end user, competencies must be acquired which allow the developer to collect as much data as possible about the potential end user and to use it confidentially. Developers must e.g. develop game solutions with learning effect for schools or universities; this requires subject-specific skills in order to be able to adapt the content. Developing game solutions is a very challenging business. For this, entrepreneurs need skills to build up a value creation network with competent cooperation partners.

A new portfolio of entrepreneurial competences and skills for the future in the creative industries

The new portfolio of entrepreneurial competences consists of different category groups:

- In the centre of the portfolio there are the "core" competences. These core competences for entrepreneurs in the creative industries consist of entrepreneurship competences and of digital competences. This competences are some kind of basics that are relevant for

all entrepreneurs respectively people with entrepreneurial ambitions in the creative sector. With reference to the Thrive!-project they apply to the three defined targets groups of the project in equal measure.

- In a second step these competences have to be assessed and complemented by competences and skills that refer to the special lacks in competences of the different target groups.
- And in addition to that - dependent on the subsector - there are some special competences that are important to be successful on the specific markets of the subsectors.
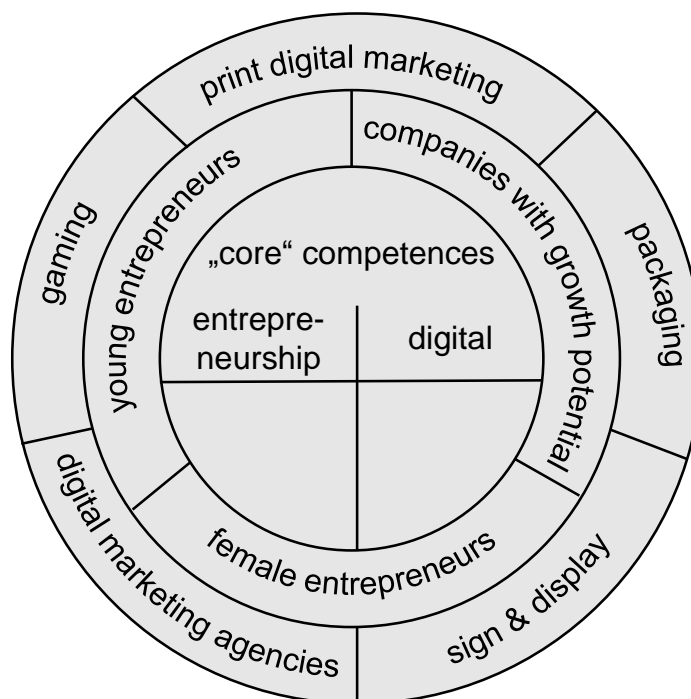

Figure 2: Competence model for entrepreneurship in the creative industries of the future

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	Entrepreneurial skills	Digital skills	Sector-specific skills
All target groups	• understand what business models are, how they function, and they also must know some "standard" types of business models (e.g. multi-sided platforms, long tail, freemium), • know and be able to exercise methods for business model generation (e.g. CANVAS). • to identify trends and technological developments early to evaluate trends and convey the consequences for the current (and) future business • to develop an innovative (business) concept and to implement the concept • methods: entrepreneurial design, lean startup, customer development, design thinking • Capacity for teamwork • Working in flexible structures • Project-management - basics of "traditional" project-management (also multi-project-management) • Integration of external partners • coordination of complex teams • Intercultural competences • Leadership competences	• Sense-Making Ability to draw conclusions from a great many of data ("big data") • Social Intelligence Ability to use empathy – scrutinise digital processes • Novel and adaptive Thinking Ability to think innovative in problem-solving (cross-industry innovation) • Cross-Cultural Competency Ability to adapt quickly to modified cultural frame conditions • Computational Thinking Ability to convert a multiplicity of data into abstract concepts • New Media Literacy Ability to work with new digital forms for expression (photos, video, texts, language…) • Transdisciplinarity Ability to think in greater /superior contexts • Design Mindset Ability to think like a designer in problem solving (perspective of customer) • Cognitive Load Management Ability to screen information much better to keep productive • Virtual Collaboration Ability to work in virtual working constellations	*Print companies with integrated marketing solutions* • Deep understanding big data • Automated read-out algorithms • Automation and networking of machinery • Data security /protection of end user's privacy *Packaging* • Programming skills • Software-specific competences • 3D-simulation • Innovative materials for packaging *Sign and display* • Content creation and design creativity • Maintenance of defective displays • Material sciences *Digital marketing agencies* • Social media marketing • High customer orientation • Data analysis / data management *Gaming* • Augmented and virtual reality • Competences in didactics (serious gaming) • Subjects specific skills (content) • Build up a creation network
Young entrepreneurs	• profound skills in (fundamental) business knowledge and skills • specific management tools for dealing with crises (crisis management) incl. a functional early-warning system • a good selfmanagement and resilience / health management • using platforms to gain mandates (e.g. specialist working as a freelancer) • teamworking – teams with members of different cultures and disciplines • networking, e.g. to support a continuous occupation. • a good project-management to coordinate different/parallel jobs.		
Companies with growth potential	• Sophisticated skills in project-management (with regard to the digitalisation especially with modern concepts in project-management like agile project-management, scrum etc.) • Skills in communication • Competences in leadership • Ability to work under pressure / adaptiveness / flexibility • Time- and self-management (ability to set goals, ablitiy to priotise etc.) / Resiliance • Ability to work in teams / networking / cross-cultural competences		
Female entrepreneurs	• improve the willingness/ability to take financial risks, e.g. negotiation with VC and banks • support decision making, e.g. by methods and tools that accelerate the process of decision making. • work-life-balancing/-blending.		

Table 1: Entrepreneurial skills in the future of the creative industries

First steps into the future of the creative industry

The (technological) developments, the gigatrend digitalisation, and the megatrends foster the potential for entrepreneurship in almost every branch of industry. They also intensify the necessity of an entrepreneurial mindset for employees on almost every level in a company.

There is neither "one best way" nor a blue print or roadmap into the future of the creative industry. Individual employees just as entrepreneurs as well as managers have to find and work on their own specific path into the future.

Individuals should

- analyse concrete job prospects,
- identifiy gaps and conceivable obstacles,
- derive needs in skills and competences to gain an eligible job perspective,
- learn about ways to build up knowledge and skills and
- get information on measures (e.g. courses) to improve their competences.

Managers should

- check whether and to what degree their company is concerned of the developments and trends,
- what the concete impacts and consequences there are for their company respectively the different fields of responsibility and
- what they can do to successfully manage the identified challenges.

Both – individuals and managers – should use the assessment-tools/awareness-checks of the Thrive!-project on https://www.thriveproject.eu/. These instruments deliver information and first hints to successfully take the first steps on the individual path into the future.

1.   Introduction

1.1   Fundamental changes in technology, economy and society require new entrepreneurial competences in the creative industries

Nearly all sectors of the creative industries have undergone massive changes since the beginning of the 21st century. Technology – in the first place the digitalisation – has changed the way of production, sales and distribution fundamentally, new competitors – often from outside the branches – appeared and captured market shares, customer behaviour becomes more volatile, close cooperation with customers ("pro-sumer") is normality. One effect is that competences become obsolete faster than in the past. As one result the number of companies as well as the number of employees in most of the sectors of the creative industries has decreased in all European countries. For example the printing industry – as part of the creative industries - lost more than 40% of the companies and of their employees during the last 15 years (for detailed information see Hopkins/van der Heide 2017).

What is new nowadays is the speed of the development. Therefore it gets more and more difficult to predict the future of the business – especially for a perspective of more than 5 years. The following examples of the change in publishing and the shift in the business of printing pictures illustrate the mentioned developments.

Publishing company

The traditional model of the publishing industry followed some kind of a selection process: authors wrote a book and sent the script to the publisher. The publisher checked the authors and scripts and selected those which promised to achieve a defined minimum of sales. Publishers are mostly interested in books that can be sold to a large number of readers in quantities. As a consequence the scripts of authors that will presumably be sold in small editions won't be published.

This model is illustrated in the left part of figure 3.
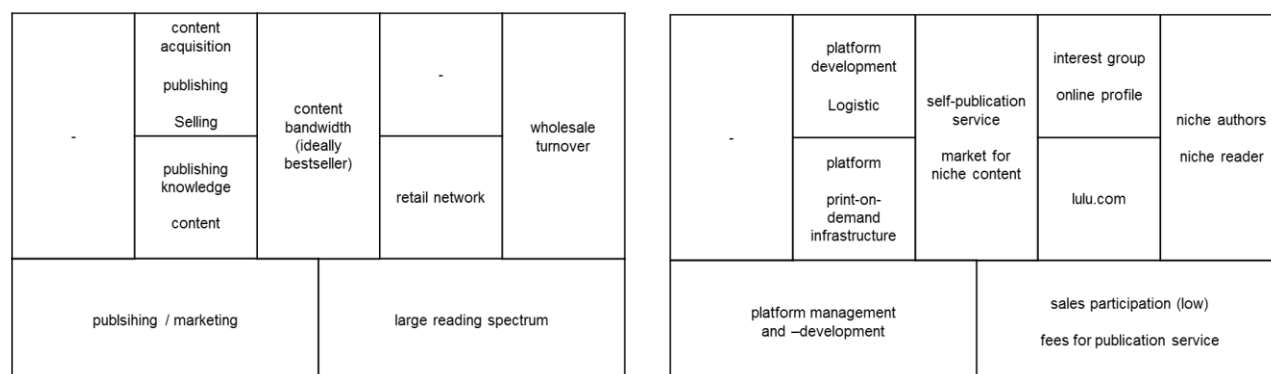
Figure 3: Change in business model of a publishing company
(Source: Osterwalder/Pigneur 2011: 74f.)

The new model in publishing is converse to the traditional model. It enables any author to publish their books. The core objective of the business model is to support authors to publish their scripts professionally by providing appropriate tools via self-publishing online-platforms

(e.g. https://www.lulu.com/). Because the books of the thousands of authors are produced only by print on demand there are no costs for lulu.com in case of failure of a book.

This new model is illustrated in the right part of figure 3. The figure shows the fundamental shift in some core elements of the business model: customers change from wholesalers to niche authors and niche readers, the key resources and competences change from publishing knowledge and content to platform knowledge and print-on-demand infrastructure.

Photography

The example of the developments in the business of photography over the past 40 years show that the pace of change has escalated in the last years. While the process from Kodak's first prototype of a digital camera to the moment when the Cewe's digital department became the core business of the company lasted nearly 30 years there were only about five to eight years necessary until Cewe's photo book might be replaced by social media networks like Snapchat or Flickr (see fig. 4).

Sony
Cells first digital camera. Kodak's market study indicates that the model is jeopardizing the core business, however 10 years remain to adapt.

Cewe
The digital department is integrated and becomes to the core business of the company.
The digital camera is at the top of the popularity.

Social networks
Replace Instagram, Snapchat, Flickr or Facebook the photo book of Cewe?
Or will it be the digital picture frame?

➢ 1975   ➢ 1981   ➢ 1996   ➢ 2004   ➢ 2013   ➢ 2017

Kodak
Development of the first digital camera prototype in the Kodak labs. Product doesn't fit to the business model and is ignored.

Cewe
Founds its digital department, which grows from 17 to 120 emplyees.
Kodak places the Advantix on the market.
500 million have to be amortize.

Cewe
Acquisition of Saxoprint. Access into B2B.
Kodak has to sell its film printing business in course of the insolvency.

Figure 4: Shift in the business of photography respectively printing photographs (Source: Stich 2017)

As a reaction to this developments more and more traditional photographers and photographic shops offer workshops for the end-users in "how to make an individualised photobook". Thus creativity is relocated to the consumer – and support is given in form of digital tools and consultancy.

The two examples reveal the paradigm shift in innovation and entrepreneurship – first and foremost triggered by the digital transformation. New products and services are no longer in the focus of innovation – business model innovation receive highest priority. Incremental innovations are out of interest – anyone is searching for the next disruptive innovation.

Beyond the current discussion that largely concentrates on digital transformation and disruptive changes the developments do not only threaten traditional industries and players. On the other hand they offer tremendous opportunities for entrepreneurs and people with entrepreneurial spirit.

Against this background the central questions that are dealt with in the Thrive!-project are

- What do future companies in the digital industry look like?
- Can some kind of „typical" company profiles be identified?
- What are the consequences for employees' competences and especially necessary skills for entrepreneurial activity?

1.2 Framework and methodology of the (desk) research / study

To answer these questions the desk research on future company profiles and entrepreneurial competences of the future is oriented on the following proceeding.

The company profiles of the future in the creative industry first and foremost depend on the development and changes caused by the trends that influence the middle- and long-term business of the companies in the industry. As framework of the research we chose the concept of the innovation landscape (see fig. 5):

*Figure 5: Framework of the study: Innovation-landscape
(Source: Generationdesign 2017)*

The approach follows 4 steps:

1. Creation of knowledge and information about the future (focus on trends).
2. Formulation of scenarios.
3. Analysis of existing assets and competences.
4. Creation of sustainable innovation portfolios on the level of companies and industries.

To be able to draw a halfway realistic picture of the future one can look at middle- and long-term trends (so called megatrends). They deliver information about the basic framework conditions of the future. In the context of our desk-research we have analysed the gigatrend "digitalisation" and the so-called megatrends and their effects on future business – and competences. On the one hand they deliver information about the potential for new products and services. On the other hand they give hints how work in general will look like in the future. Relating to the Thrive!-project and its focus on entrepreneurial skills and competencies we also analysed current developments in research on and practice in innovation(management) and entrepreneurship (chapter 2).

And last but not least a third source of information for our study are the specific characteristics of the target groups in the Thrive!-project respectively the particular challenges they are faced with (chapter 3).

On the basis of the evaluation of the developments in chapter 4 the entrepreneurship ecosystem of the creative industries in the future is described. The model illustrates the basic structure of the industry and points out the central framework conditions of future work – not only as an entrepreneur.

In chapter 5 the results of chapters 2, 3 and 4 are merged in scenarios for the five selected subsectors of the creative industries in the Thrive!-project. This chapter involves the illustration of potential business models in terms of the method business model generation CANVAS. By this the variety of possible company profiles in the future is well demonstrated.

Chapter 6 concentrates on the description of the entrepreneurial competences and skills for the future in the creative industry – differentiated by target groups and subsectors.

The study is closed by some references on how to set out for the future of the creative industry (chapter 7).

2. Developments

2.1 Developments in the creative industry

The German Ministry of Labour and Social Affairs has conducted a study on future needs of competences in different industrial sectors – among others the creative industry (BMAS 2017). This part of the study is focused on advertising – therefore we won't present the results in detail. But: the study delivers some hints on the framework conditions and the requirements for future competences in the creative sector in general.

Framework conditions

- The creative potential arises from the cooperation in new teams that combine and/or bring together ideas and impulses from different sectors/disciplines.
- The integration of several value-added-steps has very limited benefit – the "production"-process is spread on different actors and companies.
- Corporate structures in the creative industry remain small – and they will still diminish.
- The number of "micropreneurs" and "self-employed people" will increase.
- Creation of value is more and more carried out in flexible networks – across boundaries of the creative industry as well as countries.
- Platform-economy offers new ways of flexible situative cooperation and projects.
- Digital platforms enable the networking of employees – transaction costs are kept constantly low.
- Tools and media supporting work are developing very fast – as well as the modes of communication do.

Challenges of the future in the creative industry are:

- Sense of new developments.
- Ability for a creative cooperation in permanent changing teams consisting of different cultures and disciplines.
- Organisational talent.
- Project-management.
- Entrepreneurial thinking from the perspective of the customer.

With respect to the competences and skills the study points out that there will be a

- shift in general competences (valid for nearly any industry):
    - Physical work loses in importance.
    - Also knowledge work will more and more be automised.
    - Social-interactive competences will be in demand.
- shift in industry specific competences:
  very different depending on the special industry respectively sector / sub-sector of an industry.

  Professional competences will still be very important in the future!

2.2　　Gigatrend "Digitalisation"

The so-called digital transformation is the overlying trend that dominates the debate on the future of industry, work, society etc. The digitalisation still has outstanding effects on the future of the creative industries. The implications on the organisation of the future as well as the mode of working in the future ("Work 4.0") are tremendous.

The central directions of the development respectively the consequences for work in the creative industries of the future in short are:

- Individualised products and services ("job lot 1").
- Marketing via digital channels (social media).
- Distribution via online-shops / online-channels.
- Routine-jobs are mostly automated.
- Real-time information increases efficiency.
- Logistic processes are automated.
- Cloud-computing becomes usual.
- High-demand on data privacy protection.
- Big data is central – artificial intelligence, deep learning and data analytics deliver hints for (individualised) new products and services.

Digitalisation in the creative industry

A study on digitalisation in the creative industry (in North-Rhine-Westfalia) (Prognos 2016) highlights the following aspects:

- The options for new business for creative people increase with increasing digitalisation (interface technology/content and interface content/community).
- The traditional value added chain is complemented by flexible cooperations.
- Built-up of digital competences is seen as the key element for adaption to the digital change in the creative industry – they open the door for new business models.

In their book "Morgen weiß ich mehr" Klug and Lindner (Klug/Lindner 2017) develop a "vision" of future organisations and the workforce in the digital age: In the light of digitalisation the organisation of the future is manifold – often you can't differentiate who belongs to the enterprise und who doesn't: agencies, consultants, external experts are involved in business processes – the company of the future will be organised as a „fluid" organisation. Those organisations will permanently change their shape/profile (network-organisation, virtual organisation, hybrid organisation…).

The digitalisation creates 4 new modes of working (Klug/Lindner 2017: 185ff.):

1. Solopreneurs.
2. High performance employee.
3. Salaried knowledge-worker.
4. Digital day-labourer or clickworker.

On the whole the organisations of the future will strengthen solopreneurs.

1. Solopreneur
   - Is a constitutive entrepreneur who builds up her/his enterprise all alone.
   - Has the objective to build up a scalable enterprise (respectively services)
     (that is the distinguishing feature of a solopreneur to a freelancer).
   - Therefore she/he works on her/his own projects
     (a freelancer works on projects of other persons).
   - Often starts as a freelancer – until her/his projects and products generate enough income.
2. High performance employee
   - Has an educational background above-average.
   - Is highly specialised.
   - Has a performance-oriented mode of working.
   - Has a very good self-organisation.
   - Possesses a high degree of „self-marketing".
   - Is sometimes oscillating between the status as an employee and an entrepreneur
     (note: Why does she/he work as salaried employee? She/he is "on the edge to entrepreneurship" – and from the perspective of the company it runs the risk of losing her/him as an important employee).
3. Salaried knowledge-worker
   - Is relatively good educated (graduated).
   - Has little or no specific competences / skills (this means: the person has no USP).
4. Digital day-labourer or clickworker
   - Fulfils routine-functions.
   - Is poorly paid.

Implications for entrepreneurial competences

On the background of this vision of future organisations Klug and Lindner also describe 10 potential skills for the digital future (Klug/Lindner (2017): 197ff.):

1. **Sense-Making**
   Ability to draw conclusions from a great many of data („big data").
   Data are pure information – to obtain knowledge in a first step data have to be pulled together, analysed and interpreted. The capabilities needed are not restricted to methods and analytic-tools, but include also creativity.
2. **Social Intelligence**
   Ability to use empathy at work.
   Empathy is needed to scrutinise individual digital processes. Intuition remains a relevant element not only in personal communication, but also when making decisions.
3. **Novel and Adaptive Thinking**
   Ability to think innovative in problem-solving.
   In the future innovation will presumably be more and more the result of a clever re-combination of well-known principles and approaches to solving a problem and the

transfer to new area of application (so-called "cross-industry-innovations"). The best example are business-model-innovations: most of them are recombinations of well-known and approved business-models.

4. **Cross-Cultural Competency**
   Ability to adapt quickly to modified cultural frame conditions.
   In the future people will more often work in alternate cross-cultural and interdisciplinary projects. The ability for cross-cultural teamwork will become more and more important.

5. **Computational Thinking**
   Ability to convert a multiplicity of data into abstract concepts.
   This skill implies programming competences as well as the comprehension how to use different media like language, patterns, and symbols.

6. **New Media Literacy**
   Ability to work with new digital forms for expression (photos, video, audio, written text …). In the era of digitalisation the significance of visual media will increase – not least to describe complex interrelations.

7. **Transdisciplinarity**
   Ability to think in a greater/superior context.
   Traditional organisations tend to function in command structures and work is done in separated departments (so-called „silo mentality"). Digitalisation requires thinking in a superior context and multidisciplinarity.

8. **Design Mind-set**
   Ability to think like a designer in problem solving.
   This skill characterises the ability to solve a problem from the perspective of the customer. This proceeding is called „design thinking". Design-thinking is method as well as a mind-set.

9. **Cognitive Load Management**
   Ability to screen information to keep productive.
   The increasing amount of information and data and the increasing digitalisation of the working environment as well as the private life leads to distraction. The ability to focus in order to work efficient gains in importance.

10. **Virtual Collaboration**
    Ability to work in virtual working constellations.
    This skill is significant when working with digital tools for communication and cloud-computing e.g. working in virtual teams that are spread all over the world.

Implications for leadership competences

The vision of the workforce in the digital age outlined above implies new challenges and requirements with consequences for leadership skills of executives as well as project and/or innovation managers. The different groups of employees as described above differ in items like personal values and targets, requirements, career orientation etc. In the recent years a lot of studies about the diverse mind-sets, attitudes, ambitions etc. of the workforce of

different ages have been conducted. One result are the different "generation-concepts" that describe the various groups and deliver references how to steer these groups in terms of leadership. Because the topic is very complex it would go beyond the scope of this study discussing it in detail. Therefore at this point we concentrate on some general findings that illustrate something like a new understanding and guideline for leadership in the digital age.

In their essay on digital leadership Eggers and Hollmann (2018) point out four central requirements for leadership in the digital age (Eggers/Hollmann 2018: 47ff.):

- Interconnectedness:
  All employees have to be enabled by technology to cross-link, communicate and work together. Networking as a principle of leadership is the opposite of hierarchy.
- Openness:
  Curiosity and openness are the basis for the development and implementation of innovations. This postulates a culture of trial and error, a high degree of personal responsibility on the part of the employees and the executives' confidence.
- Participation:
  Managers have to delegate responsibility and engage the employees in decision-making-processes. The full potential of the employees' ideas and skills can be tapped much more better than in traditional leadership concepts.
- Agility:
  Flexibility and speed are the success factors for competitiveness and the capacity for innovation in the ever-changing digital world.

On this basis they describe the competence profile of a digital leader as follows (table 2):

Central duties/responsibilities	Competences needed
- To convey the "big picture" rather than micromanagement - Balancing different operation systems - Leading virtual and heterogeneous teams - Promote working and learning in networks - Empowerment via consistent delegation, feedback and coaching	- Agile leadership - Expertise in methods like scrum, design thinking - Networking, development and coaching of employees and teams - Confidence and ability "to let go" - Distance leadership and virtual communication - Competences in digital media

Table 2: Duties/responsibilities and competences
(Source: Eggers/Hollmann 2018: 61)

These skills are central to orchestrate the complex configurations of very manifold team constellations in the organisations and cooperations of differing partners that can be expected to be normality in the near future.

2.3   Megatrends

Megatrends mark middle- to long-term perspectives in society, economy, technology etc.

As part of our desk research we analysed 12 megatrends[1] and tried to identify impacts on the future of the creative industries.

The megatrends are: Silver Society / Demographic Change, Neo-ecology, Mobility, Urbanisation, Connectivity, Gender Shift / Diversity, Globalisation, New Work, Knowledge Society / New learning, Health, Individualisation, Safety and Security.

There are impacts both on new products and services as well as on the way to work and the structures of the companies of the future (note: they highly correspond with the gigatrend digitalisation).

The following chapters show the thinkable impact of the particular megatrend on future work and framework conditions for entrepreneurial activities as well as possible products or services.

The impacts are outlined for the selected subsectors of the Thrive!-project:

- Print companies with integrated marketing solutions
- Packaging
- Sign and Display
- Digital marketing agencies
- Gaming

Note:
The combination of two or even more megatrends will often deliver more interesting opportunities with a high potential for new business models, products and services.

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[1] We followed the taxonomy of the Zukunftsinstitut
(http://www.zukunftsinstitut.de/dossier/megatrends/)

2.3.1 Silver Society / Demographic Change

The Trend

The megatrend "Silver Society" characterises the worldwide demographic change towards an older society as a result of increasing life expectancies due to medical advances along with rising quality of life and standard of living all over the world.

In parallel, the traditional image of elderly people is replaced by new lifestyles. Instead of retiring, people engage voluntarily and participate in social activities. Furthermore, the "Silver Society" opens a huge market potential for the economy which can be developed by tailoring products and services especially for this group of customers.[2]

Impact on work and organisation of the future

- (new) customer group.
- High potential for individualised products and services.
- Increase of entrepreneurs of a higher age.
- Risk of skills shortage in single sectors of the creative industries.
- Demand for knowledge transfer/covering of knowledge when older employees retire.

Impact on Subsectors

Print companies with integrated marketing solutions

- Individualised products/services: news(papers), mailing, delivering services.
- Print products customized for elderly people have enormous potential for finishing (e.g. noble varnish, haptic effects).

Packaging

- Package for elderly people – usability becomes criteria of highest priority.
- Tailored package – including delivery services.
- Age-based configuration of labels, instruction leaflets, etc.

Sign and Display

- Age-based size and type of lettering, integration of voice control (at point of sale).

Digital marketing agencies

- Personalised marketing.

Gaming

- Serious games – increase of motivation and compliance e.g. in health and elderly care.

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[2] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-silver-society/

2.3.2 Neo-ecology

The Trend

The megatrend "Neo-ecology" is more than just nature conservation or opposition to major industry.

Sustainability and efficiency characterize every area and combine economy, ecology, and social responsibility. More and more consumers prefer "good" brands and companies that offer more than just a product. Ethical and ecological aspects of products and brands affect the perchance decision of a customer. These companies promise to make a contribution to the lives of their customers, employees, and society as a whole. Furthermore, regional supply chains gain in significance.[3]

Impact on work and organisation of the future

- Increasing awareness of sustainability of products and services.
- Demand for "meaningful" jobs (in particular young employees) – develop products/services and/or solve problems with social benefit.
- Sustainability and social responsibility are important elements for the presentation of the company in public.

Impact on Subsectors

Print companies with integrated marketing solutions

- Increasing decrease of print products.
- Use of eco-friendly materials.
- Increasing substitution of print products e.g. books, magazines by digital solutions e.g. audio books, podcasts.

Packaging

- Less packaging.
- Re-usable packaging.
- Use of new / eco-friendly materials.
- Plastics will be replaced by paper or ecologically compatible materials.

Sign and Display

- Increasing substitution of printed labels by display solutions e.g. in outlets.
- New / eco-friendly materials.
- Displays will substitute signs in traffic management

Digital marketing agencies

- Increasing substitution of print advertising by digital marketing.

Gaming

- Use of gamification to motivate people turning to an eco-friendly lifestyle.

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[3] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-neo-oekologie/

2.3.3 Mobility

The Trend

The megatrend "Mobility" characterises our today's society that follows a flexible, mobile lifestyle where fixed places such as working offices and living spaces lose their importance. People expect a 24/7 mobility as the traditional 9-to-5 rhythm diminishes due to rising expectations and demands for products and services that are available around the clock.

However, the worldwide rising mobility demand, especially in emerging nations (BRIC, Next Eleven) causes greater stress to the environment which is why new, sustainable technologies need to be developed. New mobility-related products and business models such as car and bike sharing are gaining popularity.[4]

Impact on work and organisation of the future

- Increase of number of people working in home-office to avoid mobility ("third places").
- 24/7/365 availability of products and services.

Impact on Subsectors

Print companies with integrated marketing solutions

- Decrease of catalogues for e.g. automobiles, bikes etc.
- Decrease of user manuals for e.g. automobiles, bikes etc.
- Less printed schedules, road-maps etc. are needed.

Packaging

- New packages and services for "mobility of goods" (transport logistics) – compatible e.g. to autonomous cars and/or drones.

Sign and Display

- With autonomous driving demand for signs will decrease (dramatically).
- Chance for displays – handling of vehicle, advertising, entertainment (interior equipment).

Digital marketing agencies

- Digital marketing via displays in autonomous vehicles.

Gaming

- Gamification for instruction how to use autonomous vehicles, e-bikes etc.
- Games/Serious gaming while driving by autonomous vehicles.

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[4] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-mobilitaet/

2.3.4 Urbanisation

The Trend

Today, more than half of the world's population is living in urban settlements – and projections show that this development will continue. The megatrend "Urbanisation" characterises this development and the overall diffusion of the urban way of life. The future of cities is smart, green, sustainable, connected and worth living.

However, the dynamics of this trend, especially in emerging nations (BRIC, Next Eleven), lead to great issues such as lack of public transportation, infrastructure and living space along with environmental deficits. Furthermore, rural exodus leads to loss of services such as business enterprises, school and public transportation in rural areas due to decreasing purchasing power and lack of economic efficiency.[5]

Impact on work and organisation of the future

- Realisation of work-life-balance becomes easier – journey to work declines.
- Logistic supply chain is shortened.
- Regional competition increases (regional concentration of companies).

Impact on Subsectors

Print companies with integrated marketing solutions

- New markets and target groups can be developed.
- New services in logistics can be established.

Packaging

- Direct connection to customers reduces bulk of packaging material.
- Special packaging for near-distance delivery is needed (opportunity for new products and services).

Sign and Display

- Orientation for inhabitants as well as visitors in urban settlements can be well supported by intelligent displays.

Digital marketing agencies

- The regional nearness of a great number of (potential) customers opens the chance for new online-offline solutions/services.

Gaming

- Gamification as an instrument to support and guide people in the city and/or metropolitan area (e.g. "How the city functions").

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[5] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-urbanisierung/

2.3.5   Connectivity

The Trend

Everything is connected – the megatrend "Connectivity" names the movement to a world that is increasingly organised into networks. Whether online or off-line, everyone maintains a diverse array of connections to others and almost all are digitalised. Smart devices, which are connected and communicate with each other via the internet, are also becoming increasingly commonplace. In every area of life, whether professional or personal, they are interconnected and smart.[6]

Impact on work and organisation of the future

- Important enabling technology for increase of platform economy (social and economic activities are facilitated by a platform. Examples of platforms that connect (a great number and variety of different) providers with a great number of (potential) customers are amazon or Uber).
- Potential result: shift in entrepreneurship – platforms simplify the process of finding the right partners for a cooperation etc.

Impact on subsectors

Print companies with integrated marketing solutions

- Increase of cross-media products and services.
- Social-media / networks become more and more important for distribution.

Packaging

- Acceleration of smart packaging is possible.
- Increase of interactive packaging (RFID).
- (delivery) processes can be tracked using intelligent packaging
- Safety and security chain can be improved (e.g. transport chain of deep-frozen food).

Sign and Display

- Enabler for individual interaction at the point of sale.

Digital marketing agencies

- Enabler and accelerator for increase of mobile marketing.

Gaming

- Enabler for gamification on mobile devices.

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[6] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-konnektivitaet/

2.3.6   Gender Shift / Diversity

The Trend

The megatrend "Gender Shift" represents the dissolution of traditional gender roles in the professional and personal life. While more women seek for leadership positions and work-life-balance models that allow to combine work and family responsibilities, men are claiming their right to spend time with their families. Changing role and career models will have great impact on society and economy.[7]

Impact on work and organisation of the future

- Increase of female entrepreneurship / entrepreneurs.
- Significance of cross-cultural solutions increases.
- New customer groups – personalised products and services.
- Diversity as an important feature to increase the attractiveness of a company as an employer.
- Important premise for successful work in cross-cultural teams and multidisciplinary projects.

Impact on subsectors

Print companies with integrated marketing solutions

- Potential for new products (e.g. newspapers/magazines) taylored for target groups differentiated by gender, nationality, religious orientation etc.
- Content of print products can be individualised by using gender specific language, photos etc.

Packaging

- Packaging can be designed for specific requirements of different genders or divers target groups (e.g. food packaging due to religious requirements (e.g. kosher, halal)).

Sign and Display

- Smart displays have the potential to deliver target-specific information on e.g. products at the point of sale (language, culture etc.).

Digital marketing agencies

- Targeted marketing campaigns can be tailored to the individual addressee concerning gender, cultural background, handicaps etc. (data analytics/artificial intelligence as enabling technology to identify algorithms).

Gaming

- Gamification can be used to sensitise for diversity.

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[7] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-gender-shift/

2.3.7   Globalisation

The Trend

The megatrend "Globalisation" characterizes the ongoing integration and internationalization of markets along with the growing effects on society, ranging from the educational system to the private sphere and relationships. Increasing exports and more involvement of emerging nations (BRIC, Next Eleven) in the world trade result in an economic growth which boosts the development of a new middle class in these countries.

However, the economic dimension is just one part of it: Boundaries between different cultures are becoming more fluid and various ways of living and consumption are blended.[8]

Impact on work and organisation of the future

- Markets become more international – risk of increasing competition.
- New customer groups.
- (cross-)cultural sensitivity grows.
- Teams in projects are more and more multi-cultural.

Impact on subsectors

Print companies with integrated marketing solutions

- New, cultural-specific content / products and services.

Packaging

- Individualised packaging (e.g. food packaging: different cultural norms, standards, and customs have to be considered).

Sign and Display

- Displays enable multi-language information, messages, instructions

Digital marketing agencies

- Individualised marketing campaigns need deep knowledge of cultural characteristics.

Gaming

- Games in a variety of languages, but also tailored to the cultural characteristics.

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[8] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-globalisierung/

2.3.8   New Work

The Trend

The megatrend "New Work" is a result of the radical changes that society and economy are undergoing. It characterises the merging of work and leisure due to work flexibilisation and the new value of human beings in an automated, digitalised and globalised working environment.

The transformation from an industrial to a knowledge society, based on creating immaterial value, will result in changing corporate structures and employer behaviour. The workforce in areas such as service, information, and creativity will become a key factor for the global economy. Processes, experience, and ideas will become increasingly important.[9]

Impact on work and organisation of the future

- Supportive factor for entrepreneurship in all sub-sectors.
- Chance for employers on how to use different leadership styles for different groups in the company, side by side of each other.
- Importance of lifelong learning increases.
- More independence can have positive impact on female entrepreneurs.
- Manifold opportunities for employees:
  - Work-life-learn-balance becomes more and more important – and can be put into practice much more easier in the era of digitalisation.
  - Digitalisation and platforms open prospects for working on one's own projects.
  - Job change is easier.
  - Assisting technologies offer more working opportunities for older employees.
- New challenges for employers:
  - Recruiting may become more difficult – requirements of employees are challenging and manifold.
  - Organisation of work becomes more complex.
  - Incentives gain importance for retention management.
  - New organisational structures must reduce hierarchies and have to facilitate extensive participation of employees in development and decision-making-processes.

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[9] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-new-work/

2.3.9 Culture of knowledge (Knowledge Society / New learning)

The Trend

Scientia potentia est – knowledge is power and in the future more human beings will be able to have access to it considering the achievements of the digitalisation. The megatrend „Culture of knowledge" describes the change from an industrial to a knowledgeable society where the "culture of knowledge" decides whether individuals, companies and political economies are well prepared for the future.[10]

Impact on work and organisation of the future

- Increasing interest in learning.
- Increasing request for information.
- Chance for further market segmentation.

Impact on subsectors

Print companies with integrated marketing solutions

- Option for new products, e.g. special interest magazines - in combination with new marketing solutions.

Packaging

- Knowledge-transfer via packaging.

Sign and Display

- Potential for learning on-site.
- Interactive learning (display – mobile device).

Digital marketing agencies

- Responsibility for personal data (GDPR)

Gaming

- Market for serious games increases.
- Spectrum of target groups becomes broader.
- B2B-market grows (private companies, schools, universities).
- B2C-market arises and grows

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[10] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-wissenskultur/

2.3.10　Health-Style

The Trend

Health is no longer merely the absence of illness, but is a lifestyle in its own right. Working on the body, mind and soul with the aim of achieving greater vitality has become a philosophy of its own. Healthy living today mainly means an optimised ability to perform and compete along with gaining a feeling of well-being.

Thanks to digitalisation, the megatrend "Health-Style" has become an omnipresent companion to our daily lives. Health assistants are moving into our homes and devices and enable independent monitoring of our own vital sings. However, the democratisation of knowledge and digital health assistants will impact on the entire health system. Patients will become more confident and autonomous, while doctors will be confronted with demands for more transparency and self-determination, and the perception of health experts will shift from "gods in white" to "service providers in white".[11]

Impact on work and organisation of the future

- Increase of health (pharmaceutical) and wellness products and services.
- Awareness of employees and entrepreneurs for health and work-life-blending increases.

Impact on Subsectors

Print companies with integrated marketing solutions

- Potential for new products, content, formats.

Packaging

- Personalised pharmaceutical products.

Sign and Display

- Increasing potential for information on health and/or instruction for use of wellness products at point of sale.

Digital marketing agencies

- Availability of new channels.
- Responsibility for personal data (GDPR).

Gaming

- Gamification in healthcare and care of elderly people to improve motivation and support compliance and therapy plans.
- Serious games for learning about a healthy lifestyle.

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[11] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-gesundheit/

2.3.11   Individualisation

The Trend

The megatrend "Individualisation" establishes a new culture of choice. For more than 100 years, society has been characterised by the drive toward greater autonomy and self-determination together with the decline of classical hierarchy models. People shape and display their identity and personality through their consumption and the search for new connections. Important life decisions are postponed in order to retain as many options as possible for as long as possible. Thus, traditional lifestyles are changing and the image of a traditional family is replaced by freely chosen associations such as friends or topic-based communities.

The economy can use the potential of this megatrend by developing personalised products and services based on modular concepts.[12]

Impact on work and organisation of the future

- Increase of entrepreneurs.
- New customer groups.
- New market niches.
- Increasing demand for "order quantity 1".

Impact on Subsectors

Print companies with integrated marketing solutions

- Personalised content.

Packaging

- Personalised packaging.
- Luxury packaging.

Sign and Display

- Individualised address at point of sale via interaction display / mobile device.

Digital marketing agencies

- Personalised channels and content.

Gaming

- Gamification for individualised learning and motivation.

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[12] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-individualisierung/

2.3.12 Safety and Security

The Trend

The megatrend "Safety & Security" is a result of the ongoing digitalisation in every area of life and the risks that come with it. While government institutions retreat from its provision, corporations and individuals take increasing responsibility. Finally, every human being needs to deal with the risks that come along with the benefits of digital products and services.[13]

Impact on work and organisation of the future

- Increasing awareness of data-security.
- Rising demand for secure solutions in any (digital) market.

Impact on Subsectors

Print companies with integrated marketing solutions

- Source for collecting data for manifold analyses and follow-up services.
- Arranging security in the chain (e.g. ISO standards).

Packaging

- Increase in demand for RFID – product labelling, also in industrial production processes.
- Arranging security in the chain (e.g. ISO standards).

Sign and Display

- Safety instructions on-site.

Digital marketing agencies

- Source for tremendous amount of data ("big data") for manifold analyses and follow-up services (B2B and B2C).
- Increasing importance of cyber security (GDPR).

Gaming

- Increasing importance of data privacy.

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[13] For further information see: https://www.zukunftsinstitut.de/dossier/megatrend-sicherheit/

2.3.13 Implications for entrepreneurial competences

In short: the developments summarized by the so-called megatrends offer manifold opportunities for new, individualised products and services, customers and market segments. This development tends to forward entrepreneurship in the creative industries and beyond.

With entrepreneurial competences in mind the megatrends and their (possible) impact on business opportunities some skills become important for entrepreneurship in the future.

The analysis of the megatrends and their impact on future work (not only) in the creative industries and on the subsectors in this chapter can only illustrate general tendencies. The concrete impacts and consequences have to be analysed for the specific company in detail. Therefore entrepreneurs must be able to analyse trends and future developments in order to identify consequences for their individual business. That implies

- To know and be able to use different sources of information on trends and developments (e.g. trade-organisations, specialised consultants, science – universities and research institutes).
- To know and be able to use basic methods and tools of "impact assessment".
- To be able to think and plan from a customer / market perspective.
- To be able to identify chances as well as risks.
- To be able to think in the "philosophy" of business models.

The influence of the gigatrend digitalisation and the megatrends and their relevance for the future business in almost all branches of industry make clear that in the future also "normal" employees will have to show more and more entrepreneurial skills. Later in the research we will get back to these competences more extensively.

2.4 Trends in innovation(management) and entrepreneurship

Also as a result of the increasing digitalisation and the development (and avalabilty) of enabling technologies like platforms the framework conditions of entrepreneurship and innovation management have highly changed. On the influence of the developments described above some new approaches in organisational development have been developed in recent years.

In the recent years a lot of changing has taken place in research as well as in practise in the topics innovation/innovation management, entrepreneurship and organisational change. These changes are in close connection with the digital transformation respectively the increase of digital tools as kind of enabling technologies to implement new forms to conduct innovation processes, to design cooperation or to organise work of individuals.[14]

Innovation and innovation management

The traditional understanding of innovations being created in a systematic sequential process that can be planned and organised from ideation to successful diffusion on the market is still alive. But the underlying strategy of innovation integrating customers and suppliers into the innovation process via approaches like "lead-user-concept" or "open-innovation" lead to so-called incremental innovations (Jánszky/Abicht 2013: 173).

In the age of digitalisation with its high speed of change the strategic assumptions have changed basically (Rogers 2016: 7):

From	To
Decisions made based on intuition and seniority	Decisions made based on testing and validating
Testing ideas is expensive, slow, and difficult	Testing ideas is cheap, fast, and easy
Experiments conducted infrequently, by experts	Experiments conducted constantly, by everyone
Challenge of innovation is to find the right solution	Challenge of innovation is to solve the right problem
Failure is avoided at all cost	Failures are learned from, early and cheaply
Focus is on the 'finished' product	Focus is on minimum viable prototypes and iteration after launch

Table 3: Changes in strategic assumptions from the analog to the digital age
(Source: Rogers 2016: 7)

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[14] An in-depth investigation of these topics would have gone beyond the scope of the desk research in the Thrive!-project. Therefore in this report the general developments and some central trends in these subject areas are described.

The current discussion on innovation is dominated by business model innovations, that means: the economic success does no longer primarily depend on new products, new services or new processes, but on new business models. Innovation is not the result of technological development and market-/customer analyses, but of a new definition of the rules of the game in nearly all branches (Jánszky/Abicht 2013: 173f.). The protagonists of this (r)evolution are mostly entrepreneurs and start-ups ("rulebreakers") who push their ideas outside the structures of established enterprises. This development is summed up as "disruptive innovation" – a term that becomes more and more common.

The futurologists Jánszky andAbicht predict that from the year 2020 this development – innovation is driven by start-ups - will change for three reasons (Jánzsky/Abicht 2013: 174f.):

1. It will be easier to copy innovations. Start-ups will lose their benefit to be able to develop and test new ideas because celerity is essential for survival in competition.
2. Established concerns learn to act in line with and integrate the mind-set of start-ups into their structures. They will establish "rulebreaker-teams" that can operate independent from the rigid structures of the concern – without hierarchies and strict duty to report.
3. The kind of innovation: business model innovations are often quite close to the strengths of big companies.

As a consequence Jánszky and Abicht estimate that in the (near) future rulebreakers won't necessarily promote their visions by founding a start-up. Before founding their own business they will be hired (bought) by concerns.

Meanwhile this development – illustrated by Jánszky and Abicht in 2013 – has widely become true: the former start-ups like Airbnb, Amazon, Google, Uber on the one hand have disturbed well established branches and on the other hand these companies have expanded to concerns with thousands of employees (without losing their innovative power). Another example are the established enterprises in the automotive industry. Because the game-changing innovations in e-mobility and autonomous driving were mostly made by start-ups or companies outside the automotive industry they more and more cooperate with innovative start-ups – often in the silicon valley.

The consequences of the developments and prognoses described above are manifold:

- The emerging role of business model innovations opens new opportunities for entrepreneurs and start-ups.
- The new strategic approach of many established concerns opens new opportunities for employees with entrepreneurial spirit.
- On the other hand enterprises that want to hire employees with entrepreneurial ambitions and innovative spirit are faced with a new challenge: the decision of (young) solopreneurs is based on the following criteria (Jánszky/Abicht 2013: 177):
  o Is the job / the project a real challenge? Is it intellectually stimulating?
  o Is the project meaningful? Is it a problem worth solving?
  o Will I work with interesting people? Are there nice colleagues?

Entrepreneurship

There has also been a shift in the understanding of entrepreneurship in the last years. One of the well-known protagonists of a new type of entrepreneurship is the German professor and entrepreneur Günter Faltin (Faltin 2017). His main thesis is that an entrepreneur doesn't have to be an "allrounder" who knows everything around the management of a business. Tasks like communication, logistics, accounting etc. can be delegated to external specialists. Following Faltin the competences of an entrepreneur are different from that (see below).

The starting point of Faltin's critique is the traditional understanding of entrepreneurship – and as a result the "typical" content in entrepreneurship education and training and also the structure of the support system for entrepreneurs (consultancy etc.).

The traditional understanding of the requirements for an entrepreneur focuses on three aspects: capital procurement, management and concept development (see fig. 6):
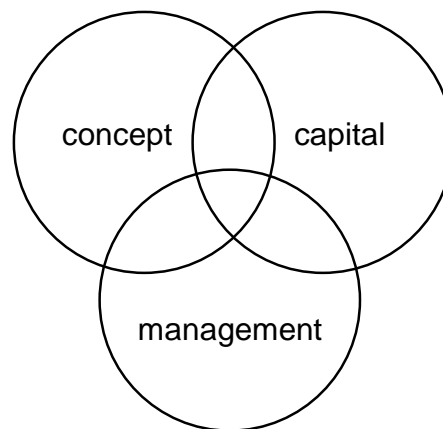
Fig. 6: Traditional understanding of entrepreneurship/requirements for entrepreneurs (Source: Faltin 2017: 54).

The traditional competence profile of an entrepreneur includes the following aspects and subjects:

- Accounting.
- Balancing of accounts.
- Controlling.
- Law (work/labour, taxes etc.).
- Management and organisation.
- Leadership.
- Marketing and distribution.
- Communication.
- Finance.
- Public relations.
- Logistics.
- Professionell experience.

Faltin points out two aspects of this approach that do not meet reality:

- The formula
  "patent + knowledge in business administration = successful foundation/entrepreneur"
  is part of what he calls the "European paradox" (Faltin 2015: 87f.) and this understanding
  doesn't apply to the modern code of practice in entrepreneurship.
- Only very few persons have the competences and are able to raise capital, manage a
  company and develop a stable business concept (see fig. 7).

In his approach he puts the business concept in the centre of the foundation of a company –
and the (administrative) functions mentioned above are organised by cooperations.
Inventions, results of research and development, and/or patents are only "raw-material". The
business concept is the necessary link between this raw-material and the economic success
on the market. Faltin names it "Entrepreneurial Design" (see fig. 7):
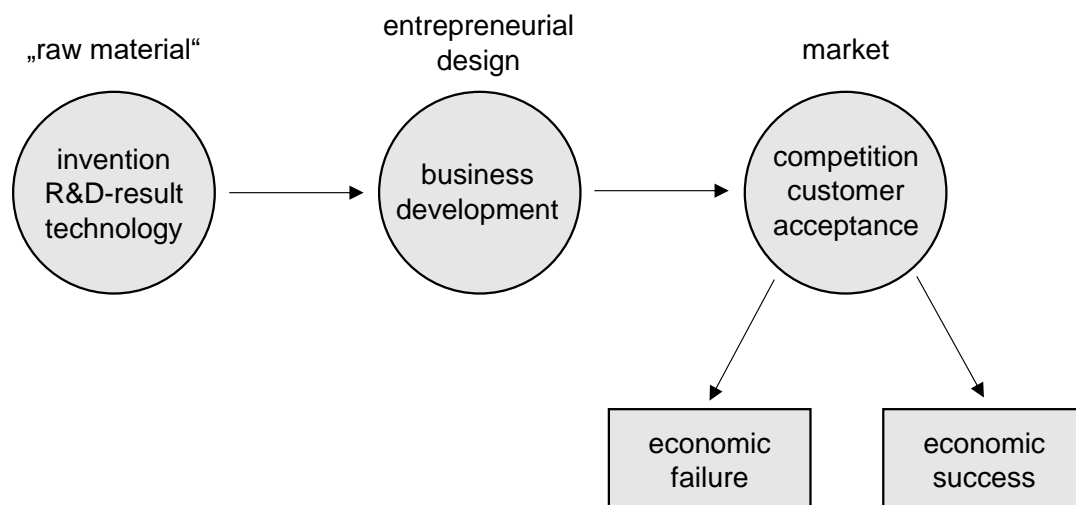
Fig. 7: Success-factors for start-ups
(Source: Faltin 2017: 57)

To be successful the entrepreneurial design has to be "user-oriented" and must follow some
principles: simplicity, scaleability, "white-label"-solution, minimize risks, experimental pre-
start, intelligent prototyping.

Faltin calls his approach "foundation in modules/components". In this mind-set the
entrepreneur is something like a moderator of a process who coordinates and orchestrates
the different duties in connection with running a business successfully.

The core competences of an entrepreneur are close related to the business concept – the
modern profile of qualifications/competences/skills of a successful entrepreneur covers the
ability (Faltin 2017: 86)
- to identify trends and technological developments early.
- to develop an innovative (business) concept.
- to implement the concept.
- to inspire the employees (and business partners) of the concept.
- to adapt the concept to changing framework conditions.

There are some other authors like Steve Blank (Blank 2014) or Eric Ries (Ries 2013) who also criticise the traditional understanding of entrepreneurship and evaluate it as widely unsuitable in the digital age. They are in line with Faltin and have also developed new approaches respectively methods for entrepreneurship: Lean-Start-up (Ries) and Customer Development (Blank/Dorf).

- Lean-Start-up (Ries 2013):
  The method lean-start-up aims at minimising the risk to fail. It focuses on a feedback-loop process called "Build-Measure-Learn-Cycle". Central element of the method is to define and develop a prototype. This prototype is tested in the next step – does it meet customer needs? The method is built up of five principles:
  1. Entrepreneurs can be found anywhere:
     Start-up is a kind of organisation with the goal to create new products and services under extremely insecure circumstances. Entrepreneurs work in start-ups as well as inside an established enterprise.
  2. Entrepreneurship is management:
     A start-up is an organisation that needs leadership-competences that are tailored to the context of extreme uncertainty.
  3. Validated learning processes:
     Central object of a start-up is to learn how to develop a stable business concept.
  4. Build – measure – learn:
     The basic activity of a start-up is to convert ideas into products, measure the reaction/acceptance of the customers and learn whether to keep on track or to modify the products and/or business model.
  5. Balancing the innovation:
     Successful start-up activities also include "boring" administrative stuff: define milestones, measure success, define priorities. This should encourage the personal responsibility of the entrepreneurs.

- Customer Development (Blank/Dorf 2014)
  This method is a framework for start-ups with 4 steps that support to win (new) customers, develop and validate innovative products. It has high relevance for the lean-start-up method.
  1. Customer Discovery
     In this phase experiments that can validate assumptions to a (new) business model are developed. Interviews with potential customers are conducted – the results of the interviews are evaluated.
  2. Customer Validation:
     This step serves to test the scalability of the business model. Price-models, acquisition of customers and distributive channels are tested.
  3. Customer Creation:
     In this phase the acquisition of customers is central to build up a sustainable basis of users.

4. Company Building:
   The "typical" organisational structures are built up (e.g. marketing, distribution) – the start-up transforms into a "real" company.

In close connection with the approaches described methods like

- Business model generation (CANVAS) and
- Design Thinking

are important competences for entrepreneurs.

Apart from that the basic knowledge in business administration is still relevant in entrepreneurship – but there are some fundamental changes in the "core" issues of business administration. The developments that can be summarised with the term "crowd-#" (Pechlaner/Poppe 2017) have a profound impact on business knowledge. Especially funding has changed fundamentally ("crowdfunding").

The catalogue of basic skills in business administration for entrepreneurs has to be enriched by topics as crowd-funding, social-media, new organisational concepts, new leadership concepts, (virtual) cooperation etc.

3. Target groups – characteristics and specific challenges

Target groups of the Thrive!-project are young entrepreneurs / start-ups (companies younger than 5 years), employees with entrepreneurial spirit / companies with growth potential (older than 5 years) and female entrepreneurs.

3.1 Young entrepreneurs

Several root cause analyses on the failure of start-ups as well as of older companies have been conducted over the last 20 years and a lot of typologies of "typical" life-cycle-models and crises of growth have been developed on this basis.

A current dissertation of Michael Neumann (Neumann 2016) exemplifies 4 "typical" crises as cause for failure based on specific liabilities:

- liabilities of newness.
- liabilities of size.
- liabilities of adolescence.
- liabilities of obsolescence.

The first three items can predominantly be found at start-ups, because they often face challenges like lack of resources or capabilities, missing acceptance by customers, banks etc. or mistakes made by the management (e.g. because of missing business knowledge: „The dot.com entrepreneur or team often lacks the skills required to get the business off the ground" (see Kubr 2002: 343).

Neumann shows that failure is not only the result of directly visible causes of crisis or insolvency. He claims to have a sophisticated look at the whole lifecycle of the company (see Neumann 2016: 48ff.). Thus you can identify the many different reasons for the failure.

Implications for entrepreneurial competences

Young entrepreneurs need

- in many cases more profound skills in (fundamental) business knowledge and skills.
- specific management tools for dealing with crises (crisis management).
- a functional early-warning system.

and on the level of personal competences

- a good self-management.
- resilience / health management.

Young entrepreneurs often work as micropreneurs or solopreneurs – especially when they start their business. Therefore they also need skills in

- using platforms to gain mandates (e.g. specialist working as a freelancer).
- Team-working – teams with members of different cultures and disciplines.
- networking, e.g. to support a continuous occupation.
- a good project-management to coordinate different/parallel jobs.

3.2 Employees with entrepreneurial spirit / companies with growth potential

The remarks on specific liabilities in 3.1 are effectual for companies with growth potential as well. But there are some specific aspects concerning the target group "employees with entrepreneurial spirit working in companies". In contrast to entrepreneurs – who work independent (on their own responsibility) - their challenge is to successfully execute innovation projects (for new products, services or to explore new customer groups or markets).

They have to deal with

- the coordination of – in most of the cases - very complex projects / structures.
- a lot of different / diverse members in the project-team – internal and external partners. The external partners can be companies and/or solopreneurs / freelancers (often with their own aims).
- the embeddedness in the - often "old-fashioned" - structures of the company.

Implications for entrepreneurial competences

Members of this target group need

- sophisticated skills in project-management (with regard to the digitalisation especially with modern concepts in project-management like agile project-management, scrum etc.).
- skills in communication.
- competences in leadership.

Bogott et al. (2017) emphasize the importance of soft skills for success in start-ups and deliver some practical hints for the competences of employees in start-ups – that can also be used for employees in companies with growth potential:

- Ability to communicate and interpersonal skills
  In start-ups and young companies often the structures, processes, and workflows are not strictly defined and even responsibilities are often not distinct. Therefore communication plays a central role for both, founder and employees, to organise work and (internal) cooperation, explain the background of decisions, get into contact with customers, external experts etc.
- Ability to work under pressure, resilience
  Work in start-ups includes a high potential of setbacks in projects, frequent change in objects, milestones, working time cannot be scheduled, alternate project-teams etc. To handle this challenges of uncertainty employees need to have a big frustration tolerance and a sound self-management.
- Commitment
  Requirements for employees in a start-up are high, working conditions are often a bit chaotic and not calculable. Commitment in a start-up and in young companies often includes e.g. limitations in payment, vacation etc. A high motivation and an entrepreneurial mind-set are needed.

- Innovativeness
  The core asset of start-ups are innovations. Innovativeness comprises creativity, the ability to monitor technological developments and trends and integrate them into the company's business.
- Adaptiveness / flexibility
  Employees have to be able to handle new situations like new colleagues or members in the team, new strategies, new customers, new cooperation-partners etc.
- Time- and self-management
  A good self-management includes the ability to set goals, ability to prioritise up to health management to facilitate a good work-life-balance - and supports employees in start-ups to master the challenges described above.
- Ability to work in teams, cross-cultural competences
  Start-ups in the creative industries are characterised by teams often composed of members with different disciplines, cultural background etc. – and they often work in an international context. Understanding of the specifics of different cultures, empathy and the ability to handle diversity are essential.
- Networking
  Networking is crucial to find a job in a start-up, to organise work inside the company, to get into contact with potential partners e.g. for innovation projects, future customers – and last but not least to push one own's career e.g. identifying new job opportunities outside the company.

In the setting "employees with entrepreneurial ambitions in companies with growth potential" the senior management takes an important role to support the innovation-/project-managers.

In his analysis Eder (2016) shows what the management can do to facilitate the process:

- Ability to foster organisational learning.
- Ability to establish confidence (people work together in flexible teams for a short time).
- Ability to create an atmosphere to generate new ideas / "start-up-culture":
  - Culture of "trial-and-error".
  - Learning processes.
  - Creativity.
  - Working without strict rules.
  - Minimize routines.
  - Disconnect the team from the "core-organization".
  - Allow employees to work on their own projects / to foster their own ideas.
- Skills in communication and negotiation.
- Being cross-linked inside and outside the organisation (networking).

3.3   Female entrepreneurs

A central reason that they are highly underrepresented related to male entrepreneurs are (see Global Entrepreneurship Monitor) is that young women have less favourable perceptions with regard to entrepreneurial competences compared to young men:

- Lacking self-efficacy.

- Minor access to entrepreneurial role models.
- Less confidence in their ability to run a business.

Bin Shmailan (2016) gives an overview of "typical" characteristics of male and female entrepreneurs in general based on a research of the relevant literature. The listed items in the table below cover five aspects: risk tolerance, financing, management, motivation and network.

Male Entrepreneurs	Female Entrepreneurs
General characteristics	
Decision Making easy Business focused on economy and cost Willing to take financial risk Task oriented managers Business manufacturing and construction	Difficulty in making decisions Business focused on making social contribution and quality More conservative when it comes to financial risk Focus on good relationships with employees Business small retail and service orientation
Risk tolerance	
Less concerned about hazards in business ownership Feel have enough information Require less social support to start business Willing to fail in business Propensity for risk in general	More concerned about hazards in business ownership Require more detailed information Require social support to start business Less willing to fail in business Risk adverse generally
Financing	
More capital More debt Bank trust male Easy to access to capital	Less capital Low debt A lack of track record for financing Bank not trust female Not easy to access to capital
Motivation	
Externally focused Strong initiative Earning more money Previous experience	Autonomous More positive Good common sense Think critically Very aggressive Own boss Achieve a sense of accomplishment
Management	
Logical thinkers Oriented leaders Grow their businesses More aggressive when it comes to expansion	Intuitive thinkers Communicative and expressive behaviours Communication skills are excellent Understand the needs of their employees Grow their businesses Cautious and conservative about expansion
Networking	
Large network Organisations More access to network	Small network Familiy and friend Less access to network

Table 4: Characteristics of male and female entrepreneurs
(Source: Bin Shmailan 2016: 3ff.)

Some female characteristics fit well with the requirements of the future, e.g.

- their more democratical oriented respectively participative management style matches the needs of sustainable organisations,
- their business focus on making contribution to society and maintaining quality meets the expectations of young motivated employees and/or employees with entrepreneurial ambitions concerning a "meaningful" job.

These competences tend to support the engagement of female entrepreneurs in the creative industries of the future in a positive way.

On the other hand there is a specific demand for male entrepreneurs to develop these skills.

Implications for entrepreneurial competences

Some of the barriers can not or hardly be resolved by education or training (e.g. access to networks dominated by men or the confidence of banks in the entrepreneurial capabilities of women). To support the networking activities (and also the motivation) of female entrepreneurs there are initiatives e.g. like "FRAUEN unternehmen" of the German Federal Ministry for Education and Research, the Federal Ministry for Family, Senior Citizens, Women and Youth and the Federal Ministry of Economy and Technology (http://www.existenzgruenderinnen.de/EN/Home/home_node.html).

But from the findings illustrated above there are also some hints on specific competences for female entrepreneurs that could be developed via education and training:

- improve the willingness/ability to take financial risks, e.g. negotiation with VC and banks.
- support decision making, e.g. by methods and tools that accelerate the process of decision making.
- work-life-balancing/-blending.

4.   "Creative industries of the future" – a new ecosystem

Innovation and entrepreneurship in the creative industries of the future will take place under fundamentally different framework conditions than today.

A central finding of the desk research is that the opportunities for entrepreneurship and successful innovations will increase corresponding to the developments under the roof of the digital transformation. Most of the megatrends offer manifold options for new products and services. Digital tools like platforms support people with entrepreneurial spirit to successfully turn their ideas and business models to the market.

On the other hand working conditions will change dramatically. Well educated people who constantly improve their competences and keep them up to date have very good perspectives for a successful career. People with lower qualifications who execute routine jobs are poorly paid and face the hazard that their job is taken over by robots and they will loose their job.

Figure 9 illustrates under recourse of the descriptions in the text above (especial chapter 2.2) the central structures of the ecosystem "Creative industries of the future":
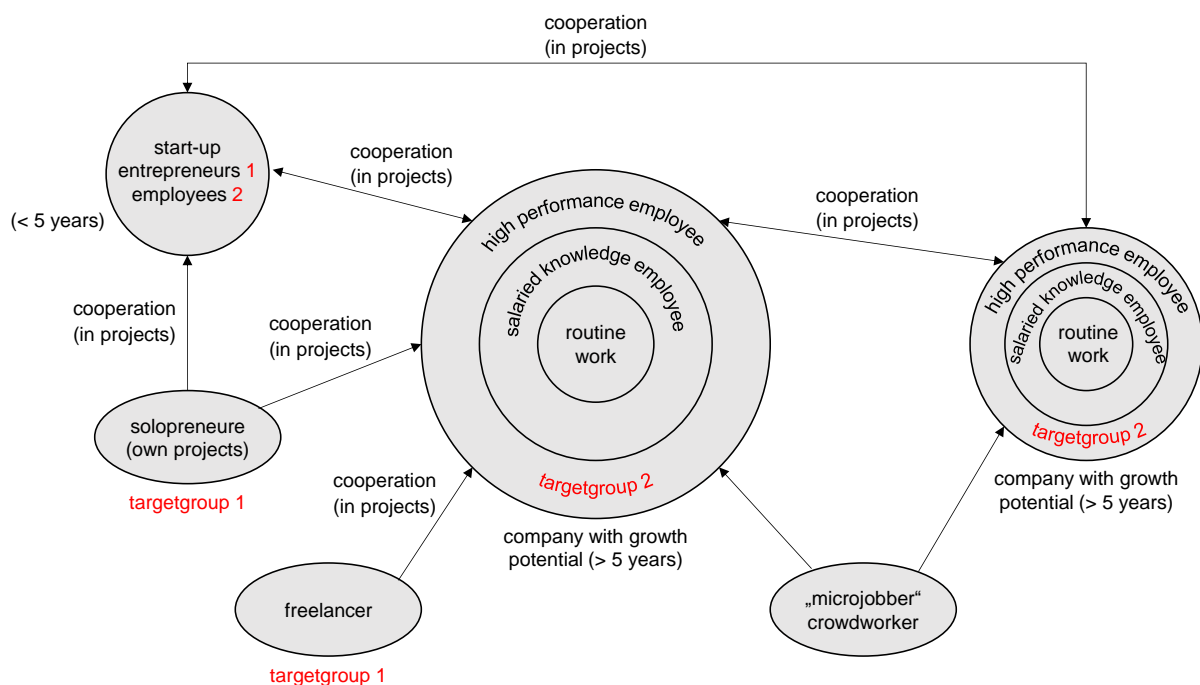
Fig. 8: Ecosystem "Creative industries of the future"

There are different actors in the system that work together in differing constellations:

- A "typical" company consists of high performance employees that mainly work on innovations and new business models. They have a high degree of entrepreneurial spirit and often tend to found their own enterprise. Companies must engage in employee retention by setting appropriate incentives.
The second group are the salaried knowledge employees. They have an over-average qualification and conduct challenging tasks in business administration.

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The routine jobs are executed by "microjobbers" (often crowdworkers – also called: (digital) day-laborours).
In the context of their innovation activities these companies cooperate with other companies, start-ups, freelancers, and/or solopreneurs.

- Start-ups are small and medium-sized enterprises – often younger than 5 years. They conduct their own innovation projects and/or cooperate with other companies and/or freelencers and/or solopreneurs.
- Solopreneurs are often willing to found their own company and therefore work on their own projects, but they also sell their expertise to companies – often on a day-rate-basis.
- Freelancers are similar to solopreneurs. They also work alone and sell their specialised expertise to companies where they participate in innovative projects. In contrast to solopreneurs they have no ambitions to found their own enterprise.

The environment for entrepreneurship is very dynamic and volatile. Entrepreneurs and employees with entrepreneurial spirit must have the ability to successfully work in the manifold changing constellations of teams and projectpartners – often in parallel projects, long-term and short-term...

With the Thrive!-project in mind the entrepreneurs in start-ups, the solopreneurs and the freelancers belong to the target group "young entrepreneurs" and the employees in start-ups and the high performance employees in companies with growth potential form the second target group. The target group "female entrepreneurs" can be found in both categories.

5. Future company profiles in the creative industry

In this chapter we try to paint a picture of future company profiles in the creative industry. This is done for the five subsectors that are selected for the Thrive!-project:

- Print companies with integrated marketing solutions
- Packaging
- Sign and display
- Digital marketing agencies
- Gaming

The results of the desk research are merged in a scenario 2026 that describes ONE imaginable situation.

The scenario is followed by a CANVAS. The CANVAS shows the broad variety of thinkable company profiles that arise when combining the different elements of the business model CANVAS – and by this emphasises that there won't be "the one and only" company profile in the sector.

And: because of the increasing convergence not only of technologies but also of industries, markets etc. in 2026 maybe there won't be the variable subsectors in the creative industry any longer.

Every chapter contains also information on the implications for entrepreneurial competences.

5.1 Print companies with integrated marketing solutions

Scenario 2026

The printing industry with integrated marketing solutions as a subarea of the creative industries has developed considerably in the recent years, especially in the course of the digital transformation. This trend is leading to an economic upswing and far-reaching changes within the industry.

From the business customer side, to a large extent individualized and personalized contents are demanded in both analogue and digital marketing strategies. The variety of different marketing solutions consists of, for example, elaborately high-quality printed products as well as programmed mobile applications, landing pages or banner advertisements. Another trend that is further intensifying is a cross media marketing mix in which, for example, PURLs are integrated into print products.

Business customers also request full-service offers from print service providers for their individual marketing solutions. These include factors such as delivery time (just-in-time), high quality and cost-optimized prices, which are an increasingly important aspect for customers. At the same time, business customers expect cost-effective alternatives for storing their records (e.g. end user data). Data-driven marketing solutions coupled with visual effects for end-users and control over business customers have also become a very important customer need.

The distribution interface between print service providers and business customers is almost exclusively online based on platforms or alternatively on customer-owned ERP-systems. At the same time, sales staff are still being hired for long-standing key accounts in order to enable intensive communication on a personal level (or on-site at the customer, if applicable).

On the one hand, business customers include retailers who demand digitized marketing strategies in order to survive in the mass market of large online mail order companies. On the other hand, business customers belong on the craft, which also pursue the objective to establish themselves through innovative marketing strategies in the mass market. Customers from niche markets, as well as explicitly end consumers, are increasingly becoming the focus of printing companies with very individual demands for specially tailored marketing solutions.

Small print companies, however, rely on selected, competent partners to build a network in order to jointly meet customer needs for analog and digital marketing strategies. As a result, printing companies are forced, as needed, to buy skills for the needs of their customers. Since a multitude of different marketing strategies and solutions in combination with creative services seem possible for business customers, print service providers demand additional high levels of consulting expertise. At the same time, it is necessary for independent print service providers to be able to provide data security expertise in order to provide customers with the necessary confidence to manage their data records. Creating the marketing mix of digital and analogue solutions requires print service providers to be able to flexibly control the corporate network (e.g. logistic processes) with their embedded partners. Decisive are also design and graphics processes in order to be able to present the agreed performance to the customer, which is the result of intensive marketing and communication consulting on the part of the print service provider. Another important activity is the market analysis for self-employed print

service providers. Information must be collected and filtered in real time. Such big-data applications enable an early viewing of trends and ultimately lead to competitive advantages over the competition. The largest costs for print service providers are distributed among the network partners, as customers demand a wide range of products and services. These include e.g. other print service providers, IT experts for programming or even advertising agencies for the creation of media. Another significant part of the costs falls on the legal advice in order to gain confidence in the customer. Finally, there are also costs for high-quality and innovative substrates and printing inks.

- The big online print companies, as leading companies in the printing industry, have a great financial scope and have adopted the market for customized marketing solutions for customers in the B2C sector. Employees of these "big players" in the market are qualified professionals from the field of digital marketing strategies with information technology, design / graphic and strategic marketing skills. The market segment of digital marketing solutions for customers is highly competitive, however, the large companies assert themselves in the market and are in many parts leading providers, which is also due to the low price structure.

- The group of medium and small printing companies in the market in the range of 5 - 25 employees have great difficulties to offer their customers acceptable digital marketing solutions. In many cases, their strategy is based on cooperating with advertising agencies in order to successfully expand their business model. The focus of small and medium-sized printers is more on skilled workers with a lot of practical work experience in the printing industry and comprehensive information technology skills. However, this demanded IT knowledge ostensibly serves the administration and control of networked workflow technology as well as processes in the production area. Required skills for offering digital marketing solutions are "bought" in advertising agencies for these reasons. Without entering into cooperation partnerships with professional advertising agencies, this group of printing companies will not be able to successfully assert their already small market share even in niche areas.

- The last group of self-employed specialists with specialized competencies partially acquires their own assignments and offers their "know how" as freelancers to the printing companies described above. The competence portfolio of the independent subject matter experts includes a high degree of IT expertise, which enables them to carry out extensive programming work for digital, customer-specific marketing solutions. Furthermore, they have a high innovative spirit and graphic and design skills to give the marketing solutions a unique selling point for their customers. In order to be able to communicate their competences to companies in the private sector, independent experts must also have extensive industry knowledge, a high level of customer orientation and be able to cope especially with time pressure. It is a great challenge for the self-employed to work within their work-life balance e.g. reconcile work and family. Support for the self-employed is that despite time pressure, working hours can be divided more flexibly. Furthermore, they can benefit from the advantage of being able to carry out their work tasks in a flexible, location-independent manner and do not have to show a regular presence in companies.

Implications for entrepreneurial competences

For the subsector "print digital marketing" it is necessary that entrepreneurs will have a deep understanding of Big Data. Data-driven marketing systems will be established in every printing company and will be rely on a wealth of personal data for successful marketing campaigns. For this purpose, future specialists also demand knowledge of automated read-out data algorithms. Technical understanding of the automation and networking of machinery will be an important aspect to enable the production of edition 1. This also requires competences about upstream and downstream production processes of the machinery. Owning personal data for marketing purposes further requires data security competencies to protect the end user's privacy and keep it anonymous.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Different print companies to be able to offer a large product range IT-Experts to program content Logistics partners Legal advice Certification institute(s) on secured printing technology, information security	Management to control the network designer, statistics, logistics, market analyser, consultancy and communication Capture and filter information and network activities in real time to track trends, enjoy competitive advantage (big data applications) **Key Resources** Establishment of a network to implement analogy and digital marketing solutions involving selected partners Smart networking of machine park with digitized IT (improved workflow) high consulting competence for the broad product range Competence for creative service provide Competences in the field of data security / network security	Quality provider of personalised / individualised content for end users: • Analog marketing solutions (e.g. high-quality lacquer-finished printed products on novel substrates) ⇨ *Optical / haptic properties* • Digital marketing solutions (e.g. programmed mobile applications; landing pages, banner advertisement) ⇨ *User friendliness, obtrusiveness* • Analog / digital marketing solutions (e.g. included media in printed products like printed QR-Codes which lead to PURLs) Media response tracking of end users Offer speed and high quality specifications as a service (to be one stop-shop) Multichannel / Cross media communication mix (Full-) Service offers regarding delivery time, quality and price Carry out customized cross-media and personalized campaigns Trustworthy handling of sensitive customer data Alternatives for expensive data storage, display and visual effects, monitoring, toys, etc.	Interaction takes place for repeat orders online and anonymously via automated service decisions Account manager offers customers direct, individually personal support 24/7 accessibility for customers via online platform (live-chat programs, What'sApp, Social Media) **Channels** Digital online platforms (easy, clear and user-friendly) Outlet location (to be closer at the customer) Sales reps (to communicate on personal level) Direct interfaces to business customers (connection to customer ERP systems)	Business to Business (B2B): • Retailer (innovative, digitized marketing strategies to withstand in the mass market of major online-mail order companies) • Serving potential customers from hitherto unknown niche markets (printed electronics) • Handicraft (innovative, digitized marketing strategies to establish themselves in the mass online market) Business to Consumer (B2C): • new niche markets are opening up, such as textile printing (industry printing)

Cost Structure	Revenue Streams
Advertising agencies and IT service providers who create the media to be included in print products high cost share for innovative, high-quality substrates and printing inks	Fee consultancy for purpose of defining a marketing strategy Cross-selling approach (offering additional services to the requested print product) Differentiated service levels in different price segments

Table 5: Business Model CANVAS – Print companies with integrated marketing solutions 2026

5.2   Packaging companies

Scenario 2026

The packaging sector has evolved considerably as a sub-sector of the creative industry from an economic point of view. Innovative and intelligent packaging solutions have enabled the industry to continue to develop significantly in the last 10 years and to further expand its position within the creative industries.

Typical customer segments in the packaging sector are business customers from the pharmaceutical, food and cosmetics industries. Another important customer segment consists of business customers in the area of sales and services. A newly acquired and steadily growing customer segment, in the B2C area, are private end users across all borders.

In order to be able to serve private end users in the packaging sector in the year 2026, a high degree of product customization as well as individualization and personalization is required, which must be accomplished in a single run of one. Another important aspect is attributed to the packaging design. Customers have the urge to differentiate themselves from their competitors with their product packaging, which is why they must constantly be offered innovative solutions. The highest possible degree of finishing and haptic properties play an important role here. However, one of the decisive factors for the enormous development in the packaging sector is the packaging of integrated media. In conjunction with smartphones and tablets, such intelligent packaging solutions can provide the end user with additional product or consumer information. At the same time, this trend is of significant importance to business customers because intelligent packaging solutions can capture end-user data and use it for future business campaigns. In this sector of the creative industry, too, customers expect increased services in terms of delivery speed, quality promises and transparent payment systems. B2C end users in particular also expect services on online platforms, such as design tools provided free of charge, as well as a broad selection of ready-made templates to be able to independently create their own product ideas.

- Within the packaging sector, some companies have taken a prominent role at the top of the market and established themselves. These "big players", for example, intensively network with long-term and recurring business customers via ERP systems which is also very cost-intensive. On the one hand, customers are even more closely tied to the company, on the other hand, productions and services are even more geared to the needs of customers. For employees, this requires skills in computer science to be able to manage interfaces from a technological point of view. Constantly developing and designing new packaging solutions for customers also requires innovative thinking and acting as well as an affinity to digital media. This aspect is very important in asserting and surviving as a "big player" in the packaging market over the competition. The implementation of newly developed packaging solutions for customers also requires support during production by other partners. For this, major packaging companies rely on specialized partner companies, for example those from the graphics or printing industry, who are integrated into the packaging company's value-added network.
- Another group are medium-sized and small packaging companies, some of them have only a few employees. The relationship between these companies and their customers takes

place on a very personal and direct level. This requires employees to be absolutely customer-focused and able to anticipate the expectations and needs of their customers. Particularly in the packaging market, for small and medium-sized enterprises it is extremely difficult to keep long-term business customers. A major problem here is the largely non-existent employee competence of creativity and innovation in order to create completely new and high-quality packaging solutions for customers. High level of consulting expertise for customers is no longer enough to assert oneself successfully in the packaging market. Technical application skills in dealing with sophisticated 3D simulation tools for creating and designing packaging solutions are inevitable for well-trained packaging technicians to survive in this market. Small and medium-sized packaging companies are also faced with the challenge of assembling a team of employees who have both the technical skills described above and creative and graphic skills. The technological competences of the employees, who are trained as packaging technology technicians, demand the safe handling of special programs in order to be able to put together the necessary packaging material for the protection of the packaging material and to be able to test it through detailed simulation scenarios.

In addition to industry-specific guidelines, "IT language skills" are required above all for the programs. Graphic and creative skills must be mastered by trained media designers specializing in the packaging industry. The design of designed packaging solutions must be innovative and stand out from the competition in the marketplace. In addition, this requires employees with this particular focus to work closely with customers, as well as the willingness to work flexibly with team members like packaging technology technicians. As a basis for the designer's creative work, the technically elaborated implementation aspects of the package-technologists form the basis of the packaging solution.

- The third group of self-employed experts focuses on design and design. As a rule, they do not acquire customers on their own but work together in close cooperation with the packaging companies. For this, they flexibly access card order data in the major packaging companies and develop graphical and design solutions for the B2B sector. Furthermore, the highly qualified experts are characterized by an enormous spirit of innovation as well as comprehensive industry knowledge. They identify important and emerging industry trends in advance and tailor them to customers' packaging solutions. The high level of IT affinity of the self-employed experts also enables them to manage the online design tools provided to large companies with online shops for end users and to advise and support customers in real time in product creation. Managing online stores as well as creating and designing new templates also allows highly skilled experts to work flexibly anywhere, which has a positive impact on productivity.

Implications for entrepreneurial competences

In the sub-sector "Packaging" entrepreneurs have to master programming skills in order to create intelligent packaging solutions. This programming knowledge allows setting up interfaces to provide relevant additional information for specific end devices. Software-specific competences enable a professional handling with 3D- simulation programs to design innovative and unusual packaging. Expertise in innovative materials for packaging materials that are cheap and completely recyclable will be essential for the future.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
advertising agencies suppliers programmer printing companies paper industy ICT partners Laboratories (research on toxics of inks on H&S connected to packaging in the food sector)	flexible adaptation of production through different customer requirements and segments (preparation and handling of customer data) Preparation and handling of customer data Online customer service / Logistics Consultancy on diversity in application of packages Health in relation to food packaging Security quality systems to prevent from fake content	High degree of product customization and personalization (edition one) wide selection of innovative packaging designs (high degree of finishing / haptic properties) intelligent packaging solutions (integrated media for smartphone / tablet applications) Services beyond the packaging solution (same-day production and delivery) Delivering packaging applications; for instance: Measurement of the aspects of the content of the package user-friendly tools on the online platform for creating and designing customer-specific packaging solutions large selection of ready-made templates easy and fast payment process (PayPal) Secure the safety of the product in the package between producer and end user	anonymous and online with live support 24/7 (live chat / whatsapp / social media) Customers are providing real-time support to quickly complete the design and purchase process no local binding for product creation and purchasing process	Business to Business (B2B): • industry • retail • service companies Business to Consumers (B2C): • private individual (all genders, ages, transnationally)
	Key Resources Competences in the areas of: innovative spirit, programming, digital media affinity, data protection, content creation Competences for the professional handling of digital editing and design tools Creativity and consulting skills to translate customer requirements into creative solutions		**Channels** digital online platforms direct connection to customer ERP systems Applications for smartphones and tablets	

Cost Structure	Revenue Streams
Cost shares to key partners high costs for production materials	Differentiated price graduation through different service offers (Design support, delivery time, data archiving...)

Table 6: Business Model CANVAS – Packaging companies 2026

5.3 Sign and display

Scenario 2026

Within the creative industry, the subarea of "sign and display" has undergone a major transformation. Today, they cover a much wider range of applications than they did 10 years ago. The field of application for classic signage has also been fundamentally further developed in terms of material selection, shapes and ink compositions. It is generally expected that this subsector will continue to change strongly and new niche markets will be tapped.

End-user service has evolved significantly in the signage application area. Signs in combination with media applications (tablets / smartphones) offer the possibility to send potential customers in the immediate vicinity discount codes for certain products or product information. Another customer service is used in the area of intelligent digital signal technologies. Special facial recognition cameras capture the moods of potential end users and, in this way, tailor a specific advertising program to the particular viewer in front of the display. Revenue in the business "sign and display" are generated predominantly from the manufactured products. Furthermore, customer service fees apply if advertisements fail or maintenance is required. The relationship between business customers and production companies is thereby strengthened, as service / maintenance employees are available to customers online in the event of problems. Further innovative customer trends are developing especially in the direction of 3D signage. In this context, customers attach great importance to the highest possible degree of refinement of their signs. In addition to a high resistance of the signs, customers are also interested in special colors in order to attract as much attention as possible to potential end customers.

- The large companies in the field of the production of signs and displays have a wide technological know-how and have a great financial leeway. The "big players" in the market employ well-educated professionals across industries with diverse skills to develop new powerful digital signal technologies. Also in the field of sign production, the professionals need to have a broad knowledge of the different substrates, inks and varnishes in order to be able to offer customers new innovative product solutions. In order to produce intelligent signs, the big companies also employ people with IT know-how and programming skills to develop the interfaces to smartphones and tablets. Other important skills of employees in large companies are the spirit of innovation, creativity and design in order to be able to design new unusual sign shapes at any time. The development of new trends and products is predominantly from the big companies, as there are financial resources for research and development.

- The group of small and medium-sized companies with 5 to 15 employees relies on a broad value-added network with many cooperation partners for the production of high-quality signs and displays. Employees with IT skills tend to be rarely employed due to lack of financial resources. For this reason, employees in small and medium-sized enterprises are more likely to have the technological skills needed to produce simple signs. Competencies for the production of intelligent signs or high-quality displays have to be purchased via cooperation partners. In addition, small signage companies often seek to

operate in niche markets, requiring employees' good market knowledge and an in-depth understanding of their own business model.

- The third group of self-employed professionals, with their technical skills and programming skills, offer themselves to large companies to work in projects. Occasionally they work together with small and medium-sized companies. The highly qualified experts are largely independent within their working environment and can organize their working hours independently. In general, they earn relatively high salaries for working in projects and also work independently of location. The daily routine of self-employed professionals is also very varied, as the projects differ greatly and different competences are required for each project. However, self-employed workers must also have project management skills in order to be able to allocate their working time as optimally as possible and, if necessary, to be able to work in parallel for several projects.

Implications for entrepreneurial competences

The display production requires entrepreneurial knowledge of content creation and design creativity. Likewise, technical skills for the maintenance of defective displays are required. For the production of signs also competences in the field of material science are necessary to be able to offer customers innovative substrates and special inks and lacquers.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Information- and communication technology A- / V- Industries Information architects Advertising agencies Printing companies IT-companies	Consultancy signs / display production programming make creative designs customer advisory **Key Resources** Competences in the field of design, creativity, innovative spirit, content creation, programming skills, advertising psychology Building law competences for signs Technological competences for signs (3D printing / direct printing) as well as competences for materials (fluorescent colors / substrates)	Problem solver (self-declaration) Superfluous questions / conversations should be spared end users "manipulating" Decide on the end-user decisions (which should be taken away, what exactly should be looked at) Promote loyalty to your end users picking up and visualizing ideas from customers In combination with media applications (smartphone / tablet) offer services to potential end users: additional discount codes on products when end users are in the immediate vicinity of the sign Intelligent displays use facial recognition cameras to capture the mood of end users and tailor a particular program to potential customers Intelligent signs send potential end users within reach of additional product information (location determination via smartphone / tablet) Offering Signage in Large and Super Large Format for Special Applications (Attention Effect) ⇨ Banner trend to cover buildings Advertising is becoming shorter-lived, which is why customers demand adjusted prices Customers expect eye-catching 3D signage with haptic effects, finishing and high product resistance	directly (automated) at the scene Online and anonymous with embedded chat features to support customers For large customers, external employees are in the field **Channels** Online platforms for customers with appropriate tools for creating and designing their own signs Online tools for customers to create their own output for displays	Business to Business (B2B): • In buildings for orientation • Serve as instructions for machines • Small customers from retail and service industries • Major customers from the manufacturing industry (industry) Business to Consumers (B2C): • Niche markets

Cost Structure	Revenue Streams
Technologies: AR / VR (showing and telling) Delivery to key partner	Consultancy fees For signage, the customer pays only the product (no price graduation through service offerings) If displays fail, paid maintenance is required

Table 7: Business Model CANVAS – Sign and display 2026

5.4   Digital marketing agencies

Scenario 2026

The agency industry has undergone a significant change in the past 10 years and has continued to evolve considerably since them. The growth of the agency industry is mainly attributable to the customer segment in the B2B area. Customers come from a wide variety of markets, either from niche markets and expect individually tailored marketing solutions. Customers come from a variety of markets, and expect industry-specific marketing solutions. The key to success is that the marketing solutions are adapted to the needs of potential end users of business customers.

The value proposition of digital marketing agencies spans all online marketing solutions such as social media or content creation. Above all, cost-optimized prices in combination with service offerings are of great importance to customers. Examples include the administration or renewal of online media around the clock for the customer.

The price structure for customers for digital marketing agencies consists of fixed and variable service fees. Agencies generate e.g. sales from customer campaigns that are executed according to previously defined customer expectations. Digital marketing agencies also generate revenues from customer subscriptions, where customers make payments for social media services on behalf of the agency within certain time intervals.

- Large advertising agencies put a lot of emphasis on IT skills when hiring new employees. The IT competencies include all programming languages for a professional creation of web sites and applications for smartphones and tablets. The market segment of the professional development of applications for the B2B sector has mainly been adopted by the large established marketing agencies. Since professional programmers receive a very high salary, a recruitment is financially feasible only for large advertising agencies.

- Small and medium-sized advertising agencies, some of which have only a few employees, also prefer to employ well-trained IT specialists, mainly to create web sites. At the same time, small and medium-sized companies are increasingly looking for Social media managers. Skills for setting up profiles on the various platforms as well as managing these profiles for customers in the B2B segment has become one of the main tasks of small and medium-sized marketing agencies. Creating content on various online channels has also become an integral part of business models and has become a lucrative business for ad agencies. However, even in this sub-sector, small and medium-sized digital marketing agencies rely on solid cooperation partnerships with other companies in order to compensate for the lack of competencies in their own company. These include e.g. printing companies to create their customers such as digital services such as online catalogues or professional photographers. Other cooperation partners are specialized 2D / 3D animators to create elaborate effects that should be integrated into specific media for customers.

- The group of freelancers, which consists of highly specialized experts, is in high demand among the major digital marketing agencies. Excellent programming skills as well as extensive expertise in the field of community management enable the experts to fulfil all digital marketing requirements for customers. These experts are also locally independent and

have the opportunity to work flexibly from home. Their individual job profile and the largely temporal independence gives them a little leeway to shape the work-life balance.

Implications for entrepreneurial competences

Self-employment in subsector "digital marketing agencies" will demand skills for social media marketing. Successful campaigns require 24/7/365 content creation, which must be mastered by the workforce. However, the right target group must be addressed via the respective social media channels, which also requires customer orientation. In addition, understanding of data analysis / management ("big data") is an important competence for working with social media channels to be able to measure the success of marketing campaigns.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Social networks Print companies Freelance designers / web developers Photographers 2D / 3D animators Developers of social media monitoring and social media listening tools	Design process, Content creation, social media monitoring, Data analytics / management, Self-marketing, Community management Communication interface between end user and business customer **Key Resources** Databases for order and customer archiving Digital / technical tools to visualize and implement customer requests Account managers to secure custom care Competences about digital media / data protection and Expertise in scrum (Project and product management as well as agile software development), agility and design thinking, "art of writing" Licenses for social media tools	Complete service provider beyond all online marketing solutions (social media, content creation, viral films) ⇨ one stop shop Implement marketing services within the shortest possible time Cost-optimized prices in connection with service offers (Renew and manage content for customers on online media as 24/7) Empathize with customer needs and offer holistic solutions General data protection regulation for handling with personal data (GDPR) Provide customers with special online tools to create and design their own products and to convey their own ideas to the agency (Product forms, exact color combinations and texts) Customers expect a sort of "business consulting" with a focus on (external) communication Business customers expect the agency to play back feedback from end users	direct and personal to be able to convey exact customer ideas / needs anonymous and online through embedded live chat features on websites (Assistance with questions and ambiguities on the part of the customers) **Channels** Digital interface via online platforms to agencies Social media channels for customer interaction and loyalty Physical regional / local connection to customers	Business to Business (B2B): • From different markets / niche markets with industry sector specific marketing needs ⇨ Marketing solutions must be adapted to the needs of the potential end users (indirect end-consumers) of the business customers

Cost Structure	Revenue Streams
Licences, knowledge maintenances, hour labour externally provided services of co-operation partners	Incurring fixed / variable service fees Revenue per campaign (customer pays for defined campaigns that the agency executes) Revenues from time periods / subscription basis (agency cares about social affairs) media accounts for certain time intervals

Table 8: Business Model CANVAS – Digital marketing agencies 2026

5.5 Gaming

Scenario 2026

Within the creative industries gaming has become the subsector with the highest economic importance. Games in entertainment as well as gamification and serious games have taken a tremendous development during the last ten years – and this sector is still growing.

The variety and volume of games has increased exponentially – and is some kind of standard in almost every imaginable area of application: e.g. news on the web are connected with edutainment elements, instructions for complex machines and technical equipment (in professional as well as in private range of use) are almost exclusively available in digital format.

Huge progresses in usability just as low prices for technical components for gaming solutions have pushed the diffusion of games for target groups of nearly all ages – and ethnic group. Therefore serious gaming plays an important role e.g. in the health sector by now or in elderly care to support a healthy lifestyle or to assist medical therapies and strengthen compliance.

Another important application segment is the area of learning. Game-based learning is established on nearly any stage in the educational system. Scholars in primary school use gamification as well as students at the university or people in their daily job.

The gaming industry is fragmented into three main sub-segments:

- Some "big players" that develop and distribute the "big games" in the entertainment sector. The development of innovative games requires a tremendous amount of capital and the risk to fail on the market is very high. There are very few companies older than 8 or ten years (with their origin often in the "old entertainment" industry) and several enterprises that were founded during the last 3-4 years. The latter are on the cusp to successfully take the next step in their (internal) development to survive the severe competition in the global games market. They do not only need growth capital but also new ideas for innovative games and business models. Game development occurs in projects with a lot of specialised small and medium-sized enterprises and freelancers with a unique expertise.
- The second group consists of many medium-sized and small enterprises (and also a lot of micro-enterprises with less than 5 employees). They try to combine a mixture of employees with technical skills and with competencies in psychology/didactic etc. Their business segments are predominantly in specialised areas such as healthcare, personal training, nutrition etc. Their special expertise refers to technical skills (e.g. programming) and in most of the cases didactic and content. The successful enterprises manage to develop innovative didactic concepts, deliver high-quality content and are able to edit complex subjects in a smart way. They often work as a partner in projects or in firm cooperations with other SME up to the great games companies. There are manifold opportunities for gamification-based solutions for new target groups and on new (regional) markets – mostly in niches (long-tale business models tend to be very successful).

- There is a group of high qualified experts with specialised competencies (mostly technical skills) that work as freelancers in projects. They are highly paid and largely independent – and they are requested by the big players as well as by SMEs.
  Personally they are in a very comfortable situation: they can choose they job and can realise a high grade of individual fulfilment. But they also face the challenge to manage their work-life balance; competencies in project-management as well as in self-management (e.g. time-, health-management) are compulsory necessary.
  The other side of the coin of so many solopreneurs in the gaming industry is the big number of "mini-jobbers". They widely work on micro-jobs that can hardly be automated (e.g. translation, programming) and that are poorly paid.

Because of its innovativeness and overall "entrepreneurial spirit" the gaming sector offers a lot of interesting jobs and opportunities for people who set value of their independence. The decoupling of time and place facilitates home-office or part-time-work in a nearly excellent way. Therefore the percentage of female entrepreneurs and employees is very high in this segment. Although people of nearly all ages use games the gaming industry is still dominated by young people – career perspectives for people older than 40 years are relatively low (comparable to the situation in advertising agencies fifteen years ago).

Implications for entrepreneurial competences

For the gaming sector, technical skills for augmented reality (AR) and virtual reality (VR) as well as mixed reality will be of great importance to make game solutions seem ever more realistic. In order to adapt game solutions as closely as possible to the end user, competencies must be acquired which allow the developer to collect as much data as possible about the potential end user and to use it confidentially. Developers must e.g. develop game solutions with learning effect for schools or universities; this requires subject-specific skills in order to be able to adapt the content. Developing game solutions is a very challenging business. For this, entrepreneurs need skills to build up a value creation network with competent cooperation partners.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
specialized developers (Customers in relation to development of AR/VR and in relation to education, simulation in development of products, production processes, maintenance, etc. Suppliers for hardware and IT services) Supporters in the areas IT / VR, AR / didactic / content	Developing / programming Designing games (game mechanics) user experience design to create user-friendly and well-designed user interfaces for end users Support of players / users to make continuous improvements	Casual gaming (funny Games) Serious game (Health care with gamification approach to behaviour change) education For the health sector, the game approaches connect with other devices (heart rate monitor, balance, blood glucose meter, ...) ⇨ End users are motivated to perform certain tasks (blood pressure measurement, weighing, ...)	Automated and online via services personal contacts in branches	Business to Business (B2B): ⇨ Schools (tech. / Social) ⇨ Universities (tech. / social) (join together for innovative (serious) games in collaborative applied research projects) ⇨ Entrepreneurs ⇨ Developers of products or production processes / equipment in companies (technical oriented companies; human relations oriented companies in the health sector education) ⇨ Mention hospitals ⇨ Health professionals (for serious games on other topics, like inclusion, diversity, poverty, etc.) Business to Consumers (B2C): ⇨ All age groups ⇨ All genders Transnationally
	Key Resources Hardware (sensors, consoles) Developers / Programmer skills in programming / data security / software / consumer protection financial leeway to invest technological know-how specialised freelancers	Adapting game applications to personal characters of end users (consider interests and preferences) Collecting user data (big data) for customization and personalization Gaming with innovative headset applications / Augmented Reality / Virtual Reality / Smart Watches ... to provide the end user with attention to detail ⇨ Provide end users with a particularly realistic entertainment experience ⇨ Providing end user learning support through simulated scenarios VR/AR: education, simulation in development of products, production processes, maintenance, etc.	**Channels** Distribution takes place online via digital platforms or in branche	

Cost Structure	Revenue Streams
Workload of the developers Workload for testing user experience design The largest share of costs is incurred by developers of the games	fees for Upgrades / unlock extended areas and additional options sponsoring and subsidies also from customer segments to support the development (government grant to develop a game on a specific social topic) fees rebates for intensive use / certain scores reached on a commercial level, com., parties com. Games finance and offer them to their customers for free (eg paid casual games for potential customers of banks, telecom operators or food chains for the purpose of advertising)

Table 9: Business Model CANVAS – Gaming 2026

6. Portfolio of entrepreneurial competences and skills for the future in the creative industries

Bringing the results of the analyses in the various sectors together it becomes apparent that there are several overlaps in the demand of new entrepreneurial skills and competences.

The different competences can be converted into a portfolio of entrepreneurial competences with different category groups:

- In the center of the portfolio there are the "core" competences. These core competences for entrepreneurs in the creative industries consist of entrepreneurship competences and of digital competences. This competences are some kind of basics that are relevant for all entrepreneurs respectively people with entrepreneurial ambitions in the creative sector. With reference to the Thrive!-project they apply to the three defined targets groups of the project in equal measure.
- In a second step these competences have to be assessed and complemented by competences and skills that refer to the special lacks in competences of the different target groups.
- And in addition to that dependent on the subsector there are some special competences that are important to be successful on the specific markets of the subsectors.

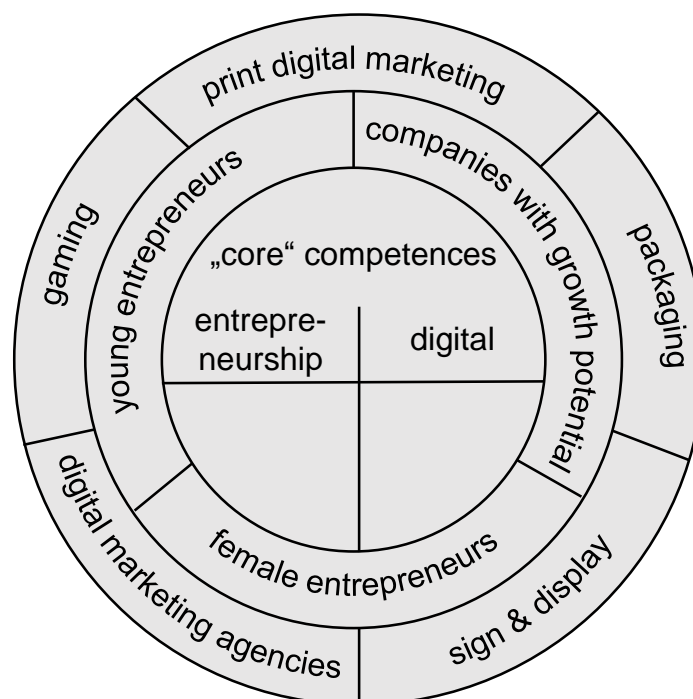This mix of entrepreneurial competences and skills is illustrated by figure 9:

Fig. 9: Competence model for entrepreneurship in the creative industries

6.1 Entrepreneurship competences

In the age of digitalisation new products and services mostly arise on the basis of new business models. Business model innovation has become one of the central guidelines in entrepreneurship.

Therefore entrepreneurs have to

- understand what business models – and its elements – are, how they function, and they also must know some "standard" types of business models (e.g. multi-sided platforms, long tail, freemium),
- know and be able to exercise methods for business model generation (e.g. CANVAS).

With respect to the current approaches in entrepreneurship that choose customer needs/ problems and customer benefit as the starting point of entrepreneurial activities the modern profile of qualifications/competences/skills of a successful entrepreneur covers the ability:

- to identify trends and technological developments early.
- to evaluate trends and convey the consequences for the current (and) future business.
- to develop an innovative (business) concept.
- to implement the concept.
- to inspire the employees (and business partners) of the concept.
- to adapt the concept to changing framework conditions.

In this context methods and tools entrepreneurs should know are

- entrepreneurial design.
- lean start-up.
- customer development.
- design thinking.
- Business model CANVAS.

The framework conditions of innovation and entrepreneurship of the future are highly dynamic and volatile. Working in projects and cooperation with a broad spectrum of different partners – companies, start-ups, solopreneurs, freelancers, universities and research organisations – demands appropriate skills.

- Capacity for teamwork.
- Working in flexible structures.
- Project-management - basics of "traditional" project-management (also multi-project-management) as well as new approaches like agile project management, scrum.
- Integration of external partners.
- Coordination of complex teams.
- Intercultural competences.
- Leadership competences.

The increasing group of solopreneurs and freelancers also needs to have special skills in the sector of personal competences like self-management, time-management, health-management/resilience, and self-marketing.

Although research and also the current discussion highlight that entrepreneurship is not technical skills plus knowledge in business administration in the future management and business knowledge will still be an important and integral part of entrepreneurial competences. The catalogue of the traditional competence profile of an entrepreneur covers the following aspects and subjects:

- Accounting.
- Balancing of accounts.
- Controlling.
- Law (work/labour, taxes etc.).
- Management and organisation.
- Leadership.
- Marketing and distribution.
- Communication.
- Finance.
- Public relations.
- Logistics.
- Professional experience.

Because of some fundamental changes in the "core" issues of business administration (the developments that can be summarised with the term "crowd-#") have a profound impact on business knowledge. Especially financing and funding have changed fundamentally ("crowdfunding").

On this background the catalogue of basic skills in business administration for entrepreneurs has to be enriched by topics as crowd-funding, social-media, new organisational concepts, new leadership concepts, (virtual) cooperation etc.

6.2 Digital competences

Because of the general dominance of the digital transformation and its impact on nearly all business sectors the set of skills and competences for entrepreneurs should cover some basic digital competences. The speed of the development is very high – and still increasing. Therefore it is impractical to name special computer programs, tools etc. as part of appropriate skills. And: Digitalisation is much more than technology – at least soft-factors have the same importance for the success of digital transformation.

We suggest to take the definition/description of "potential" digital competences by Klug/Lindner 2017 as framework for the Thrive!-project.
(note: there are some overlaps with the entrepreneurial competences listed above)

1. **Sense-Making**
   Ability to draw conclusions from a great many of data („big data")
   (not only analytic-tools, but creative capabilities are needed).
2. **Social Intelligence**
   Ability to use empathy – scrutinise digital processes.

3. **Novel and Adaptive Thinking**
   Ability to think innovative in problem-solving (cross-industry innovation).
4. **Cross-Cultural Competency**
   Ability to adapt quickly to modified cultural frame conditions
   (e.g. cross-cultural teamwork).
5. **Computational Thinking**
   Ability to convert a multiplicity of data into abstract concepts
   (programming competences).
6. **New Media Literacy**
   Ability to work with new digital forms for expression (photos, video, texts, language…).
7. **Transdisciplinarity**
   Ability to think in greater /superior contexts
   (disestablish „silo mentality").
8. **Design Mind-set**
   Ability to think like a designer in problem solving (perspective of customer)
   („design thinking").
9. **Cognitive Load Management**
   Ability to screen information much better to keep productive.
10. **Virtual Collaboration**
    Ability to work in virtual working constellations
    (digital tools for communication, cloud-computing).

6.3 Competences that can overcome special barriers that the different target groups are faced with

Young entrepreneurs

Young entrepreneurs need

- in many cases more profound skills in (fundamental) business knowledge and skills.
- specific management tools for dealing with crises (crisis management).
- a functional early-warning system.

and on the level of personal competences

- a good self management.
- resilience / health management.

Young entrepreneurs often work as micropreneurs or solopreneurs – especially when they start their business. Therefore they also need skills in

- using platforms to gain mandates (e.g. specialist working as a freelancer).
- team working – teams with members of different cultures and disciplines.
- networking, e.g. to support a continuous occupation.
- a good project-management to coordinate different/parallel jobs.

Employees with entrepreneurial spirit

Members of this target group need

- Sophisticated skills in project-management (with regard to the digitalisation especially with modern concepts in project-management like agile projectmanagement, scrum etc.).
- Skills in communication.
- Competences in leadership.

Bogott et al. (2017) deliver some practical hints for the competences of employees in start-ups – that can also be used for employees in companies with growth potential:

- Ability to communicate.
- Interpersonal skills.
- Ability to work under pressure.
- Commitment.
- Resilience.
- Innovativeness.
- Adaptiveness / flexibility.
- Time- and self-management (ability to set goals, ability to prioritise etc..)
- Ability to work in teams.
- Cross-cultural competences.
- Networking.

Female entrepreneurs

There are some specific competences for female entrepreneurs:

- improve the willingness/ability to take financial risks, e.g. negotiation with VC and banks.
- support decision making, e.g. by methods and tools that accelerate the process of decision making.
- work-life-balancing/-blending.

6.4   Competences specific for the selected subsectors

Professional competence will still be of great importance in the creative industries of the future – here the relevant curricula will be adapted over time.

High qualified professionals who will be working as self-employed entrepreneurs in the creative industry in the year 2026, preferably in one of the 5 subsectors, have to rule sector-specific competences.

Print companies with integrated marketing solutions

For the subsector "print digital marketing", it is necessary that entrepreneurs will have a deep understanding of Big Data. Data-driven marketing systems will be established in every printing company and will be rely on a wealth of personal data for successful marketing campaigns. For this purpose, future specialists also demand knowledge of automated read-out data algorithms. Technical understanding of the automation and networking of machinery will be an important aspect to enable the production of edition 1. This also requires competences about upstream and downstream production processes of the machinery. Owning personal data for marketing purposes further requires data security competencies to protect the end user's privacy and keep it anonymous.

Packaging

In the sub-sector "packaging" entrepreneurs have to master programming skills in order to create intelligent packaging solutions. This programming knowledge allows setting up interfaces to provide relevant additional information for specific end devices. Software-specific competences enable a professional handling with 3D- simulation programs to design innovative and unusual packaging. Expertise in innovative materials for packaging materials that are cheap and completely recyclable will be essential for the future.

Sign and Display

The display production requires entrepreneurial knowledge of content creation and design creativity. Likewise, technical skills for the maintenance of defective displays are required. For the production of signs also competences in the field of material science are necessary to be able to offer customers innovative substrates and special inks and lacquers.

Digital marketing agencies

Self-employment in the subsector "digital marketing agencies" will demand skills for social media marketing. Successful campaigns require 24/7/365 content creation, which must be mastered by the workforce. However, the right target group must be addressed via the respective social media channels, which also requires customer orientation. In addition, understanding of data analysis / management is an important competence for working with social media channels to be able to measure the success of marketing campaigns.

Gaming

For the gaming sector, technical skills for augmented reality (AR) and virtual reality (VR) as well as mixed reality will be a great importance to make game solutions seem ever more realistic. In order to adapt game solutions as closely as possible to the end user, competencies must be acquired which allow the developer to collect as much data as possible about the potential end user and to use it confidentially. Developers must e.g. develop game solutions with learning effect for schools or universities; this requires subject-specific skills in order to be able to adapt the content. Developing game solutions is a very challenging business. For this, entrepreneurs need skills to build up a value creation network with competent cooperation partners.

The table below merges the "competences and skills for the future in the creative industries" in an overview (table 10).

	Entrepreneurial skills	Digital skills	Sector-specific skills
All target groups	• understand what business models are, how they function, and they also must know some "standard" types of business models (e.g. multi-sided platforms, long tail, freemium), • know and be able to exercise methods for business model generation (e.g. CANVAS). • to identify trends and technological developments early to evaluate trends and convey the consequences for the current (and) future business • to develop an innovative (business) concept and to implement the concept • methods: entrepreneurial design, lean startup, customer development, design thinking • Capacity for teamwork • Working in flexible structures • Project-management - basics of "traditional" project-management (also multi-project-management) • Integration of external partners • coordination of complex teams • Intercultural competences • Leadership competences	• Sense-Making Ability to draw conclusions from a great many of data ("big data") • Social Intelligence Ability to use empathy – scrutinise digital processes • Novel and adaptive Thinking Ability to think innovative in problem-solving (cross-industry innovation) • Cross-Cultural Competency Ability to adapt quickly to modified cultural frame conditions • Computational Thinking Ability to convert a multiplicity of data into abstract concepts • New Media Literacy Ability to work with new digital forms for expression (photos, video, texts, language…) • Transdisciplinarity Ability to think in greater /superior contexts • Design Mindset Ability to think like a designer in problem solving (perspective of customer) • Cognitive Load Management Ability to screen information much better to keep productive • Virtual Collaboration Ability to work in virtual working constellations	*Print companies with integrated marketing solutions* • Deep understanding big data • Automated read-out algorithms • Automation and networking of machinery • Data security /protection of end user's privacy *Packaging* • Programming skills • Software-specific competences • 3D-simulation • Innovative materials for packaging *Sign and display* • Content creation and design creativity • Maintenance of defective displays • Material sciences *Digital marketing agencies* • Social media marketing • High customer orientation • Data analysis / data management *Gaming* • Augmented and virtual reality • Competences in didactics (serious gaming) • Subjects specific skills (content) • Build up a creation network
Young entrepreneurs	• profound skills in (fundamental) business knowledge and skills • specific management tools for dealing with crises (crisis management) incl. a functional early-warning system • a good selfmanagement and resilience / health management • using platforms to gain mandates (e.g. specialist working as a freelancer) • teamworking – teams with members of different cultures and disciplines • networking, e.g. to support a continuous occupation. • a good project-management to coordinate different/parallel jobs.		
Companies with growth potential	• Sophisticated skills in project-management (with regard to the digitalisation especially with modern concepts in project-management like agile project-management, scrum etc.) • Skills in communication • Competences in leadership • Ability to work under pressure / adaptiveness / flexibility • Time- and self-management (ability to set goals, ablitiy to priotise etc.) / Resiliance • Ability to work in teams / networking / cross-cultural competences		
Female entrepreneurs	• improve the willingness/ability to take financial risks, e.g. negotiation with VC and banks • support decision making, e.g. by methods and tools that accelerate the process of decision making. • work-life-balancing/-blending.		

Table 10: Entrepreneurial skills in the future of the creative industries

7. First steps into the future of the creative industry

The (technological) developments, the gigatrend digitalisation, and the megatrends foster the potential for entrepreneurship in almost every branch of industry. They also intensify the necessity of an entrepreneurial mindset for employees on almost every level in a company.

For the individual it offers a great variety of (new) job and career oppertunities. On the other hand employers and managers are faced with new challenges in the development of corporate strategies into the digital age as well as in personnel work and leadership. The skills needed for both groups have been described and illustrated in this study.

There is neither "one best way" nor a blue print or roadmap into the prospective "brave new world" of the creative industry. Individual employees just as entrepreneurs as well as managers have to find and work on their own specific path into the future.

What individuals and managers can do

Individuals are interested to

- analyse concrete job prospects,
- identifiy gaps and conceivable obstacles,
- to derive needs in skills and competences to gain an eligible job perspective,
- learn about ways to build up knowledge and skills and
- get information on measures (e.g. courses) to improve their competences.

With it's assessment-tools/awareness-checks the Thrive!-project provides appropriate instruments for this target group to take the first step of the process described.

The scans are available on https://www.thriveproject.eu/

Managers want to know

- whether and if so to what degree their company is concerned of the developments and trends described above in this report,
- what the concete impacts and consequences are for their company respectively the different fields of responsibility and
- what they can do to successfully manage the identified challenges.

In a first step they should check their business model and test if it is future-proof.

For this task the method "Business model generation CANVAS" is most appropriate. Taking the structure of the model with it's nine elements of a business model a manager can record the existing model. On this basis he can develop possible changes and future perspectives for every single element of the business model. The result is a (variety of thinkable) future business model(s).

In a second step he should define concrete targets and pick suitable measures to hit the targets. In this step he

- can use the assessment-tools/awareness-checks of the Thrive!-project on https://www.thriveproject.eu/. These instruments primarily deliver information and first hints what has to be done in the framework of leadership tasks.
- should specifically think on different options for future co-operation – especially with start-ups.

On this basis he can define concrete measures e.g.

- to improve the competences and skills of his employees,
- to develop appropriate incentives for the retention of high-qualified employees (incl. Individual career options and paths).

Both – individuals and managers – should try to gain as much background information as possible e.g. by reading reports on future trends, talk to experts in e.g. federations, visit conferences etc. For concrete support you can contact consultants, universities, oranisations of further education etc.

Note:
The path into the future of the creative industry is not a project with a defined starting point and a defined finish. In the face of the high speed of the developments with it's changing requirements and challenges is is a continous process. This process can be organised best and successful following the principles of a good change management.

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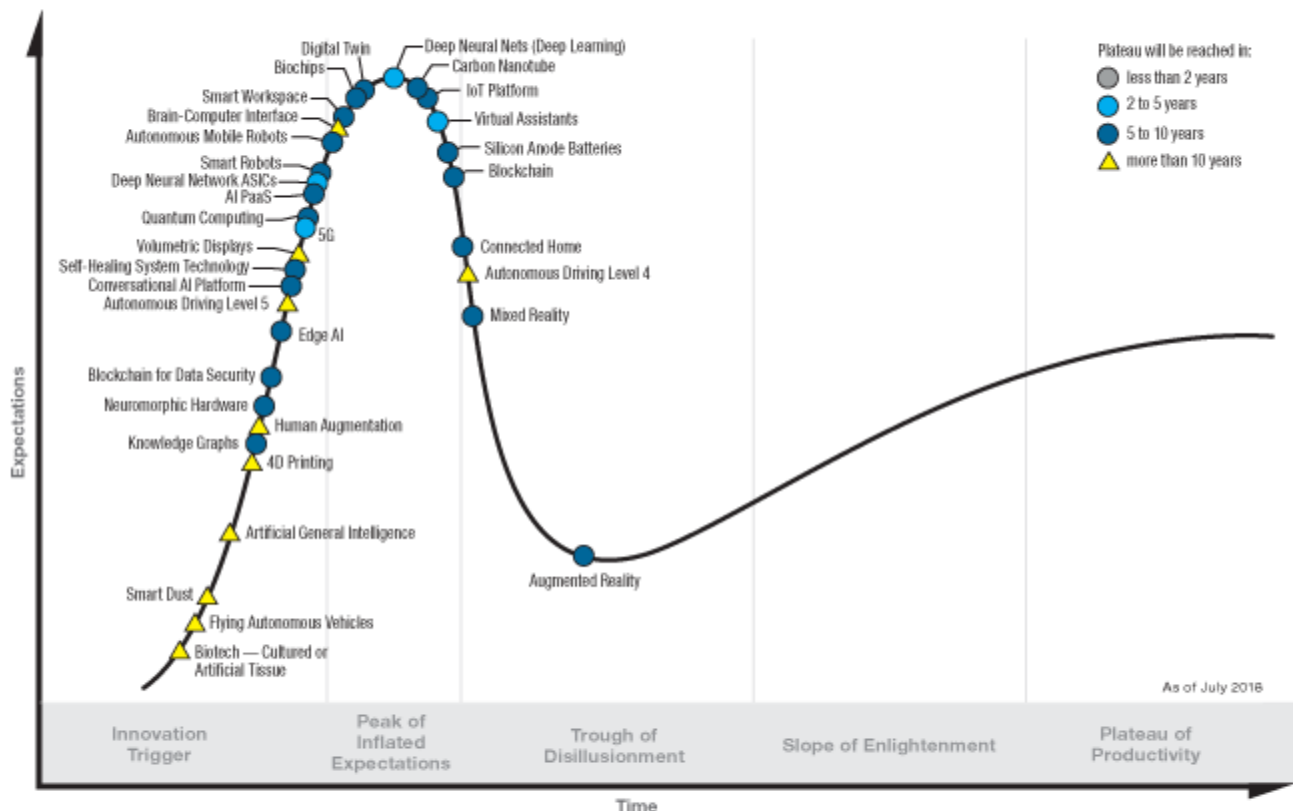
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Hype Cycle for Emerging Technologies, 2018

Plateau will be reached in:
- less than 2 years
- 2 to 5 years
- 5 to 10 years
- more than 10 years

Labels (ascending toward the Peak of Inflated Expectations):
- Biotech — Cultured or Artificial Tissue
- Flying Autonomous Vehicles
- Smart Dust
- Artificial General Intelligence
- 4D Printing
- Knowledge Graphs
- Human Augmentation
- Neuromorphic Hardware
- Blockchain for Data Security
- Edge AI
- Autonomous Driving Level 5
- Conversational AI Platform
- Self-Healing System Technology
- Volumetric Displays
- 5G
- Quantum Computing
- AI PaaS
- Deep Neural Network ASICs
- Smart Robots
- Autonomous Mobile Robots
- Brain-Computer Interface
- Smart Workspace
- Biochips
- Digital Twin
- Deep Neural Nets (Deep Learning)
- Carbon Nanotube
- IoT Platform
- Virtual Assistants
- Silicon Anode Batteries
- Blockchain
- Connected Home
- Autonomous Driving Level 4
- Mixed Reality
- Augmented Reality

Axes: Expectations (vertical), Time (horizontal)

Phases: Innovation Trigger | Peak of Inflated Expectations | Trough of Disillusionment | Slope of Enlightenment | Plateau of Productivity

As of July 2018

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Gartner.

Key Partners	Kernactiviteiten	Waardepropositie	Klantrelaties	Klantsegmenten
	Key Resources		Kanalen	
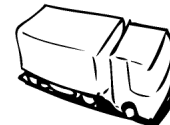
Kostenstructuren	Inkomstenstromen