

MT2.4_4 Activity Scenarios: Initial Financial Considerations for New Ventures

Activity Instructions:

1. Divide participants into teams and assign each scenario.
2. Encourage teams to discuss the challenges and analyze potential solutions for initial financial considerations.
3. Facilitate a group discussion where teams share their insights and learn from each other's approaches.
4. Conclude by highlighting key takeaways and emphasizing the importance of careful planning and strategic financial decisions for new ventures.

Remember: Adapt these scenarios and analysis points to your specific workshop theme and audience for a more relevant and engaging experience.

Scenario 1: The Foodie Friends - Food Truck Dream

Team: Sarah and Alex, passionate foodies with a dream of opening a gourmet food truck.

Challenge: Limited savings, high equipment and inventory costs, competitive food truck market.

Analysis: Sarah and Alex need to prioritize initial costs, focusing on used equipment, securing permits at affordable locations, and offering a unique menu to stand out. Bootstrapping and crowdfunding could be feasible funding options while they refine their concept and test market demand through pop-up events.

What they did: Sarah and Alex identified a gap in the market for healthy, gourmet street food. They secured a used food truck, negotiated affordable permits in a trendy park, and developed a unique menu with locally sourced ingredients.

Mistakes: They underestimated initial inventory costs, leading to cash flow issues early on. Their initial pricing was too high for the lunchtime crowd, limiting customer base.

Attachment to MT 2.4.4
Task 2.2

Things they did right: They focused on a niche market, prioritized cost-effective solutions, and actively participated in farmers' markets to build brand awareness. Their food quality and innovative menu garnered positive reviews.

Improvement ideas: Offer smaller portion sizes and lunch specials to attract a wider audience. Negotiate bulk discounts with suppliers. Consider catering events and offering delivery services for additional revenue streams.

Key learning: Prioritization, market research, and creative cost-saving strategies are crucial for new ventures with limited resources.

Scenario 2: The Tech Trailblazers - App Development Duo

Team: Mark and Emily, tech-savvy students with a groundbreaking mobile app idea.

Challenge: High development costs, potential competitor threats, need for marketing and user acquisition.

Analysis: Mark and Emily can consider seeking early-stage investor funding or participate in incubators/accelerators for mentorship and potential grants. Focusing on a minimum viable product (MVP) for initial launch and utilizing free or low-cost marketing channels like social media could be crucial.

What they did: Mark and Emily built a basic version of their app with their limited savings and launched it on the app store. They actively interacted with users to gather feedback and iterate on the features.

Mistakes: They overestimated user acquisition through organic downloads, leading to slow initial growth. The MVP lacked some key features requested by users.

Things they did right: They focused on an MVP for quick launch and prioritized user feedback for improvement. Their active social media presence helped generate buzz and attract potential investors.

Improvement ideas: Develop partnerships with relevant brands or influencers for in-app advertising and promotion. Consider charging a premium for specific app features or offering tiered subscription options.

Key learning: Understanding funding options, focusing on an MVP, and leveraging strategic partnerships can help tech startups get off the ground.

Scenario 3: The Eco-conscious Crafters - Sustainable Jewelry Revolution

Team: Laura and Daniel, eco-conscious artists with a vision for recycled jewelry creations.

Challenge: Sourcing sustainable materials, balancing ethical practices with affordability, reaching a niche market.

Analysis: Laura and Daniel can partner with local recycling centers, negotiate bulk discounts on materials, and utilize online platforms like Etsy to reach eco-conscious consumers. Bootstrapping with initial sales and crowdfunding campaigns focused on their sustainability mission could be suitable funding options.

What they did: Laura and Daniel sourced recycled materials from local centers and created unique jewelry pieces with minimal processing. They sold their products online and at ethical pop-up markets.

Mistakes: Their online platform lacked clear product descriptions and high-quality photos, impacting sales. They underpriced their creations due to fear of competition from cheaper alternatives.

Things they did right: They focused on sustainability and ethical practices, aligning with a growing consumer demand. Their unique designs and handcrafted approach resonated with eco-conscious customers.



Joint development, piloting and validation of entrepreneurial mindset and key skills curricula and training materials for third countries

Improvement ideas: Invest in professional product photography and compelling website copy. Collaborate with other sustainable brands for cross-promotion and reach a wider audience. Conduct market research to determine optimal pricing based on value and brand positioning.

Key learning: Sustainability initiatives can be cost-effective with resourcefulness, partnering with like-minded organizations, and targeting the right market.

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Scenario 4: The Fitness Fanatics - Online Yoga Studio

Team: Maya and Omar, experienced yoga instructors with a plan for online live sessions.

Challenge: Building a user-friendly platform, balancing affordable subscriptions with instructor payments, attracting and retaining customers.

Analysis: Maya and Omar can utilize existing online fitness platforms with subscription features initially, while building their own brand and audience. Collaborating with other instructors for diverse offerings and offering free trial periods can attract customers.

What they did: Maya and Omar partnered with an existing online yoga platform, leveraging their user base and subscription features. They offered diverse live yoga sessions and personalized attention to students.

Mistakes: They depended solely on the platform's marketing, limiting reach to the platform's existing audience. Their pricing structure offered little differentiation from established online instructors.

Things they did right: They utilized a cost-effective platform solution to quickly launch their business. Their expertise and personalized approach attracted loyal students and positive reviews.

Improvement ideas: Develop their own branded online platform with unique features like community forums and personalized yoga plans. Invest in targeted social media marketing campaigns to attract new customers. Offer specialized workshops and retreats to increase revenue and differentiation.

Key learning: Utilizing existing resources, offering tiered subscription options, and creating a strong value proposition are key for online fitness ventures.

Scenario 5: The Community Champions - Neighborhood Repair Service

Team: Antonio and Maria, skilled handymen aiming to offer local repair services.

Challenge: Building trust and reputation, managing operational costs like transportation and tools, competing with established businesses.

Analysis: Antonio and Maria can focus on niche services, build referral networks through local community engagement, and utilize cost-effective marketing like flyers and neighborhood social media groups. Collaborations with local businesses could offer mutual benefits.

What they did: Antonio and Maria built a strong local reputation through word-of-mouth referrals and volunteering at community events. They offered free estimates and transparent pricing for their services.

Mistakes: They relied solely on personal transportation, limiting their service area and increasing operational costs. Their lack of online presence made it difficult for potential customers to find them.

Things they did right: They built trust and goodwill within the community, leading to repeat business and referrals. Their focus on transparency and fair pricing earned them customer loyalty.

Improvement ideas: Invest in bicycles or a fuel-efficient vehicle for wider service coverage. Create a simple website or online profile with contact information and service descriptions. Partner with local businesses to offer discounted repair services to their customers.

Key learning: Building community trust, niche specialization, and smart marketing strategies can help service-based ventures gain a foothold.