6. Marketing communication plan

What is REVENUE GROWTH?

Revenue growth is the amount of money a company earns over a predetermined period of time compared to the previous, same period. For example, how much money the company made in one month compared to last month.

"Revenue" is often confused with product sales and market revenue. So, let's look at the differences:

Revenue: Revenue is the amount of money made from all sources, including sales, investments, royalties, fees, and more. Expenses aren't considered.

royalties

Entering into a license agreement – whether as a licensor or a licensee – you need to understand what a royalty payment is. Royalty payments are a basic component of any licensing deal. They provide an incentive for inventors to license out their technology or intellectual property, while giving licensees a cost-effective way of investing in new assets for their business. Read on to learn more about ....

Royalty payment definition

A royalty payment is a regular fee have to paid by a licensee to a licensor, in exchange for the use of the licensor's intellectual property. This happens when both parties enter into a licensing deal, which could be as part of a franchising arrangement or as a more standard intellectual property licensing agreement. The fees that the licensee must pay, and the terms of doing so, are specified in the royalty payment agreement. The royalties and licensing deal terms are agreed to by both parties.

Various royalty payment structures

Not all royalty payments are structured in the same way. Here are some of the different options:

%

1. Percentage vs fixed fee: Royalty rates are usually set as a percentage of the revenue generated by the intellectual property. This means that the licensee's payment obligations and the licensor's resulting compensation are proportionate to how well the intellectual property is performing. Another option is to structure the royalty payment as a regular fixed fee. This means that the licensee always pays a specified amount, regardless of how well the intellectual property is performing. This is a less common but entirely valid option.

2. Weekly, monthly, quarterly or annual payments: Royalties are paid on a regular basis, according to the payment schedule outlined in the royalty payment agreement.

3. Fixed or tiered royalties: Some royalty rates are fixed, which means that they remain the same for the duration of the licensing agreement. Others are tiered, which means that they change depending on certain criteria, such as volume or sales thresholds being met.

How do you calculate revenue growth year?

The formula for revenue growth requires you to subtract the previous period's revenue from the current period's revenue, then divide it by the previous period's revenue. Now, we calculate €80,000 / €820,000 and end up with roughly 0.0975. That means the company's revenue growth from 2020 to 2021 was 9.75%

Calculate Growth rate in Excel

https://www.edureka.co/community/169794/calculate-growth-rate-in-excel

Which channels are responsible for revenue growth?

There are a number of different roads you can go down with revenue drivers - tailor your approach based on what you have to offer.

- **Email Marketing**: Building revenue is in many ways like building an audience for your product, and email marketing is one of the surest ways to do so. Inboxes are notoriously crowded places, but there are ways of making your emails stand out.
- **Content Marketing**: Content marketing requires a lot of commitment - to publishing regularly and at a high quality over time - but it’s an excellent way of getting your service out to a much bigger and more committed buying audience. It’s another excellent way of growing your email list, too.
- **Freemium Offerings**: Offering the basic version of your product for free is an excellent way of raising awareness of its value and gaining early traction.
- **Giveaways**: No, don't give away the whole thing. It’s true, however, that giveaways, like referral and loyalty bonuses, can be great ways of both consolidating current subscribers and bringing in new ones.

Each of these channels can have real positive effects on your income statement, but you have to strategize. Each of them requires time and investment - they’re only worth it if you have the time and means to do them well.

Why is revenue growth important?

Revenue growth is a metric that indicates the success of a business. By calculating the revenue growth rate, a company gains insight into increase or decrease in sales volume, as well as business expansion trends.

What is a good revenue growth rate?

Although a company's revenue growth rate depends on multiple factors, any business with a revenue growth rate of 10% or more is considered good. However, a 2 or 3% growth rate is also regarded as healthy in some cases.

What is revenue growth management?

Revenue growth management refers to the analysis of user behavior at a microeconomic level to optimize prices and products to boost revenue growth.

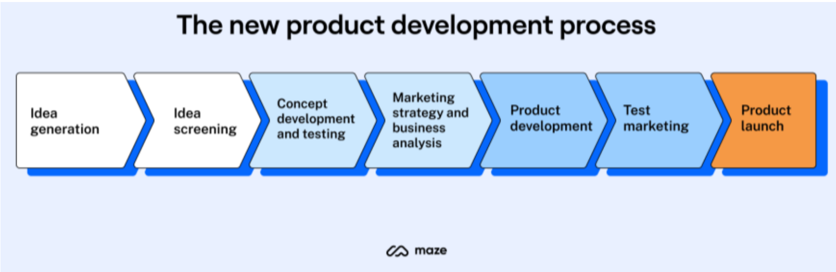
6.2.

What is the meaning of product growth?

What is a product growth strategy? A product growth strategy aims to increase a product's value by identifying new ways to satisfy users and attract newcomers.

What is an example of product service?

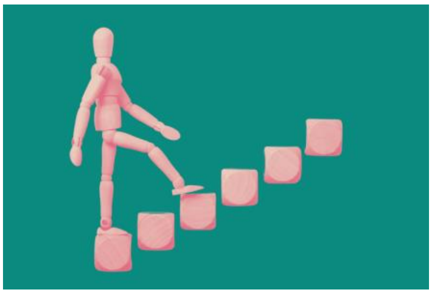
I. To have idea
II. To research
III. To develop
IV. To test/testing
V. Analysis
VI. Intro



A good example of product service management at work is the Apple iPhone. It's an item that features small iterative changes every year, changing it slightly in terms of user experience, software, hardware and design in order to best fit what consumers want at the time of release

Service growth in product firms is one of the most active service research domains. We conclude by identifying, from the contributions to this special section, suggested themes for further research on service growth: the assessment of empirical evidence of the impact of service growth on firm performance, the role of merger & acquisitions in the service growth strategy, the exploration of single/multiple positions along the transition line, the process of adding or removing services, and expanding the context of service growth beyond product manufacturing firms.

6.3. The Employee growth

 https://www.growthspace.com/how-to-measure-employee-growth

Employee growth is inevitably entwined with metrics (that’s why, if you’ve spent any time around L&D people, you’ve probably noticed they are nuts about measurement). Being able to prove the value behind soft-skill learning and development programs is a tough but necessary job. To justify resources from the organization, and efforts from employees, number-crunching is part of the game. The main challenge is to somehow translate quality into quantity, and nowhere is this more important than making the effort to measure employee growth initiative outcomes.

The basics of measuring employee growth

There are a ton of potential employee growth programs, and each has an optimal measurement method. No matter what courses you are running, be sure you've covered the following steps:

Have an Overall Plan

Call it career management, or a growth strategy, or an engagement program – it still needs a framework. Any talent development plan must have two essential components:

Tie in with organizational goals. A great way to start filling in the details of an employee growth strategy is with a skills gap analysis. This step will include looking at factors such as:

The need for new skills due to organizational development

Filling in weak points with upskilling and internal mobility

Replacing predicted churn and succession

Meeting employee goals. Now it's time to cross-match what your company wants with the career path of workers. Figuring out where employees want to go is part of a career development plan.

List Courses and Initiatives

Growth programs aren't only about employee skills. HR, managers, and the organization as a whole are also involved. After the initial planning step, you'll wind up with a list of courses for improving skills, but there are a bunch of other steps to take, such as:

Managerial involvement – Feedback from direct bosses is critical to measurement. Simon Sinek talks about the importance of regular feedback mechanisms and open dialogue to get the necessary insights in real-time. Briefing managers on the main issues and then describing how they fit in is a must-do. Keep in mind that managerial behavior is an important factor in worker satisfaction, which is an element of employee growth as well. So leadership courses might be on your list too.

Internal recruiting – This is crucial for any organization that wants to retain employees. After all, a main part of growth is moving upwards as a professional. For HR people, it's important to remind execs that lack of growth opportunities is the number one reason people quit.

Reward programs – According to Zippia, "recognition" is the most important factor in motivation. Making employees feel valued through benefits ranging from additional days off to a short round of applause during the weekly happy hour is a fundamental part of growth. (Just to give you more to think about, there's a difference between being recognized and feeling valued.)

How to Create an Effective Employee Development Plan

Happy employees feel that their employers care about their development. That's why, if employee retention is one of your priorities, having an employee development plan in place is a must – this way one can improve employee's knowledge, performance, and skills at work.

Personalized employee development plans can have many specific goals. Examples include building communication skills, nurturing their self-management abilities, and improving critical thinking approaches. Common employee development plan examples include skills training, exposure to leadership roles, and succession planning.

But then there are effective employee growth plans. The L&D industry is full of experts, philosophies, and methods that promise success, but often fail to meet their mark. It's an inarguable fact that employees are frustrated by the scarcity or unfulfilled promises of employee development plans that advance their careers and make them successful. Survey after survey in recent years has made it clear that employees cite the "lack of career development" as the number one reason for leaving their jobs.

Therefore, an essential part of properly designing, implementing, and measuring employee development is to identify the barriers to success and adopt a method of minimizing them.

There are also "go-no go" measurements. For example, if you want to break even for any return on investment for an L&D program, then you either make it or don't.

Once you have decided on a goal, it's essential to:

Apply it immediately. Even before a course or initiative has begun, use the metric to understand the baseline. If you are running an engagement program, find out what the engagement rate is today.

Apply it in the middle. You might be a brilliant HR professional, but there's no guarantee that everybody in your value chain is as competent. There's a risk that, whatever program is in progress, things are not going as planned. Applying a measurement technique halfway through a course (or periodically for permanent initiatives) will tell you if anything has improved. If not, it's time to review the plan and its implementation.

Apply it at the end, and then some. There's a factor in many types of skills called the "forgetting curve," which basically states "use it or lose it". Measuring how a growth program has met the goal when the course has ended is essential. But don't forget (ha ha) to apply it every few months to ensure that the employee still benefits from the particular growth element.

GrowthSpace Metrics Allow L&D to Grow

In addition to personalized learning experiences and a global talent pool of top-notch experts, GrowthSpace is known for intuitive and effective measurement functions. All GrowthSpace programs start with goal-setting and end with GrowthSpace's proprietary metrics. By making measurement the heart of all of its courses, GrowthSpace enables HR to demonstrate L&D value and attract resources to grow company-wide learning and development initiatives.

Current and Critical Employee Growth Areas

Pay attention to the word "current." The top workplace skills are always changing, and the number of skills required for a particular job is on the rise.

In 2021, a GrowthSpace survey revealed the hottest topics. Without further ado, here are the top growth subjects to concentrate on right now:

1. **Leadership**

Like growth, leadership is a mindset. Leadership is not confined to certain areas of a company. Instead, those with the will and skill to become great leaders need all the help they can get in the following areas. One method for building leadership in any organization is by using the help of leadership coaches.

Self-Awareness

Leaders have different styles, but they all need to deal effectively with people. Being a hard nose was once considered a good way to go, but time has proven the value of empathy. A leader with self-awareness notices how their actions and attitude affect those around them and is always looking for improvement.

Change Management

It’s often during tough times that leaders get noticed. The soft skills that permit a leader to guide changes, and properly receive vital feedback from subordinates, are often the real reasons for change management to succeed.

Strategic Thinking

Along with change management, strategic thinking allows a leader to understand and implement big-picture ideas. This usually translates to adapting the real-world effects of a strategy for daily tasks.

2. **Management**

The difference between managers and leaders is that managers tell people what to do, whereas leaders inspire them to do it. But people management is still vital for any organization that needs things done properly and on time, often through these skills:

Conflict Management

Even once a manager gives instructions, there’s no guarantee that everything will go as planned. It’s often the case that employees disagree on who does what or simply don’t get along. The task of a manager is to be patient and not take sides until the conflicting workers explain their points of view. The manager will hopefully come up with a mutually satisfactory solution through problem-solving.

Relationship-Building

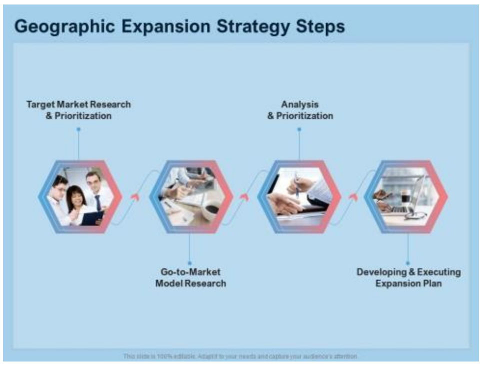
It’s also important for managers to have a good interpersonal bond with their employees. Getting to know the strengths, weaknesses, and personalities of as many workers as possible, or even delegating this task to leaders in the group, allows a department to function as an effective unit.

3. **Communication**

There are multiple types of communication. Workers tend to be proficient in some areas but can always use improvement. Nobody is ever a perfect communicator, and communication is the ultimate growth area.

It’s also very personal in that, for example, the ability to speak to a group can go well for somebody in a particular setting, but not in others. A manager might do a great job explaining a topic to workers, but not to C-level executives. For this and more reasons, communication is often a great opportunity to bring in a specialist coach.

6.4 Geographical expansion



Geographic expansion is undoubtedly one of the most costly and often least successful strategic options that a contractor can employ. However, almost every contractor of decent size attempts it at least once.

In today’s hyperconnected environment, geographic expansion does not just mean opening an office in a new location. It can come in the form of traveling with a customer for one or more projects, sending business development professionals to seek out new opportunities in a market, or simply joint venturing in a new market to deliver a project right in your wheelhouse. Plenty of successful contractors realize this and maintain most project and corporate services back at headquarters.

Tasks

By definition, a cash siphon is the drainpipe injected into a company's balance sheet, discharging all available cash and working capital. An imprudent venture into a new market is one example. Following are a few tried-and-true lessons to help avoid the cash siphon.

http://constructionexec.com/article/geographic-expansion-as-a-market-strategy

I. LOOK BEFORE YOU LEAP

Research is challenging, expensive and time-consuming, but guess what? The other option—expansion into new markets with only one eye open—is even more challenging, expensive and time-consuming.

A little over a year ago, an electrical contractor sent some of its best people to expand in a new market. The company had a handful of customers that it could service based on existing relationships, although it realized that over time it would need to pick up additional clients. During a conversation at the time, FMI asked the vice president how the business development efforts were progressing in the new city.

The vice president replied, "We should get the keys to the new office next week and then we can start calling on clients." This was a red flag. One year later, that office is a cash siphon with an unknown time frame for breaking even. It's not because there was no work for the electrical contractor; the client simply did not understand the buying habits of customers, competitive forces, workforce dynamics and major economic trends that were driving work in the new city.

II. MIND THE GAP

The strain of managing a workload in an existing geography, coupled with starting up business development and operations in a new geography, is one of the hardest transitions any company can make. To keep employees engaged during this transition, leaders need to over-communicate and establish strategies that keep the team united. Celebrate successes, even when small, and recognize and reward field and back-office employees who are working double shifts to keep the wheels on.

Also avoid "cutting special deals" (compensation, living arrangements or per diem) with employees who need to travel temporarily or indefinitely to new regions or project sites. Every new lucrative "deal" that is cut will become the standard for all employees (face it, they talk to each other), and leaders will continue to increase their fixed costs to a point of unsustainability. Instead, use a standard "mobility policy" that states upfront what adjustments to compensation and fringe benefits will look like, and make exceptions on as few occasions as possible.

When forced into making an exception for an employee, he or she will be less likely to talk about it because any "hearsay" of the exception can easily be traced back to him or her. The mobility policy also will allow leaders to revert to standard pay if and when that employee returns to the home market.

III. MAKE YOUR INTENTIONS CLEAR

Ambiguity of strategy and direction is one of the biggest drains on any organization. Without making intentions clear to everyone (a short-term geographic transition to travel to a customer's location or a permanent move to a new market), employees will make up their own versions of the story. That perception will become reality.

This may seem trivial, but the fact of the matter is employees will need to pick up the brunt of the extra work it takes to maintain existing operations and start up new operations elsewhere. They need to know that all of that extra work and effort is supporting a long-term strategy and vision with reasoning behind it. Without this information, they will quickly become disenfranchised to the point of disturbing the company's home business.

IV. HAVE AN EXIT STRATEGY

Even with proper due diligence and a sound strategy in place, geographic expansion is risky and can result in failure. Many contractors fail when tackling new markets simply because of market dynamics of supply and demand. Ask other company leaders: "What defines success—in terms of expected profitability, return on investment and time frame—and what should the company do if it does not achieve success?"

One of the core themes to avoiding the cash siphon of geographic expansion is transparency. Costly distractions can be averted by providing transparency to key employees around strategic and financial intentions. This can create a comfort level that allows them to focus on their jobs, be open about risks and issues and not stay awake at night worrying about what happens if this market does not work out.

The National Domination Plan had a few key elements:

Tier of Market
Goal by Tier
Geographies by Tier
Defining KPIs
Resource commitments by team (e.g. Sales Staffing, Marketing Budget)
Specific strategies or tactics for each tier of market
The National Domination Plan can look something like this:

Having a National Domination Plan is important for a few reason:

"National Domination Plan" Playbook For Geographic Expansion

ScaleYourStartup.com

Expansion Framework	Tier 1	Tier 2	Tier 3	Tier 4
Goal				
Geography				
Defining KPI				
Sales Staffing				
Marketing Budget				
Marketing Tactics				

Allows you to both operate new markets and others at scale.

Reminder that your goals may differ by stage (e.g. "soft launch" vs "scale")

Enables you to set expectations for KPIs to balance new vs existing markets

Specifies on resource commitments by team to minimize bottlenecks

Clarifies to everyone what you will and won't do.

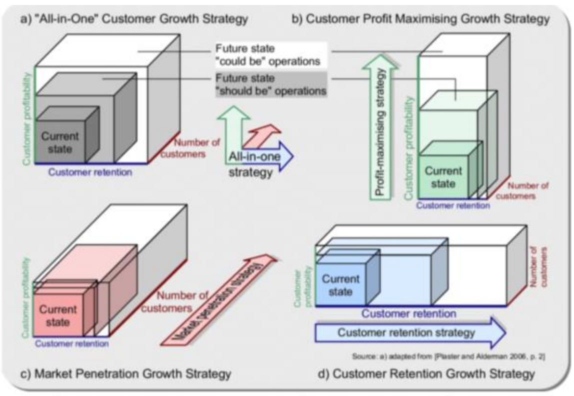
Communicates why some markets are performing better than others

Here's what it might look like as you start to fill it out:

"National Domination Plan" Playbook For Geographic Expansion	ScaleYourStartup.com			
Expansion Framework	**Tier 1**	**Tier 2**	**Tier 3**	**Tier 4**
Goal	Test	Optimize	Scale	Win
Geography	FL AZ	TX	NY IL	CA
Defining KPI (LTV/CAC)	0.5	1 - 2	2 - 4	4+
Sales Staffing	1 AE	+ 1 AM	+ 1 Ops	+1 GM
Marketing Budget	$	$$	$$$	$$$$
Marketing Tactics	Organic	Organic Paid (SEM)	Organic Paid (SEM) Paid (Social)	Organic Paid (SEM) Paid (Social) Out of Home

6.5 Customer growth

We take care of sales, billing and scheduling, so you can spend your time on what matters most: helping your clients grow. Does it get any better than that?



Customers are the most valuable asset of a company. As a result, customers have to be classified, analysed, evaluated, segmented and managed according to their value for the company using appropriate tools and methods of Customer Relationship Management (CRM). This master thesis proposes fuzzy classification as a multidimensional data analysis and

Customer satisfaction is one of the key objectives of service organizations because satisfaction leads the customers to be loyal and loyalty can be the source of competitive edge for the organization. Therefore, have to study to investigate the mediating role of customer satisfaction between service quality, CRM, perceived value, and brand loyalty in the overall service sectors of country (Hungary). The targeted population consists of the different consumers. The results indicate that service quality, customer relationship management, and perceived value are the key drivers in enhancing brand loyalty when customer satisfaction is mediated in their relationship. For analysis, the collection was generated through SPSS.

The number of customers that a company has depends on how well it acquires new customers and retains existing ones. On the other hand, how often those customers buy your products and how much they spend per transaction is based on how well the product and the entire customer experience is able to engage them. The models in this section focus specifically on increasing the customer base and how much customers buy.

Even though revenue depends both on how many customers a business has and how much they purchase, many business leaders focus on growing only the number of customers. Moreover, they tend to focus on growing the customer base by acquiring new customers without giving much thought to retaining existing ones. This trend is unfortunate because increasing how often customers buy and the size of those purchases can also be an extremely effective way to grow revenue.

The Statistical Package for Social Sciences (SPSS) program serves to facilitate statistical calculations and analyses.

Go-Getters

- Go-Getters know what they want and go straight for it. They don’t linger, and they don’t look at other items in your store.
- If they notice an item on sale, they won’t pay much attention. Any attempt to upsell or cross-sell with interstitials is an annoying interruption that gets in the way of completing their mission: purchasing an item they’ve already decided to buy.
- Go-Getters often are return purchasers, restocking what they buy regularly.
- Go-Getters may have done their research offline, or act on someone’s recommendation.

Novelty Seekers

- Novelty-Seekers are in it for pleasure.

- They linger, browse around, and enjoy looking for great finds.
- They love to shop and to be in the know about the latest products. They crave novelty, seeking out what's new and changed. Every new shiny object attracts their attention.
- They don't buy often, but they're prone to impulse buying.
- Don't knock them, though. They aren't shy about sharing their finds with their friends, and when they do buy, they're easy to upsell and cross-sell.
- Serve them well, and Novelty-Seekers can turn into your biggest fans and advocates, bringing in friends and followers.

Investgators

- have a purchase in mind, for example, a printer or a coat, but they haven't yet settled on which product to purchase.
- Making an informed choice drives their behavior.
- Investigators devour product reviews, seek out recommendations and comparative reviews by experts, research advantages and disadvantages, and compare features and prices at length.
- They may take a while to make up their minds, but they turn into Go-Getters once they do.

Thrifters

- want the best deal
- They need to feel like they're saving money or getting a better value.
- They'll even spend more to qualify for a discount or another "saving," such as free shipping, overnight delivery, and complimentary gifts. But they'll bolt as soon as they spot a better deal elsewhere.
- Don't discount them; a whopping 67% of shoppers are Thrifters.

One Timers

- are on a mission to fulfill a one-time need.
- They may be looking to buy a gift, spend a gift card or gifted money, help someone out, or make a large purchase they'll only buy once.
- You'll find them amongst all other types, and they can be Thrifters, too.

Marketing strategies to attract and retain customers

Here are 10 common marketing strategies companies use to reach more customers, encourage repeat business and build brand loyalty:

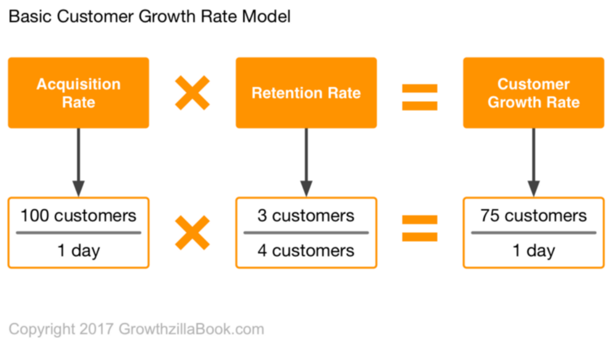
1. Leverage social media.
2. Start a blog.
3. Maximize search engine optimization (SEO).
4. Create a call to action (CTA).
5. Engage influencers.
6. Build a mailing list.
7. Create an affiliate program.
8. Engage customers with chat.
9. Host webinars.
10. Develop customer personas.

Tasks

Which type of customer do you belong to? Why? Without a name or (with a fictitious name), who among your friends belongs to which type of customer? *(a practical, thought-provoking task)*

Basic Customer Growth Model

The concept that your customer base will grow bigger if you improve how well you acquire new customers is a simple, universal belief. Perhaps this is why many businesses start with trying to improve acquisition in order to grow the customer base and revenue. However, the rate at which the customer base grows is not just a function of acquisition but also depends on how well the business is able to retain existing customers. Neglecting existing customers can really drag down your growth because you are essentially fighting an uphill battle. Every time you get more customers, you lose some number of them, and the resources that went into acquiring them are squandered. Consider the major cellular providers such as AT&T and Verizon. They know that retention is critical to the profitability of their business, so they bake it into their business model with long-term contracts. Moreover, they give great deals to existing customers when their contracts run up to make sure that existing customers stay loyal to them. Of course, no business can retain all of their customers, but the ones that do a better job hanging onto theirs have a leg up on the competition.



The Unhappy customers
Unhappy clients are the most delicate ones to handle. Such customers have made purchases from you but are unsatisfied with your brand or your services.
You can find them through different signals like customer service complaints, stopping auto-renewals for subscriptions, downgrading their plans, or negative reviews/comments on social media.
Not tending to unhappy customers at the right time can lead to increased churn rates or even negative backlash and bad publicity. Hence it's crucial to handle angry customers the right way.
Good customer service is the lifeblood of any business. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long.

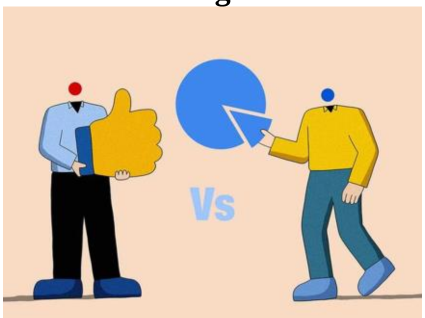
Good customer service is all about bringing customers back. And about sending them away happy - happy enough to pass positive feedback about your business along to others, who may then try the product or service you offer for themselves and in their turn become repeat customers.

If you're a good salesperson, you can sell anything to anyone once. But it will be your approach to customer service that determines whether or not you'll ever be able to sell that person anything else. The essence of good customer service is forming a relationship with customers – a relationship that the individual customer feels that he would like to pursue.

How do you go about forming such a relationship? By remembering the one true secret of good customer service and acting accordingly; "You will be judged by what you do, not what you say."

I know this verges on the kind of statement that's often seen on a sampler, but providing good customer service IS a simple thing. If you truly want to have good customer service, all you have to do is ensure that your business consistently follows the eight rules following:

Please, answer on this question!
Focusing on customers is better than focusing on shareholders?



6.6 Investment, financial backing

Investments

There are three main types of investments:
Stocks.
Bonds.
Cash equivalent.
Stocks
Companies sell shares of stock to raise money for start-up or growth. When you invest in stocks, you're buying a share of ownership in a corporation. You're a shareholder.

There are two types of stock:
- Common stock. Shareholders have a percentage of ownership, have the right to vote on issues affecting the company and may receive dividends.
- Preferred stock.

Investment returns and risks for both types of stocks vary, depending on factors such as the economy, political scene, the company's performance and other stock market factors.

Bonds
When you buy a bond, you're lending money to a company or governmental entity, such as a city, state or nation.

Bonds are issued for a set period of time during which interest payments are made to the bondholder. The amount of these payments depends on the interest rate established by the issuer of the bond when the bond is issued. This is called a coupon rate, which can be fixed or variable. At the end of the set period of time (maturity date), the bond issuer is required to repay the par, or face value, of the bond (the original loan amount).

Bonds are considered a more stable investment compared to stocks because they usually provide a steady flow of income. But because they're more stable, their long-term return probably will be less when compared to stocks. Bonds, however, can sometimes outperform a particular stock's rate of return.

Keep in mind that bonds are subject to a number of investment risks including credit risk, repayment risk and interest rate risk.

Cash equivalent

Cash equivalent investments protect your original investment and let you have access to your money. Examples include:
Savings accounts
Money market accounts
Certificates of deposit (CDs)
These different types of investments generally deliver a more stable rate of return. But cash equivalent investments aren't designed for long-term investment goals such as retirement. After taxes are paid, the rate of return is often so low that it doesn't keep pace with inflation.

What are types of investments?

There are four main investment types, or asset classes, that you can choose from, each with distinct characteristics, risks and benefits.
Growth investments. ...
Shares. ...
Property. ...
Defensive investments. ...
Cash. ...
Fixed interest.

The financial backing

- Fund your business
- Determine how much funding you'll need.
- Fund your business yourself with self-funding.
- Get venture capital from investors.
- Use crowdfunding to fund your business.
- Get a small business loan.
- Use Lender Match to find lenders who offer SBA-guaranteed loans.
- SBA investment programs.

The Benefits of Having Financial Backing for Your Business

When you're starting a business, its important to have financial backing to help you get off the ground. There are a number of benefits to having financial backing for your business, including:

- Access to capital: When you have financial backing for your business, you'll have access to the capital you need to get started and grow your business. This can be vital in the early stages when you may not have the funds to get going on your own.

- Support: Having financial backers can provide you with the support you need to get your business up and running. This can include advice and guidance on starting and growing your business, as well as access to networks and resources.

- How to Get Financial Backing for Your Business
  If you're like most entrepreneurs, you probably don't have a ton of money just sitting around to invest in your new business. So how do you get the financial backing you need to get your business off the ground?
- There are a few different options to consider when it comes to financing your business:

1. Personal savings: This is probably the most obvious option, but it's also the most risk-averse. If you have some money saved up, you can use it to start your business without having to take out a loan or give up equity in your company.
2. Friends and family: You can also look to your friends and family for financial support. Just be sure to draw up a formal agreement so that there are no hard feelings down the road.
3. Crowdfunding: Crowdfunding is a great way to raise money for your business without having to give up equity or take out a loan. Platforms like Kickstarter and Indiegogo allow you to solicit donations from the general public in exchange for rewards.
4. Small business loans: If you don't have the personal savings or the support of friends and family, you can look into taking out a Small business loan. There are a number of different options available, so be sure to shop around and compare rates before making a decision.
5. Venture capital: If you've got a great business idea, you may be able to attract the attention of venture capitalists. However, this option is usually only available to businesses with high growth potential.

No matter which option you choose, be sure to do your research and make a well-informed decision. The last thing you want is to put your personal finances at risk or end up in debt.

3. Credibility: Having financial backing can give your business credibility, particularly if you're seeking funding from banks or investors. This can help you attract the attention of customers and partners, and give you the confidence to grow your business.
4. Peace of mind: Having financial backing can give you peace of mind, knowing that you have the support of people who believe in your business. This can help you focus on running and growing your business, without worrying about where the next loan or investment is coming from.
5. Stronger foundation: Having financial backing can help you build a stronger foundation for your business. This can give you the resources you need to invest in long-term growth, such as research and development, marketing, and expansion.

If you're starting a business, financial backing can be a valuable asset. It can give you the capital you need to get started, support and guidance from experienced investors, and peace of mind knowing that people believe in your business. While there are no guarantees in business, having financial backing can give you a better chance of succes

Investing is always a risk…

Covid has permanently reshaped the Hungarian and European labor markets and shopping and consumption habits
At the same time the free workforce has run out
The energy crisis, disruptions in supply chains, but also the 15.6% inflation are serious challenges
Create and maintain an emergency fund (approx. 6 month saving)

Covid-19 is changing our behaviour and transport energy use patterns too
one of the biggest impacts has been the reduction in passenger transport demand freight transport has also been reduced
Youth unemployment, temporary employment
High labour shortages across Europe

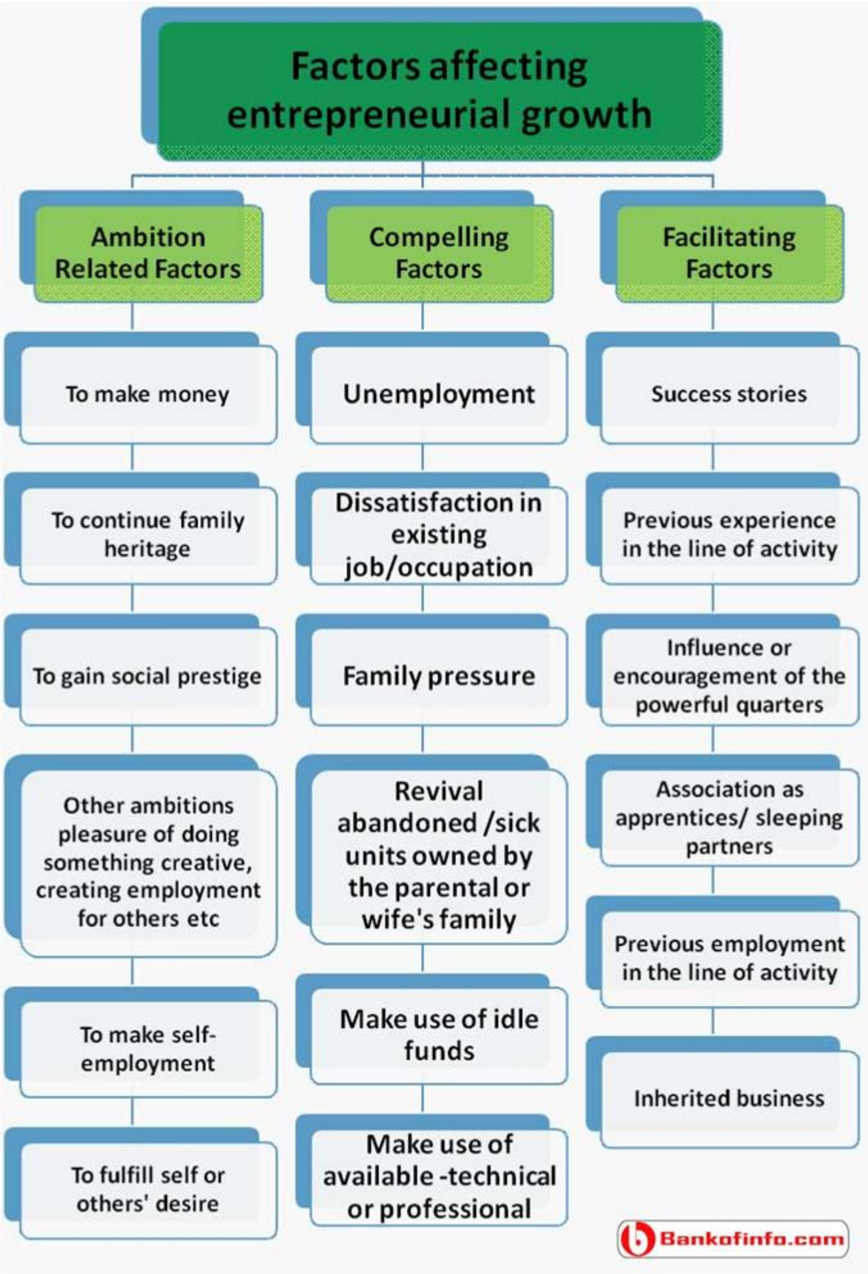
KEY TAKEAWAYS
Have a plan, prioritize saving, and know the power of compounding.
Understand risk, diversification, and asset allocation.
Minimize investment costs.
Learn classic strategies, be disciplined, and think like an owner or lender.
Never invest in something you do not fully understand.

Tasks

Shopping with Diderot effect…

We have bought something new, and all our other possessions look old and worn out compared to the new one … so we replace them too.

The origin of the name of the effect: the French philosopher Denis Diderot bought a red robe. This garment was so different from his other clothes that he replaced his entire wardrobe to reduce the noticeable difference.


Factors affecting entrepreneurial growth
Ambition Related Factors
Compelling Factors
Facilitating Factors
To make money
To continue family heritage
To gain social prestige
Other ambitions pleasure of doing something creative, creating employment for others etc
To make self-employment
To fulfill self or others' desire
Unemployment
Dissatisfaction in existing job/occupation
Family pressure
Revival abandoned /sick units owned by the parental or wife's family
Make use of idle funds
Make use of available -technical or professional
Success stories
Previous experience in the line of activity
Influence or encouragement of the powerful quarters
Association as apprentices/ sleeping partners
Previous employment in the line of activity
Inherited business
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