

Creating a **BUSINESS** while solving **SOCIAL PROBLEMS**

Dear future entrepreneurs, your goal is to come up with a business idea that will help solve issues in society during this session. Keep in mind that:

1. Your idea needs to generate profit (you need to sell a service or a product)
2. Your ideas need to help solve any problem in our society. Please select a field you would like to operate in.

SOCIAL ENTERPRISE IDEA	DESCRIPTION
Problem: What is the issue society or community is facing?	
Solution: How can this problem be reduced or solved?	
Business idea: What product/service are you going to sell?	
Target group: Who are you going to sell your products/services to?	
Social Impact: Who are you going to help specifically and how?	

Variable COSTS

The money you spend depends on how much product you sell.

ITEM	COST PER 1 PRODUCT
Materials: Do you need some materials for your product? How much does it cost?	
Wages: Is there a person who needs to deliver your product? Example: a trainer for a training activity.	
Sales/marketing: Do you need to hire someone to promote your products? Do you need to pay for marketing? Do you need to make an affiliate programme? How much will it cost per product?	
Contractors / development: Does your product need to be updated regularly (digital course) or do you add new products? If it is only measurable in time, please specify the time and multiply it with the hourly wage of contractors.	

Fixed COSTS

There are costs you must pay every month, whether you earn money as a company or not.

ITEM	MONTHLY COST
Rent: Do you need an office for your business? Do you need a warehouse? Do you need a store to sell or display your products?	
Salaries: What jobs do you need in your company? What is the average salary for that position in the country/city where you plan to operate? Example: Salesperson who needs to be in a store even if no products are sold.	
Loan and other financing costs: Did you need to cover your initial costs by a loan or through an investor who will request the loan to be repaid? How much is the monthly payment?	
Other costs: Internet, rent of online servers/services, insurance, accounting, security services, website maintenance, cleaning the offices, ...	

Initial COSTS

How much money do you need to spend to start your business?

ITEM	COST
<p>Equipment: What equipment will you need? How much will it cost? (If you plan to rent a place with all the equipment included in the rent, fill in 0).</p>	
<p>Website: Will you need a website for your business? What features will it have? What is the price to develop such a website?</p>	
<p>Product development: How much money and on what will you need to spend to develop your product? (If the product only takes time, please estimate how long it takes, for example writing an e-book)</p>	
<p>First months: Usually, when you start a business, you do not have any income, because you do not have customers yet and it takes a while to get them. Therefore, you have to cover the fixed costs for the first months. How many months do you assume it will last? Multiply by total monthly fixed costs (write the sum below).</p>	

The price of your PRODUCT

You can look at your competition, analyse how much your customers are willing to pay, and set your price accordingly. If you do that, you risk that the profit you get will not be enough to cover your costs. Therefore, it is best to analyse how many products you need to sell to be in plus numbers.

ITEM	100	1000	10000
PRODUCTS SOLD (PLEASE ADAPT TO YOUR BUSINESS, 100, 1000, AND 10000 ARE JUST FOR EXAMPLE)			
Fixed costs: Divide the cost by the number of products sold.			
Variable costs: Take the variable costs from the table. If they are the same no matter how much you produce, copy the same amount.			
Profit: How much do you expect to earn? This will be money to cover your initial costs which later becomes profit. Is it 20% over the cost of the product? Is it 40%?			
Final price: How much you should sell your product for?			