

Special Aspects of Youth Micro-Entrepreneurship Development in Donetsk and Zaporizhzhia Oblasts

ANALYTICAL REPORT



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The research has been conducted by the NGO “Women’s League of Donechchyna” within the project Skills Lab: Business Platform.

The United Nations Recovery and Peacebuilding Programme (UN RPP) is being implemented by four United Nations agencies: the United Nations Development Programme (UNDP), the UN Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA) and the Food and Agriculture Organization of the United Nations (FAO).

Twelve international partners support the Programme: the European Union (EU), the European Investment Bank (EIB), the U.S. Embassy in Ukraine, and the governments of Canada, Denmark, Germany, Japan, the Netherlands, Norway, Poland, Sweden & Switzerland.

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Non-Governmental Organisation “Women’s League of Donechchyna”

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Principal areas of activity:

- Implementation of urban development programmes, development of the dialogue between the male and female residents of Donetsk Oblast regarding the common future and activity of the communities pursuant to the Sustainable Development Goals.
- Development of professional communities in non-governmental organisations, local self-governance authorities, governmental authorities as to mediation, organisation of services, including social, administrative, medical, educational and other ones, for the benefit of male and female residents of the communities based on the equal rights and opportunities of women and men.
- Promotional of the fundamentals of the participatory democracy, detection and use of tools of the male/female citizens’ participation in administration of local development, formation of identity as to defence of your rights, in particular, among the excluded groups*.
- Defence of women’ and girls’ rights, promotion of equal rights and opportunities for women and men, vast awareness raising and advocacy of applicable solutions at the local and national levels.
- Facilitation of development of the social capital, democratic values and human rights.
- Expansion of access to education for male/female representatives of the socially or regionally excluded groups.

* The following social categories are meant: a person with disability; an orphan / a child deprived of parental care; an IDP (Internally Displaced Person); a male/female representative of the national minority (namely, the Romacommunity); a single mother/father; a male/female participant of the ATO/JFO; a family of the male/female participant of the ATO/JFO; a child affected by the hostilities; the youth residing in the rural area; the youth in conflict with the law; a family experiencing family hardships etc. The full list of the factors that result in formation of so called “excluded groups” can be found in the Law of Ukraine “On the Social Services”, which can be found at: <https://zakon.rada.gov.ua/laws/show/2671-19#Text>

Abbreviations

NGO	Non-governmental organisation
IDP	Internally displaced person
STS	State Tax Service
IT	Information technology
CTEA	Classification of types of economic activities
SMEs	Small and medium-sized enterprises
UN	United Nations
FAO	Food and Agriculture Organization of the United Nations
UNDP	United Nations Development Programme
IE	Individual entrepreneur
ASC	Administrative Service Centre
SEO	Search engine optimisation
SMM	Social media marketing
UNFPA	United Nations Population Fund
UX/UI	design user interface design

Table of contents

Information on the United Nations Recovery and Peacebuilding Programme	8
Training programme “Skills Lab: Business Platform”	10
Description of Progress of Micro-Entrepreneurship in Ukraine and the studied region	12
Summary of the research	22
I Purpose and methodology of the research	26
II General conclusions	30
III Practical Recommendations on Development of the Programme “Skills Lab: Business Platform”	38
IV Findings of the focus group surveys	40
4.1 Factors Encouraging Micro-Entrepreneurship among Youth	41
4.1.1 Drivers to Start Business	41
4.1.2 Drivers to Start Micro-Entrepreneurship	47
4.1.3 Personal Traits of Entrepreneur	50
4.2 Barriers in Starting Business	54
4.3 Business Environment Assessment	59
4.4 Special Aspects of Youth Entrepreneurship	66
4.5 Gender Aspects of Entrepreneurship	70
4.6 Micro-Entrepreneurship Difficulties at Initial Stages	74
4.7 Role of the Programme “Skills Lab: Business Platform”	78
4.8 Conclusions Based on the Focus Group Findings	82

V	Findings of In-Depth Interviews	88
5.1	Successful Cases of Micro-Entrepreneurship	89
5.1.1	How Business Ideas Are Born	89
5.1.2	How Difficult It Is to Make a Business Plan	95
5.1.3	How to Find “Your Niche” at the Commodity and Service Market and Get Clients	99
5.1.4	Role of the Team in Starting Micro-Entrepreneurship	110
5.1.5	How to Organise Entrepreneurship and How Much Money Is Needed	114
5.1.6	How to Promote Goods/Services	127
5.2	Potential Challenges of Entrepreneur	133
5.3	Intentions of Entrepreneur	139
5.4	Conclusions Based on the In-Depth Interviews	145
VI	Expert Assessment of Male/Female Entrepreneur Diaries	156
VII	Annexes	160

Information on the United Nations Recovery and Peacebuilding

Due to the ongoing conflict in the east of Ukraine, the matters of recovery of the economy, recovery and building of peace in the districts that have been directly and indirectly affected by the armed conflict need to be resolved urgently. Thus, at the end of 2014, the government of Ukraine asked for technical assistance and financial support from the international community in order to assess the priority recovery needs. At the end of 2014, the United Nations, the World Bank and the European Union assessed the recovery and peacebuilding approved by the Cabinet of Ministers of Ukraine at the end of 2015. The work to resolve the specific development issues caused by the conflict was commenced in 2015 via the United Nations Recovery and Peacebuilding Programme, which is a multilateral donor framework programme jointly implemented by four UN partnering agencies together with the government of Ukraine.

The United Nations Recovery and Peacebuilding Programme (UN RPP) is being implemented by four United Nations agencies: the United Nations Development Programme (UNDP), the UN Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Population Fund (UNFPA) and the Food and Agriculture Organization of the United Nations (FAO). Twelve international

partners support the Programme: the European Union (EU), the European Investment Bank (EIB), the U.S. Embassy in Ukraine, and the governments of Canada, Denmark, Germany, Japan, the Netherlands, Norway, Poland, Sweden & Switzerland.

The main purpose of implementation of the United Nations Recovery and Peacebuilding Programme is to respond and mitigate the causes and consequences of the armed conflict. It is based on the Recovery and Peacebuilding Assessment and is consistent with the State Targeted Programme for Recovery and Peacebuilding in the east of Ukraine as well as two regional development strategies until 2020. The United Nations Recovery and Peacebuilding Programme has three main directions:

1. supporting economic recovery in the communities affected by the armed conflict;
2. facilitating the decentralisation reform and the health care reform;
3. improving the community security and social cohesion.

The Programme is fully consistent with Ukraine and United Nations Sustainable Development Cooperation Framework,. It is closely



connected with the Programme for Democratic Governance and Reforms, which is implemented at the national level and in all the regions of Ukraine, and is consistent with the Sustainable Development Goals, namely the sixteenth one: Peace, Justice and Strong Institutions.

As the territorial programme specially developed for the areas in the east of Ukraine that have been affected by the armed conflict, the United Nations Recovery and Peacebuilding

Programme addresses the main priority needs in stabilisation, peacebuilding, economy and governance in the east of Ukraine after the armed conflict. It considers the opportunities arising out of the Minsk Protocol dated September 2014 and resumption of effects of its cease-fire clauses, and is fully suitable for creating inter-dependence between the humanitarian needs and the development needs.

Training Programme

Skills Lab: Business Platform

Within Component 1 **Economic Recovery and Restoration of Critical Infrastructure** of the United Nations Recovery and Peacebuilding Programme, the special training programme Skills Lab: Self-Employment was initiated in 2020 for the youth aged 15 to 21 among the male/female students and graduates of pre-higher, vocational and higher educational institutions as well as the youth who wished to start or develop their business in Mariupol, Berdiansk, Melitopol and other settlements along the coast of the Azov Sea (future Sartana¹ and Kyrylivka Amalgamated Territorial Communities, Manhush, Yakymivka, Melitopol, Pryazovske, Prymorsk and Berdiansk Districts).

The Programme Skills Lab: Self-Employment was aimed at developing and improving the competences necessary to start your business successfully. The training programme covered eight modules and enabled the male and female participants to find out what was necessary to start their own business, to study legal and financial issues associated with their own

business, to examine elements of the marketing strategy, and to develop the business plan, from the idea to implementation. All the classes were held online due to the quarantine restrictions caused by COVID-19.

In addition, two forums Youth Business Forum: Prospects of Development of Youth Entrepreneurship in Zaporizhzhia and Donetsk oblastswere held; the male and female participants were introduced the prospects of development of youth entrepreneurship in Zaporizhzhia and Donetsk oblasts, and worked in groups to study the business development challenges faced by the youth as well as their solutions.

During the final online conference within the youth training programmes Skills Lab: Self-Employment, Development of Micro and Small Entrepreneurship and Opportunities to Increase the Self-Employment Level among the Youth in Donetsk and Zaporizhzhia oblasts, the project outcome was covered, the local and

¹ Administrative arrangement of communities listed as of the period of the Skills Lab: Self-Employment programme in 2020.

regional opportunities of development of micro and small entrepreneurship were considered, and the participants of the conference learned about various opportunities to start their business in the communities of Donetsk and Zaporizhzhia oblasts.

In 2021, the training programme was transformed into Skills Lab: Business Platform. The participants of the training programme were young people aged 18 to 35, male/female students of the pre-higher, vocational and higher educational institutions as well as the youth who wished to start or develop their business in Mariupol, Berdiansk, and Melitopol. The training was online and had eight modules.

Thus, the male and female participants gained professional knowledge and skills on the following themes:

- Where to find inspiration: how to choose the business or StartUp idea?;
- Organising your own business: business plan, its structure and sections;
- Time management;
- Legal literacy and financial element;
- Marketing strategy;
- SMM promotion, SEO;
- Organising your own business: budgeting;
- Support and development of entrepreneurship. Business evolution.

Also, five mentor meetings were conducted which allowed young people engaged in the training programme to improve their business ideas, budgets and narratives together with the experts. The consulting meetings helped to find and correct minor errors and strengthen the youth business plans.

Then, young participants of Skills Lab: Business Platform submitted their online applications to participate in further, more practical stages of the training programme. The male/female participants were selected in two stages:

1. consideration of the applications submitted by the male/female candidates by the commission to check conformity to the general business project selection and assessment criteria;
2. online presentation of their business plans in front of the selection commission.

Following two stages of the competition, 16 most successful business ideas were selected to participate in the research aimed at ensuring sustainability of this training initiative and improving the training curriculum. As a result, the special aspects of starting, expanding and doing micro-business by young people in the target cities of Donetsk and Zaporizhzhia oblasts, namely Berdiansk, Mariupol, Melitopol as well as settlements along the coast of the Azov Sea, were studied and analysed.

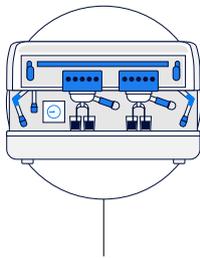
Overview of Micro-Entrepreneurship Development in Ukraine and the studied region

According to Article 43 of the Commercial Code of Ukraine, entrepreneurship is an independent, initiative, systematic economic activity at their own risk that is conducted by economic operators (entrepreneurs) in order to achieve economic and social results and gain profit [1].

In Ukraine, enterprises are generally classified using three basic criteria: by economic operators

(individual entrepreneurs and legal entities), by the number of staff, and by the income per calendar year. These criteria and classification of enterprises as **micro-enterprises, small enterprises, medium-sized enterprises and large enterprises** on the basis thereof are established by the Law of Ukraine On the Accounting and Financial Reporting in Ukraine and the Commercial Code of Ukraine.

Micro-enterprises



Number of staff

UP TO

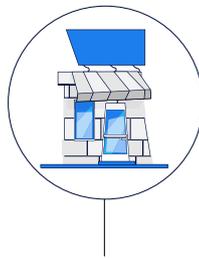
10
people

Annual income

UP TO

EUR 2mln

Small enterprises



Number of staff

UP TO

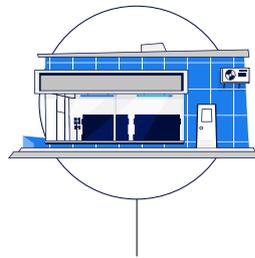
50
people

Annual income

UP TO

EUR 10mln

Medium-sized enterprises



Number of staff

UP TO

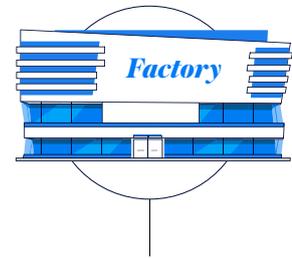
250
people

Annual income

UP TO

EUR 50mln

Large enterprises



Number of staff

MORE THAN

250
people

Annual income

MORE THAN

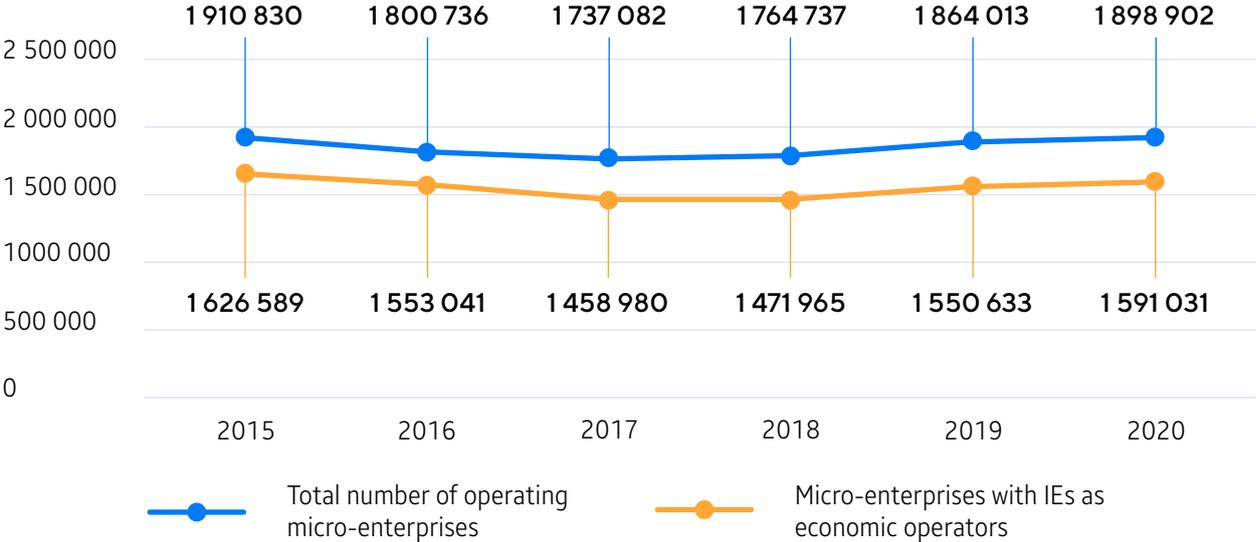
EUR 50mln

Therefore, according to Clause 3 of Article 55 of the Commercial Code of Ukraine, **micro-entrepreneurship entities include the individuals who are legally registered as individual entrepreneurs as well as legal entities - economic operators of any legal and ownership form, with the average number of staff during the reporting period (calendar year) that does not exceed 10 persons, and with the annual income from any activity of up**

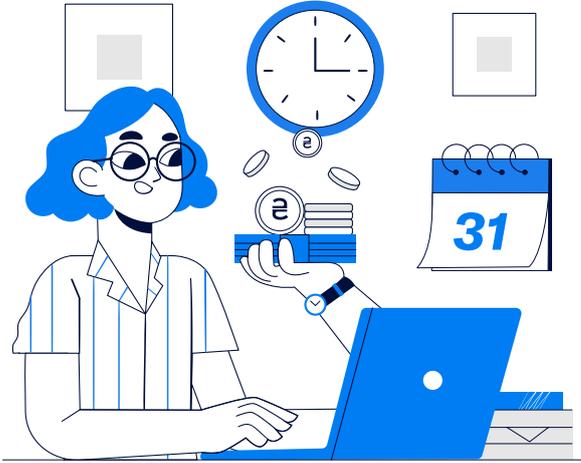
to the equivalent of two million euros at the average annual exchange rate of the National Bank of Ukraine [2].

According to the State Statistics Service of Ukraine, in 2020, our country had almost 1.9 million micro-enterprises; almost 1.6 million of them (84%) were the micro-enterprises where economic operators were individual entrepreneurs [3].

NUMBER OF MICRO-ENTERPRISES IN UKRAINE IN 2015-2020



According to the figure, there has been no significant progress in establishment of micro-enterprises in Ukraine for the last five years. However, certain stability of indicators can be mentioned. Actually, the number of micro-enterprises went down inconsiderably (within 100k) from 2015 to 2017, but there has been a tendency of slow growth of their number since 2018. However, the indicators of 2015 were not reached in 2020 due to the consequences of the pandemic of COVID-19 [4].



If the official statistics on IEs is considered in regional terms, one can see that the following oblasts are leaders by the total number of individual entrepreneurs: Kharkiv, Dnipro, Odesa and Lviv oblasts, and the city of Kyiv where there were more than 100 thousand IEs as of 2019 (in each administrative unit). Kyiv, Zaporizhzhia, Vinnytsia, Donetsk, Khmelnytskyi and Poltava oblasts pertain to the second group with 50 to 100 thousand IEs (in each administrative unit).

The other oblasts, namely Cherkasy, Ivano-Frankivsk, Zakarpattia, Mykolaiv, Zhytomyr, Chernivtsi, Rivne, Sumy, Volyn, Chernihiv, Ternopil, Kirovohrad and Luhansk ones [5], have less than 50 thousand IEs in each. The lowest number of the IEs as of 2019 was registered in Luhansk Oblast: 18,824.

Zaporizhzhia Oblast ranks seventh among the Ukrainian oblasts by the number of IEs, but it

*more than
100,000 IEs*

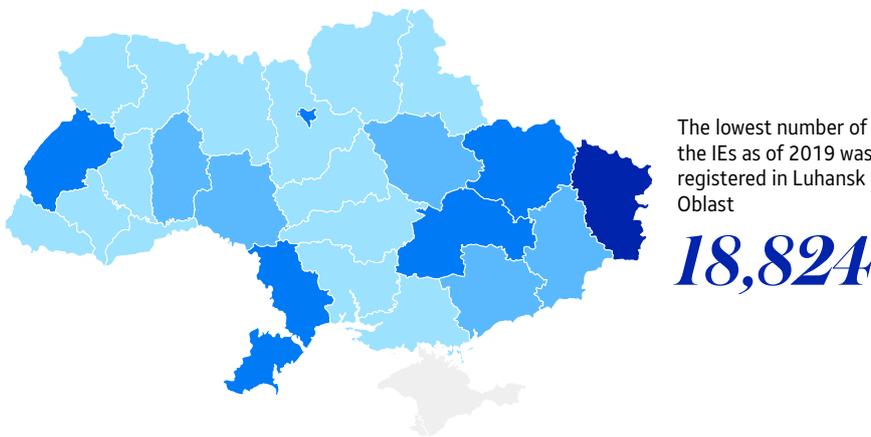
- Kharkiv,
- Dnipro,
- Odesa,
- Lviv,
- Kyiv

*50,000
to 100,000 IEs*

- Zaporizhzhia,
- Vinnytsia,
- Donetsk,
- Khmelnytskyi
- Poltava

*less than
50,000 IEs*

- Cherkasy,
- Ivano-Frankivsk,
- Zakarpattia,
- Mykolaiv,
- Zhytomyr,
- Chernivtsi,
- Rivne,
- Sumy,
- Volyn,
- Chernihiv,
- Ternopil,
- Kirovohrad



Indicators of growth in the number of small and medium enterprises (2017-2019)



Tokmak

+7.5%



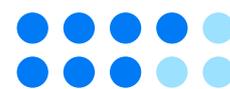
Melitopol

+7.2%



Zaporizhzhia

+4.7%



Berdiansk

+4%

as the considerable potential for development of SMEs under the Comprehensive Programme for Development of Small and Medium-Sized Entrepreneurship in Zaporizhzhia Oblast for 2021-2023. According to the Programme, in 2017-2019, the high indicators of the increment in the number of small and medium-sized enterprises were demonstrated by the cities of Tokmak (7.5%) and Melitopol (7.2%), the medium ones — by the cities of Zaporizhzhia (4.7%) and Berdiansk (4%). In 2020, despite the difficult business conditions and restrictions introduced due to the quarantine, the region did not have an overall decrease in the number of SMEs, so the small and medium-sized entrepreneurs mostly managed to adapt to the situation. The dynamics of growth of the number of individual entrepreneurs in Zaporizhzhia Oblast in 2017-2019 decreased and made only 0.9%. In 2020, the number of the male/female employees hired by the individual entrepreneurs went down by 15.3% and made 37 thousand people [6].

According to the Registration Service Department of Melitopol City Council of Zaporizhzhia Oblast, as of 01.10.2021 the city had 10,391 economic operators registered, including 7,559 IEs and 2,832 legal entities. The number of the registered individual entrepreneurs has gone up by 172 persons since the beginning of 2021 [7].

According to the Main Directorate of the STS in Zaporizhzhia Oblast, as of 01.01.2021, the number of small and medium-sized economic operators in Berdiansk made 8,197, which is 164 more than as of 01.01.2020. The retail and restaurant business turnover in 2020 made

UAH 2,302.7 mln, which is UAH 45.2 mln more than in 2019. As of 01.01.2021, the number of employees hired by small and medium-sized enterprises made 29,150 persons [8].

Following the start of the armed conflict in the east of Ukraine and reduction of economic activities in Donetsk Oblast, the number of economic operators in the government-controlled areas went down by 55% from 2013 until 2019 [9, c.18]. Since 2019, owing to implementation of the “Regional Programme for Development of Small and Medium-Sized Entrepreneurship in Donetsk Oblast for 2019–2020” [10], and support of development of the SMEs by the international organisations, there has been positive dynamics in the number of IEs in Donetsk Oblast. Also, according to the Main Statistics Department, as of the beginning of 2020, Donetsk Oblast (government-controlled area) had 63,341 enterprises, including 55,863 IEs, 55,561 of which were micro-entrepreneurs [11].

Location of the enterprises within Donetsk Oblast is uneven, and almost 30% of them are concentrated in Mariupol. Thus, as of 01.01.2020, Mariupol had 18,094 enterprises, including 14,625 IEs [12]. Adoption of the Strategy for Economic Development of Donetsk and Luhansk Oblasts until 2030 (where Donetsk Oblast (alongside with Luhansk Oblast) is defined as the area of priority development and state support for design and implementation of new economic models) by the Cabinet of Ministers of Ukraine on 18.08.2021 gives hopes to more positive dynamics of development of the SMEs in the region [13].

In addition to the official statistics and regulations, the dynamics of entrepreneurship development in Ukraine can be monitored by means of international, national and regional sociological studies.

For instance, Amway makes the Amway Global Entrepreneurship Report, AGER, every year. This report has covered 44 countries of the world, including Ukraine, since 2017. The purpose of AGER is to study entrepreneurship attitudes: desire, readiness, persistence of the intention to start and do your own business as well as factors hindering business. The findings of AGER 2018 demonstrated that the Ukrainians ranked last among 44 countries participating in the research by the index of their desire, readiness and persistence of the intention to start and do their own business [14].

The large-scale survey (which covered 1,008 business owners) conducted by Info Sapiens team by the order of the Representative Office of the Center for International Private Enterprise into the business challenges deteriorated during the pandemic of COVID-19, business survival strategies during this period and governmental support should also be noted. As of the end of the first quarter of 2020, most enterprises described their development stage as a “stable one”, but the share of “stable” enterprises was reduced twice (from 66% down to 32%) as of the middle of the third quarter (as of the date of the survey). The share of enterprises at the stage of decline or even closure went up from 7% to 59%. The most pessimistic attitudes

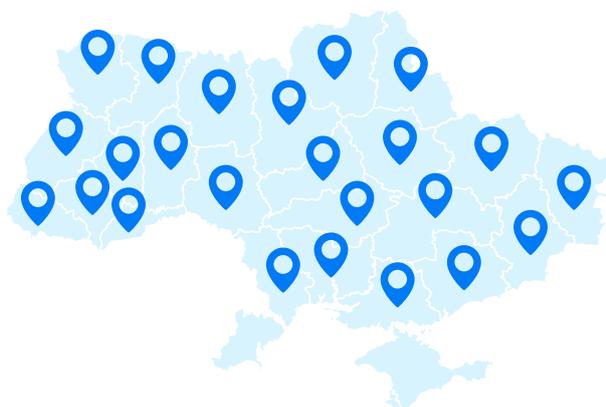
were demonstrated by the micro-businesses: 60% of the respondents assessed their current condition as a decline [15].

The in-depth social and economic assessment of impact of the pandemic of COVID-19 upon the enterprises and households in Ukraine based on the surveys of 974 owners of micro, small and medium-sized enterprises as well as 1,022 representatives of the households in all 24 oblasts and Kyiv in 2020 was carried out by the UNDP in cooperation with UN Women and FAO [16].

The important tool to detect barriers on the way to development of small and medium-sized business, formation of the list of priority economic, legal and regulatory actions (reforms) in order to improve the business environment in Ukraine is the research by **USAID LEV: Annual Business Climate Assessment**, which has been conducted since 2015. In addition, **SME Policy Index: Eastern Partner Countries 2020. Assessing the Implementation of the Small Business Act for Europe** is the unique comparative analysis tool that enables controlling formation and implementation of the SME policy in comparison with the leading practices of the EU and international community.

When it comes to coverage of gender aspects of doing business, the research by the UNDP **Women and Men in Leadership Positions in Ukraine**, which is based on the statistical analysis of data from the Unified State

UNDP in cooperation with UN Women and the Food and Agriculture Organization of the United Nations (FAO) in 2020 conducted a thorough socio-economic assessment of the **impact of the COVID-19 pandemic on businesses and households in Ukraine**

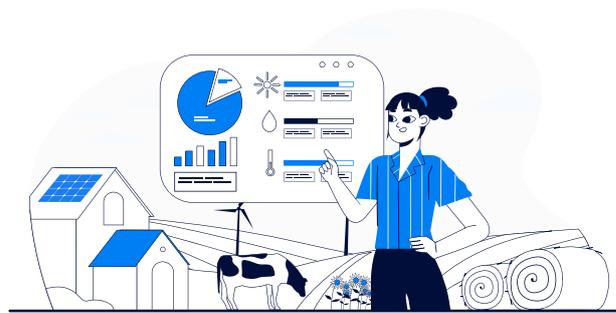


BASED ON THE SURVEYS OF

24 oblasts
and Kyiv



974 owners of micro, small and medium-sized enterprises



1022 representatives of the households

Register of Enterprises and Organisations of Ukraine containing information on the gender division of senior executives of enterprises and organisations as well as individual entrepreneurs should also be noted [17].

At the beginning of October 2021, the **Union of Ukrainian Entrepreneurs** presented the findings of its research Ukrainian Entrepreneur's

Portrait, which was positioned as the first research of its kind in Ukraine. The research analysed the profile of 1,000 business owners of different levels and industries and identified characteristics of a typical business owner in Ukraine and five main types of entrepreneurs, calculated the Entrepreneurship Index, which turned out to be twice as low as the global one [18].

As for the regional research into entrepreneurship development, the UNDP research performed by the International Marketing Group of Ukraine in 2016 titled **Overcoming obstacles to business development in Donbas** should be mentioned. It was based on the analysis of the following data:

1. Telephone survey of 200 directors and owners of small and medium-sized businesses in Donetsk and Luhansk oblasts;
2. Telephone survey of 40 male/female experts — counsellors in management, economy and law experienced in cooperation with companies of Donetsk and Luhansk oblasts during the conflict;
3. Materials of the round tables conducted in Kramatorsk and Sievierodonetsk with the representatives of the local business associations, entrepreneurs and volunteers;
4. Meetings of the expert groups involving male/female representatives of the consulting companies, male/female entrepreneurs and business associations in Kyiv [19].

The main trends, barriers and prospects of development of the socially responsible business in the east of Ukraine based on the analysis of information in the open sources, interviews of the business representatives, local self-governance authorities and civil society

organisations in the communities at the “front line” were described in the UNDP research of 2019 Private Sector Engagement in Community Development [20]. Within the project Support of Economic Participation of the Vulnerable Social Groups, Including Internally Displaced Persons, in the Azov Sea Region implemented by GIZ, in spring 2021, NGO “Agents of Changes” assessed the potential of female entrepreneurship in the Azov Sea region based on the offsite research and in-depth interviews of the female entrepreneurs in Mariupol and Manhush communities in Donetsk Oblast as well as Berdiansk, Prymorsk, and Kyrlyivka communities in Zaporizhzhia Oblast [21].

We did not encounter any empiric studies that would cover the area of Donetsk and Zaporizhzhia oblasts and focus directly on youth entrepreneurship while we were analysing the state of knowledge of the entrepreneurship issues. Certain indicators of engagement of the youth into entrepreneurship (5 to 7% of the age group) or their desire to do business (one third of the age group) are visualised by the representative surveys Leadership in Economic Governance (2015), Transfer to the Youth Labour Market (2016), Youth of Ukraine — 2017 [22].

The national researchers emphasise the high demand for sociological research into youth entrepreneurship due to lack of data/adaptability of the official statistics to analyse the condition of the youth segment of entrepreneurship (in particular, the age of entrepreneurs is not considered when the

number of IEs is counted). According to the analytical brief of Yevhen Siryi published in the 'The Demographic and Social Economy' magazine in 2020, "the empiric studies by the experts (E. Libanova, O. Tsymbal, O. Yarosh, L. Lisohor etc.) demonstrate the low entrepreneurship activity among the youth and the low level of income gained by the young entrepreneurs. However, many researches practically fail to describe the core of youth entrepreneurship and factors of its development both in the broad sociological context and in the narrow economic and management one. There are few special studies of institutional and other issues of youth entrepreneurship in the national research area. The existing works ... pay little attention to the intention (matter of opportunities) of the analysed subject itself (a young entrepreneur) and to search for possibilities of solution of the problem in the system: "youth — entrepreneurship — state — society" [23].

The concept of youth entrepreneurship is officially (legally) defined in Ukraine. However, the scientists insist that youth entrepreneurship should be separated as a type/segment of entrepreneurship and prove that it has specific characteristics, standard strengths (for instance, creative thinking of the youth, their significant mobility, energy, ability to interact to study the new markets etc.) and weaknesses (in particular, limited social experience, lack of business reputation, difficulty finding the start-up capital, limited contacts in business and governmental and administrative authorities, lack of protection from impact of red-tape

entities etc.). In the opinion of the Ukrainian male/female researches, consideration of the above-mentioned special aspects of the youth business will enable optimising its support by improving the strengths and mitigating the weaknesses, which will ultimately facilitate growth of the level of engagement of the youth into entrepreneurship [24].

According to the Ukrainian laws, the youth are aged 14 through 35. However, pursuant to Article 35 of the Civil Code of Ukraine, full civil capacity can be granted to an individual who has turned 16 and intends to do business. By written consent of the parents (adoptive parents), guardians, tutorship or guardianship authority, the person can be registered as an entrepreneur [25].

Thus, **youth entrepreneurship** could be presented as independent, initiative and systematic economic activity that is conducted at their own expense by the economic operators (entrepreneurs) aged 16 to 35 in order to achieve economic and social results and gain profit. Therefore, **youth micro-entrepreneurship** is independent, initiative and systematic economic activity that is conducted at their own expense by the economic operators (entrepreneurs) aged 16 to 35 in order to achieve economic and social results and gain profit provided that the average number of staff during the reporting period (calendar year) does not exceed ten persons, and the annual income does not exceed two million euros at the average annual exchange rate of the National Bank of Ukraine.

- [1] Commercial Code of Ukraine/ URL: <https://zakon.rada.gov.ua/laws/show/436-15#Text>
- [2] Ibid.
- [3] Number of the existing large, medium-sized, small and micro-enterprises by the types of economic activity in 2010-2020. State Statistics Service of Ukraine. URL: <http://www.ukrstat.gov.ua/>
- [4] Number of the existing large, medium-sized, small and micro-enterprises by the types of economic activity in 2010-2020. State Statistics Service of Ukraine. URL: <http://www.ukrstat.gov.ua/>
- [5] The oblasts are specified in the order of the decreasing number of IEs.
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Summary of the Research

The research **Special Aspects of Youth Micro-Entrepreneurship Development in Donetsk and Zaporizhzhia Oblasts** was conducted during August-October 2021 by the NGO Women's League of Donechchyna in order to present the specifics of starting, expanding and running micro-businesses by young people aged 18 to 35 in Mariupol, Berdiansk, Melitopol and other communities of Donetsk and Zaporizhzhia oblasts along the Azov Sea coast.

The analysis of the focus group surveys, in-depth interviews, and 'entrepreneur diaries' of sixteen male and female micro-entrepreneurs who started their business as Skills Lab: Business Platform graduates enabled the following:

- 1.** To collect the information that presents **various motivation models** of the youth starting their own business (i.e. commercialisation of hobby, monetisation of prior experience, mother-turned-entrepreneur); demonstrate the tendency of social and psychological drivers in the youth business motivation to overweight the economic ones and prove greater significance of internal drivers in business decision making in comparison with the external ones;
- 2.** To identify the most significant **business drivers**, such as moral support of the family members and friends; positive business cases among peers; business training programmes adapted for young people of various backgrounds (e.g. Skills Lab: Business Platform); favourable business environment



in the area where young people reside; financial support of youth entrepreneurship; as well as **business obstacles**, which mostly have psychological dimension — fears, psychological discomfort associated with the ideas of business complexity, risks of losses, lack of adequate knowledge and skills, lack of certain developed business traits;

- 3.** To find out that most business ideas are being found just around, i.e. in the activities/experience of the colleagues, friends, personal professional backgrounds, common household practices. At the same time, **the essential action to implement the business idea is the ability to develop the quality business plan**; there are lots of ways to start a business that is built on the ambitious idea, desire for changes and sufficient self-esteem, specific aspects of the industry, minimum available resources — one could work from home, on site or lease the

equipped premises; more than UAH 100,000 can be invested into your business, but you can also start with UAH 10,000; you can work day and night without rest or just two hours a day;

4. To establish two types of **challenges mostly faced by male and female-led micro-enterprises**: the first one is connected with the human factor (matter of the efficient interaction with male and female clients, suppliers and partners), and the second one is related to the systemic displays of insufficient development of market relations, namely the significant influence of “shadow economy” and low trading standards (bad-faith practices in e-commerce, delay in fulfilment of partner obligations, low-quality goods and services) — these are the standard factors greatly influencing youth micro-enterprises which have just started operations;
5. To make sure that the studied region has the considerable potential for development of female entrepreneurship, but the women’s way to business success is still difficult due to the opposition by their family members and friends, common social stereotypes on the gender role distribution, lack of resources, which explains **the need of targeted support (in particular, financial one) of female entrepreneurship**;
6. To demonstrate, using the cases of the male and female participants of the research, that a business idea partnered with stable desire to start your own business, based on online training on the fundamentals of micro-entrepreneurship and a quality business plan, combined with the constant mentor and financial support (e.g. Skills Lab:

Business Platform), provides for a timeframe of only three months for a young person to be registered as an individual entrepreneur and start running a business in trade, service or production;

7. To state that Skills Lab: Business Platform with its objectives, content and formats of theoretical and practical training is a relevant and efficient model which encourages and develops the youth micro-entrepreneurship in Donetsk and Zaporizhzhia oblasts, as well as the experience of its male and female participants in starting their own business is greatly useful for sharing among peers and inspiring the youth of the studied region and nationwide to become entrepreneurs.

I

Purpose and methodology of the research

Purpose:

Study the special aspects of the starting, expanding and doing micro-business by young people in the target cities of Donetsk and Zaporizhzhia oblasts, namely Mariupol, Berdiansk and Melitopol as well as settlements along the coast of the Azov Sea, were studied and analysed.

Period of the research:

10 August to 30 October 2021

Area of the research:

Mariupol, Berdiansk, Melitopol and settlements along the Azov Sea coast.

The task of the research is to find out:

1. What factors facilitate/hinder starting, expanding and doing your own business?
2. What challenges are faced when starting, expanding and doing your own micro-business, what are the difficulties when an IE is registered and maintained?
3. What is the demand for the type of activity selected by the male/female entrepreneurs in the area where the business is done?
4. What are the differences in the service entrepreneurship and production and sale entrepreneurship in the cities covered by the research?
5. What services (online/offline) help/hinder operations of the IE in terms of micro-entrepreneurship?
6. Have the knowledge and skills gained at Skills Lab: Business Platform been of use? What exactly is applied by its graduates — male and female entrepreneurs in practice?

Area of the research:

Mariupol, Berdiansk, Melitopol and settlements along the Azov Sea coast



The participants included

3 men

13 women



Target audience:

Sixteen male/female entrepreneurs who had completed Skills Lab: Business Platform, including



3
from Melitopol



11
from Mariupol



2
from Berdiansk

developed the business plan, defended it successfully and implement their business initiatives

The participants represented various business areas:

TRADE

flower shop

GOODS PRODUCTION

workshop making epoxy resin products

embroidery workshop
laser cutting studio

pelleted feed production



PROVISION OF PHYSICAL SERVICES

cleaning company
carpet on-site furniture
flooring dry-cleaning

hot air balloon and air design workshop

FOOD PRODUCTION

production of natural fruit candy and fruit chips
original confectionery

PROVISION OF INTANGIBLE SERVICES

art, information, consulting and beauty ones

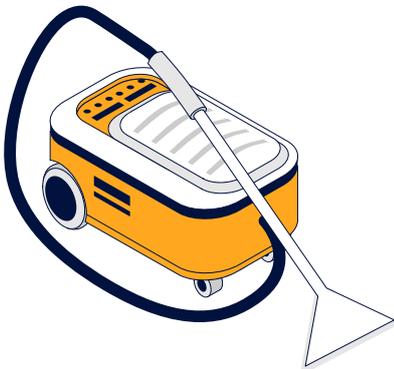
children photo shooting

professional photo and video shooting

photo studio
psychological support and child development studio

online UX/UI design studio

sugaring salon



Research methods:



FOCUS GROUPS



IN-DEPTH INTERVIEWS



ENTREPRENEUR DIARIES

The participants represented two age groups of the social demographic category of the youth:

25-30

8 PERSONS



1 men

31-35

8 PERSONS



2 men



7 women



6 women

4 women

had the status of an IDP
(internally displaced person)



13 of 16
participants

HAD THE HIGHER EDUCATION

3

середню спеціальну

had the secondary vocational one (college, vocational educational establishments)

3

were registered as

individual entrepreneurs

as of the period of Skills Lab: Business Platform

13

got registered as an IE after they had completed the programme

During the focus group discussions with the male/female entrepreneurs who had completed Skills Lab: Business Platform programme, their ideas of the internal and external factors that facilitated/hindered development of youth entrepreneurship in the region were found out in the first place, the characteristics of the youth micro-entrepreneurship were determined, and Skills Lab: Business Platform was assessed: its content, logic, methods used and training techniques. Four focus groups were held in total; two of them were online (one with the female participants

from Berdiansk, and one with the female participants from Melitopol), and two of them were offline, with the male/female participants from Melitopol. The Guide contained 23 principal questions (Annex 1). Each focus group lasted two hours.

During the in-depth interviews, the young male/female micro-entrepreneurs shared their experience in starting/expanding their business (from creation of the business idea and development of the business plan to implementation thereof in the communities, production or provision of services), described the role of Skills Lab: Business Platform in their business development. The Guide contained 18 principal questions (Annex 2). In total, sixteen online interviews of the total duration of 45 to 60 minutes each were conducted.

The research was conducted in accordance with the focus group discussion and in-depth interview rules and ethics. The discussions were video recorded in order to prepare the transcripts and process the information obtained. All the male/female participants of the focus groups went online on time and did not leave the focus groups and interviews until the end; they were interested in the theme of the research and gave sincere and substantiated answers to the questions, were eager to share their own observations and opinions on the theme of the research.

The quotes of the male/female participants used in the report have been translated into Ukrainian with their word choice and style retained.

According to the terms and conditions of Skills Lab: Business Platform, following the active training, the participants kept their entrepreneur diaries for a month and briefly recorded all the stages of their own business development based on their business plans; in particular, they recorded their experience in resolving the tasks associated with state registration as an IE, marketing campaigns, procurement of the equipment, selection of the tax assessment form, registration as a tax payer with the STS etc.

II

General Conclusions

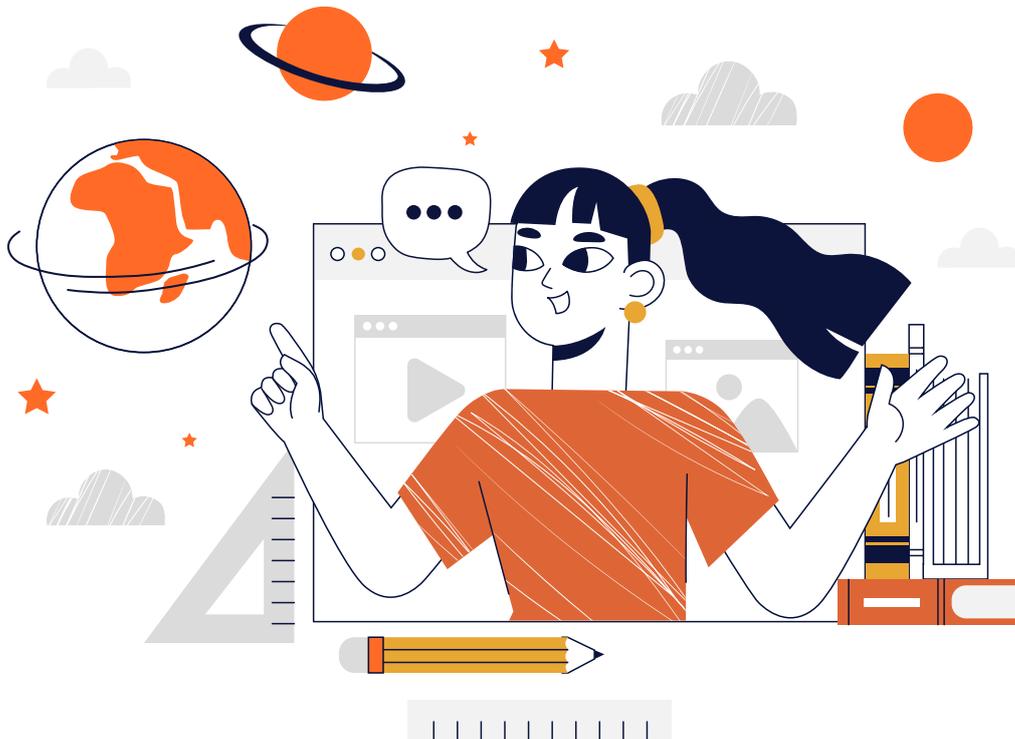
1. The youth take an immediate decision to start their own business as a result of combination of certain motives and drivers. Despite the distinctness of the male/female micro-entrepreneurs' motivations systems, they still can be classified by the combination of the internal business drivers. **The research has enabled finding three standard motivation models: "hobby commercialisation", "experience monetisation", "mother-turned-entrepreneur", and has also demonstrated the tendency of social and psychological drivers in the youth business motivation outweighing the economic ones and general greater significance of internal drivers in business decision making in comparison with the external ones.**

-
2. **Business success of the youth is improved by such personal traits as determination, self-confidence and responsibility.** Other important traits include sociability, creativity, courage, pro-activity, dedication, flexibility, stress resilience, and self-discipline.
 3. **The business obstacles faced by the youth are mostly psychological:** these are fears, psychological discomfort, which are mostly associated with the ideas of how difficult it is to do business, with the risks of losses, with lack of necessary knowledge and skills, lack of positive examples around, and lack of certain business skills.
 4. Despite some progress at the level of the Ukrainian legislation, the national and regional policies for creating equal opportunities for men and women at the labour market, **gender equality in SMEs is still to be reached.** Due to the common social stereotypes of distribution of the gender roles, women (especially young mothers) often have difficulty getting a job and take a longer and harder way to their business success as they face opposition from their family members and friends, prejudiced attitude of clients, lack of adequate knowledge and experience, financial resources, which makes it necessary to support female entrepreneurship (in particular, financially). Thus, the determinant factor in opening their own business for 25% of the participants of the research was the possibility to receive funds from Skills Lab: Business Platform to procure the equipment necessary to implement their business idea.
 5. Given the domination of the medium score of the business environment in Berdiansk, Melitopol and Mariupol by the participants (the average score for each city is 3.5 out of 5 possible), **the current business environment almost equally** (with the minor dominance of the positive factors) **encourages the youth to start their own business** (they mostly include such factors as location of the city, developed infrastructure, tolerant business policy of the local authorities, considerable activity of the business environment, increase in the level of the people's paying capacity, development of the consumer culture) **and strengthens the existing barriers that hinder micro-business** (due to the high prices of business premises rent, lack of beneficial tax assessment conditions (tax holidays) for male/female entrepreneurs who have started their own business, domination of the seasonal nature of entrepreneurship etc.).
 6. **The powerful driver that made the participants start their own business was participation in Skills Lab: Business Platform,** which, firstly, considerably facilitated development of their entrepreneurship motivation and self-

confidence and, secondly, gave them necessary knowledge and mentor support to organise their own business; thirdly, it enhanced financial opportunities of the male/female participants as to implementation of their business initiatives in communities by allocating funds to procure the equipment.

- 7. The experience of the participants demonstrated that both the business ideas created as a result of “gradual preparation” and the ideas resulting from “sudden insights” could be suitable to start their own business to the same extent.** Some of the participants found their business ideas via Internet surfing; some were inspired by specific technical or technological new products at the market while the other were urged by the first clients and income. However,

in most cases, the ideas lay on the surface – in the activity/experience of the surrounding people (colleagues, friends), their own professional experience, common household practices. Analogies drawn by the male/female participants during formation of their business ideas play an important role: they “try on” the specific activity and assess their abilities (psychological, professional, financial, technical ones). When they were choosing their business, three female participants were not hindered by the fact that those activities were traditionally perceived as masculine ones: IT, laser cutting and plywood and wood production, feed pelleting. They believed in their own abilities and also considered the achievements of the technical progress, which has mitigated the need of hard manual labour in many areas.



-
8. In order to implement their business ideas, the participants developed the business plans that enabled them to elaborate the idea, “visualise the picture” of how exactly the business would work, assess the resources and streamline the actions to be taken to achieve the result: trade business (flower shop), provision of services (sugaring, photography, air design, web design, early development studio, cleaning) or production (of dried fruit and fruit candies, cakes, mixed feed, epoxy resin products, plywood products, machine and hand-embroidered products). **Thirteen participants out of sixteen developed their business plan for the first time.**
 9. Most participants of the research preferred the activity at the local markets, which is generally typical of micro-entrepreneurship (it is mostly successful due to the shortest possible distance between the site where the product is manufactured and consumed/where the service is provided and received, by establishing the relations of trust based on the customer focus and high quality of the products/goods/services).
 10. **The production/service areas selected by most of the participants of the research now have quite a high level of competition.** However, the participants demonstrated that perceiving your competitors as adversaries, opponents and enemies is the stereotype that tends to disappear. You can learn a lot from your competitors when you are starting your business. In particular, you can understand how to organise your activity better, what technical equipment is necessary, find out prices, standards/secrets of production/provision of services. The business environment has room for mutual assistance, professional communication, exchange of knowledge and experience with the others, collaboration and partnership.
 11. As the experience of the participants has shown, there are lots of scenarios to start your own business; it depends on the ambitious idea, desire, self-confidence, specific aspects of the activity and resources. Thus, seven out of sixteen entrepreneurs mostly work from home, including five women in their residential premises, and two (one man and one woman) in the specially equipped non-residential premises like a garage. Four entrepreneurs (two men and two women) work on-site while the administrative work is performed from home; five female entrepreneurs lease the premises. Most of the participants of the project invested more than UAH 100,000 into the project while some of them started with 10,000. In the first place, the entrepreneurs used their financial support from Skills Lab: Business Platform (UAH 24,112 to UAH 60,000) to purchase the necessary equipment and/or work materials necessary for their activity. The main co-funding sources for the business project of the male and female participants were

Out of sixteen entrepreneurs



7 *mostly work from home*

5 *women*

in their residential premises

2 *1 man and 1 woman*

in the specially equipped non-residential premises like a garage

4 *2 men and 2 women*

work on-site while the administrative work is performed from home

5 *female entrepreneurs*

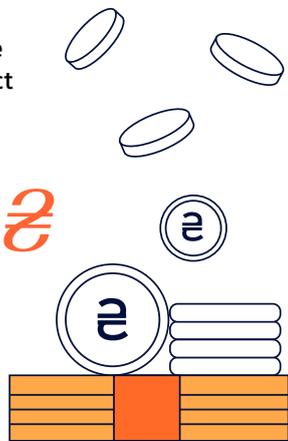
lease the premises

Most of the participants of the project invested into the project

more than 100,000€

while some of them started with

10,000€



their own savings. All the participants of the research were registered as IEs of group 3, with the simplified tax assessment system, and worked on their own as of the period of the research, based on their own abilities, skills, traits, knowledge, health and time, but they sometimes involved some of their family members into certain operations (delivery, promotion of the product/service on the social media). Three participants have engaged/engage partners to perform some works on a contractual basis.

12. While they were getting registered as an IE, most participants, especially the ones doing that on Diia Portal online, had no material difficulties. The ones who applied to the ASC and especially the ones who had to directly apply to the State Tax Service sometimes faced the red tape and lack of customer focused services.

13. The intensity of labour of the micro-entrepreneurs depends on their attitude to business: whether it is the principal source of their wealth/family wealth or additional income. In the first case, the intensity is quite high. Where there was a customer focus, some of the participants of the research plunged into work with no days-off to gain more clients and turnover, but they still planned to optimise their activity in the future and free at least one day a week for themselves and their family. The specific aspects of the entrepreneurs' work in the creative industries are the high work load at the

weekend and, therefore, the “flexible” and “unpredictable” schedule of their days off (the days off are the ones when there are no orders). As for organisational business tools, most participants preferred ordinary notebooks where they recorded their orders and information on their clients. Special customer base management software is not used yet due to a limited number of clients (some participants have around ten, the others — twenty, but some of the participants are reaching a hundred). The time management tools (Eisenhower Matrix, Gantt chart) are still used by few participants, and they note that they are not short of time, but will use the tools in the future.

14. When they entered the local goods and service markets, the entrepreneurs focused on different competitive advantages, such as: production of exclusive goods, provision of service packages, narrow specialisation (or, vice versa, expansion of the range of goods/services), individual approach to clients by means of empathy, creative intuition, efficient communication etc. Most of them have decided to work with the broad audience and in the middle price segment, and they believe that the undercutting strategy is inefficient. In order to expand their customer bases, the participants mostly rely on recommendation marketing (so called “word of mouth”) as well as direct marketing (personal sales, discounts, bonuses, free delivery). Under

the influence of Skills Lab: Business Platform, almost all the participants pay a lot of attention to SMM promotion and branding: they have their Instagram and Facebook pages, use the logos developed at the programme, names of their products and package design to form market awareness.

15. The research has found two types of the challenges faced by the micro-entrepreneurs in their activity. The first type is connected with the human factor (matter of establishment of the efficient interaction with clients, suppliers and partners). The second one is related to the systemic displays of insufficient development of market relations in Ukraine, namely the large “shadow sector” of the economy and low trading standards. Thus, the following often occurred when the participants purchased the machines and equipment: inconsistency of the information on the website of the companies selling the equipment to the actual delivery time frames, price, specification of the goods; offers of “shadow” purchase of the equipment (without confirmation documents); low quality of the goods. As a result, practical implementation of the business plans required certain additional expenses beyond the budget, and the start of the production/service process could be two or three weeks late. Some of the female entrepreneurs who chose the production area which was generally perceived as a masculine one (for instance,

laser cutting and plywood production) for their business had difficulty purchasing work tools because they were not adapted for women; also, they had more difficulty finding a common language with their clients during direct sales due to the prejudiced idea that women were sellers rather than technicians.

16. As for the visions of the future, thirteen out of sixteen participants of the research will be focused on establishment of the systematic business activity and stabilisation of the results in the coming year. Most of them are going to scale up their activity within two or three years:

to expand the range of goods/services or to hire one or two employees, which can result in changes in the IE's group. Three female participants see themselves at the new organisational level of entrepreneurship (opening a sugaring studio, a multi-profile photo studio, a coffee house). The other three female participants are planning to put a lot of time into social entrepreneurship, namely support of female entrepreneurship, partnership with the "third sector".

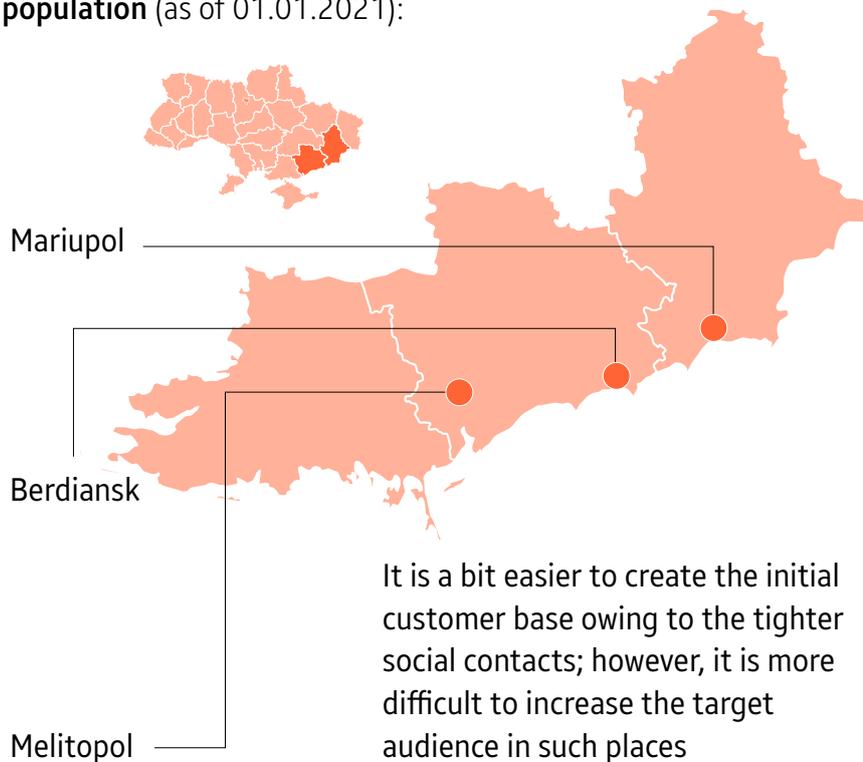
17. The research has not visualised material regional differences in starting and doing business in Mariupol, Berdiansk

In the cities with the smaller population (as of 01.01.2021):

431,859
residents

107,928
residents

150,768
residents



and Melitopol with account to the legal regulation of this activity at the national level, economic feasibility and determination of its structure as well as due to the fact that the research has covered the cities that are in close proximity and have similar social, cultural and consumer practices of the public. One of the identified differences is somewhat higher level digitalisation of administrative services in comparison with Berdiansk and Melitopol, a considerable impact of the resort and seasonal nature upon operations of micro-entrepreneurs in Berdiansk. Moreover, in the cities with the smaller population (as of 01.01.2021, Berdiansk has 107,928 residents, Melitopol has 150,768, while Mariupol has 431,859 [23]), it is a bit easier to create the initial customer base owing to the tighter social contacts; however, it is more difficult to increase the target audience in such places. The effect of the programmes for SME support by the local authorities and non-governmental organisations as an important factor that encourages development of business activities of the youth is stronger than in Berdiansk.

18. The research has not identified any material differences between the participants based on the criterion "type of the business activity" since both manufacturers of products/goods and providers of services got into the common category "production

entrepreneurship" that time (there were no providers of information or agency services among the participants). There was a certain difference as to "being tied" to the specific place: the activity of "service providers" has a higher level of mobility whereas "manufacturers" need large non-residential premises for their big equipment more often. In case other approaches are used to compare the activity of micro-entrepreneurs, for instance, in terms of the scale of operations, focus on certain sectors of economy (in the first place, directly as to "goods differentiation"), available resources also have some differences.



Practical Recommendations on Development of the Programme **Skills Lab: Business Platform**

1. The research has demonstrated that the most valuable result of the training for the programme graduates was the ability to develop the business plan and use it in their business, which confirms the need to continue and scale up such training for young entrepreneurs in the informal education sector.

-
2. The internal and external factors that encourage youth entrepreneurship as well as barriers and challenges associated with micro-entrepreneurship that have been found by the research prove that youth entrepreneurship needs to be promoted, and training on the fundamentals of starting business for the youth should be more focused (in addition to coverage of economic, legal and organisational aspects of business) on psychological aspects, namely **self-actualisation and discovery of the personal potential of the youth, development of necessary business traits and soft skills**. The need to supplement the programme with the psychological module (focused on self-actualisation, self-reflection, development of communication skills of future entrepreneurs, prevention of the professional burn-out) was confirmed by the participants of the research when possible improvements of the programme were discussed.
 3. According to the research findings, the graduates are generally well-aware of their economic niche, but they lack knowledge of the economic theory and social processes, which limits them in their business activity, and addition of the applicable themes to the programme takes on increasing importance.
 4. After they gain sufficient knowledge and skills to start their own business during the programme, the participants need post-programme mentorship, especially when it comes to practical SMM promotion of goods and services, submission of the first tax returns.

IV

Findings of the Focus Group Surveys



- 4.1 Factors Encouraging Micro-Entrepreneurship among the Youth
 - 4.1.1 Drivers to Start Business
 - 4.1.2 Drivers to Start Micro-Entrepreneurship
 - 4.1.3 Personal Traits of Entrepreneur
- 4.2 Barriers in Starting Business
- 4.3 Business Environment Assessment
- 4.4 Special Aspects of Youth Entrepreneurship
- 4.5 Gender Aspects of Entrepreneurship
- 4.6 Micro-Entrepreneurship Difficulties at Initial Stages
- 4.7 Role of the Programme “Skills Lab: Business Platform”
- 4.8 Conclusions Based on the Focus Group Findings

4.1. Factors Encouraging Micro-Entrepreneurship among Youth

4.1.1. Drivers to Start Business

The answers given by the participants of the focus groups to the answer “What has made you start your own business?” have enabled separating three standard motivation models, each demonstrating a combination of certain internal urging factors, such as personal goals, needs, interests, desires, requests, talents, abilities and skills of the participants.

The first model, hobby commercialisation, was brightly presented by five female participants and one male participant who had had a hobby for many years (since their childhood): growing flowers, painting, embroidering, or their interest (for instance, photography) was recent, had appeared a few years ago, and then there was a favourable situation to bring the hobby to the new, profit-making level.

I have been growing flowers as long as I remember myself, and I loved it. However, it was more of a hobby. In my case, it was a fortunate coincidence, as they say, I did the puzzle. I work with grants, I know where to find them... When I thought that time had come to open my own flower shop, I found your programme [Skills Lab: Business Platform]... I decided to give it a try

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

“I have a degree in Economy, and I have been working as a logistics expert in a transport company for eight years. When me and my husband decided to have a child, I thought I needed a photo camera. So it all started, I became a photographer. I had a child and took a picture of every month; it was very important to watch her development

(growth and achievements). I just went outside with my kid and took pictures while mothers and even fathers at the playground would come up and ask me to take a picture of their kids. 30 to 50 hryvnias... That was how it all started. I thought, 'Why not?' I decided to try [to start my own business]. I filed applications for different grants, they were of great help. Probably, it [photo business] would not have got real otherwise because the amounts were quite big"

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

"My first degree is technical... I'm a mechanical engineer. The second one is humanitarian. When I started learning at the social job, I grew interested in photography. About three years ago, I bought myself my first reflex camera and took pictures as an amateur. It could be a girl, a couple in love, a birthday party. In the beginning, there was no profit, I gained nothing. I did it for myself because I liked it. I heard people say, 'your photos are great, why don't you do it for a living?' At first, I thought that I was not a photographer at all, and I was not doing it professionally. Then I tried placing an ad... I loved it... I enjoy the idea of flexible working hours, I guess it's a huge pro"

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

"I have been embroidering for a long time..., with beads and threads... as a hobby... It all started when I was eight. Of course, I don't remember it myself, my parents have told me that. I was an ad of cotton thread embroidery package on TV and asked my parents to buy it. Mum was totally against it as I had bad eyesight, but my Dad bought it in the end. It turned out quite the opposite: embroidery improved my eyesight... There were some orders, embroidered shirts, accessories. Some orders were sold. I concurrently worked at the factory after my classes. My health made me stay home during the pandemic. I had to take more embroidery orders... I saw information on the programme [Skills Lab: Business Platform] on Facebook and realised that it was an opportunity to expand my operations. I'm fortunate to be supported by my family and friends. Everyone I know says, "Come on, try it!" I keep studying something new, going to some workshops"

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

I graduated from the Philological Department of Donetsk National University, got my post-graduate degree, worked as a journalist and editor for ten years, and then I got interested in IT. I came to 1991 Start-Up Development Centre, got trained, and created a start-up with my team. There I found out about UX design, which is on demand now. I have always wanted to draw as a hobby. So my story began. I graduated from mate.academy, became a UX designer and got my first orders. You must do what you enjoy. There must also be income; then it will be the harmonious culture that will be developing

FEMALE PARTICIPANT 16, A UX DESIGNER, 32 YEARS OLD, MARIUPOL

The second model, “experience monetisation”, was demonstrated in the business cases of three female participants and two male participants of the focus groups. After they had gained considerable and versatile experience in work for hire and had seen successful business cases of their acquaintances and friends or had long worked in the family business, they felt an urge and readiness to do their own business.

“...I used to work, and I always felt cramped, so I wanted to work for myself. The second reason is that I have five children... I must show them that you can do anything yourself now... I look at the people, parents of my children’s school mates... One mother owns a cake, another one – a pie restaurant, a father in the third family is a tailor. When I look at them, I want to be the same. ...It was 2014, I defended my thesis, but the war started, so we had to leave, and here [in Talakivka Village near Mariupol] I realised that I would have to [start over]. The only job I was offered with my pedagogical degree was an assistant nanny in the kindergarten. I decided that the salary was not enough, and got a cleaner’s job at the meat processing plant. The salary was higher (in a week, I could earn the same money as in a kindergarten in a month). I went up the career ladder at the meat processing plant: I was transferred to the production site, then got promoted to the forewoman, and I managed the department in the end. In 2018, I completed the external independent testing, entered

the Kharkiv Veterinary Academy to study extramurally and went on a sick leave. All that time, I was looking for ways to breed something (pigs and so on) to be independent...”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“...I’m a practising psychologist with the Master’s degree. I always thought it was my cup of tea, got education, studied and knew that I would do that. I studied at the Mariupol Humanitarian University. It was my main job: at first, I worked as a psychologist at school, but it does not work adequately in our country, so I quit the system quickly. Then I worked at the private early development school, gained experienced and concurrently had practice at home. It has been two years since I quit my job, and I have private practice in my own office opened some time ago owing to the grant support and my own savings. I think that now is a very good moment to scale up my activity...”

FEMALE PARTICIPANT 11, A PSYCHOLOGIST, 25 YEARS OLD, MARIUPOL

“I had worked at the construction site for quite many years and done a lot with my own hands before I registered my own company and started doing it at another level”

MALE PARTICIPANT 15, A CLEANING, REDECORATION
AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“I have decided to work with dried fruit because we [my family] have two hectares of the garden... I have my own two hectares of land, and I’m thinking of creating the garden there to keep developing in this area. I like it, I have been gardening since childhood”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS
MANUFACTURER, 27 YEARS OLD, MARIUPOL

The third model is a “mother-turned-entrepreneur”. It was presented by five female participants with a minor child/children. Change of their social status as a result of the child birth, “falling out of” the ordinary work cycle and free time have considerably encouraged self-actualisation of the women and increased

their desire to self-affirmation. In addition to independence, entrepreneurship attracted the young mothers with the flexible working hours: they could earn and concurrently pay proper attention to their children and families.

“[I was encouraged to start my own business by the] inability to physically return to my previous job [senior manager at the knitting factory] as there were business trips, responsibility and overtime work (I could work eight to nine hours to get a good commission), or to find another job where I could pay attention to kids and go to work. I can't spend eight to nine hours at work and be separated from my family; thus, entrepreneurship was partial freedom”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

I want to work for myself, to earn. Also, I want to have my own schedule since I had 24-hour shifts while the kids were small. I want to be at home at night, I want my own business. 24-hour work is very bad for health, and... you don't see your kids. I was also encouraged by the programme [Skills Lab: Business Platform] and prospects of receiving the grant, the opportunity to get advice and mentor support

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“After the second maternity leave, I couldn't work... A little kid needs more attention. So, I was on a leave, then got registered at the unemployment centre, and we decided together with my husband that we needed our own business... We surfed the internet and suddenly saw the Instagram ad about sugaring training. I had never dealt with that, only several times... So I decided to give it a chance. It doesn't hurt to ask. I studied and started to work in February, and I understood it was interesting. That project was a gift from God, and I can develop it any way I see”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL,
32 YEARS OLD, MELITOPOL

“I do laser cutting, make products with the laser workbench, such as decorations, children’s toys and souvenirs. ... I started my own business when I was on a maternity leave and had free time. I studied different areas... I wanted to make toys for my kid... Me and my husband decided to buy the laser workbench [the in-depth interview later showed that the respondent had known the woodwork and furniture making owing to her father, and she had got the father’s wood talent]. So I started it during the maternity leave, then the leave was over, and I had to combine my job and my business. After that, the lockdown started. I was made redundant. I was registered with the unemployment centre, and I could not leave my workbench because I already had it. Also, I couldn’t work full time because I had a kid, and couldn’t work until 6. I started looking for options with flexible hours...”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

The distribution of the participants’ cases based on the motivation models is provisional and depends on the determinants we have identified in their business motivation systems. At the same time, each participant’s case had the unique combination of the internal business drivers; some of the drivers recurred, which confirms their significance. The motives include without limitation:

- drive to independence (“working for yourself”), autonomy of actions;
- desire to show their worth and abilities;
- desire to do what you love;
- drive to economic benefit / financial interest;
- need to grow due to accumulation of professional and life experience / drive to new achievements;
- dissatisfaction with the previous job (working conditions, nature of employment, content).

It should be noted that the economic drivers (commercial success) in the hierarchy of the business drivers of the youth at the starting-business stage are inferior to the social and psychological ones: independence, self-fulfilment, creative self-expression, and satisfaction.

4.1.2. Drivers to Start Micro-Entrepreneurship

As the cases of the participants of the focus groups have demonstrated, in addition to the internal drivers, their decision to start their own business was materially influenced by the external factors:

- support by the closest people (family members, friends, acquaintances, like-minded people);
- successful business cases around;
- start-up capital;
- availability of entrepreneurship support programmes, including the financial support;
- employment difficulties (which are mostly faced by young mothers).

As for emotional (friendly, family) support by the friends and family, it was of great significance for the male and female participants of the research. They mentioned it in a positive context.

In my case, I was really supported by the boys from Melitopol Development Agency (we still test and call each other, and they want to know how I am doing), all my family, of course (I have a big family), and relatives. Everyone has contributed a flower to my shop”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“[I consulted] my female friends, especially when I started making my own page. We had meetings of an hour or two; we didn’t just talk about girls’ stuff, no, we discussed what exactly I had to do... how it was supposed to work... They are of great help because they have more successful businesses, they have been working longer than me... My close friend, who is also on a maternity leave, works with lemonade and has a small company, a lemonade bar. Another close friend has a model agency in Berdiansk... Another reason was that I didn’t want to get back to work and work for someone eight to five. There are lots of cases around that show you can work for yourself and achieve more...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“I have it [support] — in the first place, these are probably children... They inspire and make me more responsible”

FEMALE PARTICIPANT 7, A FEED PELLETING
PROFESSIONAL, 30 YEARS OLD, BERDIANSK

Communication with the like-minded persons encouraged some of the male and female participants to start their own business.

“I have found lots of new friends among photographers and videographers. I could ask for advice, talk about devices, equipment etc.”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“My social circle has changed. I have a close friend who has given a push to my business. He makes leather products... He also participated in the

programme... Well, our only discussions now are how to get registered [as an IE], how to keep accounts and so on...”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT
CRAFTSMAN, 32 YEARS OLD, MARIUPOL

The role of the higher education as a factor to start your own business in the research turned out to be immaterial. The business of most participants is not directly connected with their degree. Thirteen participants with the higher education represented different profiles: economic, management, social, psychological, pedagogical and technical ones. However, the participants noted that the higher education was important as a socialisation factor rather than in pragmatic terms. Some of the participants felt the significance of the profile of their education when they were developing their business plans, some did when they were organising and developing communication with their suppliers, partners and customers, while others found it in strategic planning. It should be noted that the auxiliary function of the higher education in starting a micro-business was stronger in case there was relevant experience in the profession.

If we think beyond own business experience and rely upon understanding of the core of motivation in youth entrepreneurship in general, the most significant factors (both internal and external ones) that encourage the youth in their cities to start their own business, the participants of the focus groups emphasised the following ones (all the participants surveyed managed to word three factors):

Internal factors	Number of answers	External factors	Number of answers
Drive to independence,	13	Support by the closest people	3
flexible working hours,	6		
financial independence	4		
Drive to self-development	6	Lack of satisfying work	3
Doing what you enjoy	5	Positive business cases around	2
Drive to income	5		
Need to provide for yourself and family	3		
Drive to self-fulfilment	3		
Self-confidence, belief in your abilities	2		
Business talent	1		
Status goals	1		

As we can see, the social and psychological motives rank first in the structure of motivation of youth entrepreneurship: drive to independence in their activities, to self-development, to satisfaction from what you do, but the economic drivers still retain their significance: to income and provide for yourself. Since the internal business drivers outweigh the external ones considerably, the participants of the research believe that their role is more important than impact of the external factors.

When the business motivation was discussed, one of the focus group male participants reasonably emphasised that the same factors could have very different impact on people.

“When it comes to entrepreneurship, some things can be a con for some people and a pro for the others. Say, irregular working hours can be either a con or a pro because today you work late, and tomorrow you take a rest. Some people want to have fixed working hours while others are ready to work deep

into night today and leave without asking tomorrow. It all depends on a personality...”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

As for five female participants of the focus group research, the final decision to start their own business was made owing to the possibility of financial support to implement their business idea.

4.1.3. Personal Traits of an Entrepreneur

It should be noted that the participants have also emphasised certain business skills and traits among the business drivers. More detailed examination of the personal traits that, in the opinion of the participants of the focus groups, are necessary for a entrepreneur to succeed has demonstrated that the most significant business traits are as follows (all the participants surveyed could name up to five traits):

The second significant group of the business traits (subject to the number of answers) includes:

SOCIABILITY **3 answers**



CREATIVITY **3 answers**



COURAGE **3 answers**



PRO-ACTIVITY **2 answers**



DEDICATION **2 answers**



FLEXIBILITY **2 answers**



DETERMINATION **9 answers**



STRESS RESILIENCE **2 answers**



SELF-CONFIDENCE **8 answers**



SELF-DISCIPLINE **2 answers**



RESPONSIBILITY **8 answers**



Some of the answers were about such traits as decisiveness, prompt response, stamina, positive attitude, harshness, discipline as well as such abilities as analytical thinking and the ability to prioritise. The interesting thing is that the readiness to take risks, which is traditionally perceived as one of the most important traits of the social and psychological portrait of an entrepreneur, has not been mentioned by any of the participants.

During the discussion of the business traits, the surveyed repeatedly emphasised how important it was for the entrepreneurs to be aimed at independence and permanent self-development to success, and also mentioned the need to develop professional competence by studying and gaining experience on a regular basis. Different professional competencies were mentioned subject to the scope of activity, from financial literacy and ability to analyse the market up to language literacy and proper looks.

“I believe that the main resource spent by the entrepreneurs is the time... You do it all your life, you are deep in it, find out more and more about your job, and the principal thing is to never stop”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

The answers given by the participants of the focus groups to the question “What business traits do you lack? What personal traits have you managed to form/developed while doing business?” demonstrated a different level of

their self-reflection. However, it was easier for most of the participants to say which knowledge, skills or resources they lacked for entrepreneurship rather than “see into themselves” (as to their personal traits), so they tried to avoid answering the question. Yet, the question was generally of interest. During the discussion, some considered their ability to risk and analysed their stress resilience and leadership qualities.

“[As for leadership qualities,] I believe I lack harshness a little. I always try to put myself into the employees’ shoes. If they can’t do something, I help. This is probably my weakness. I try to make people’s work more comfortable, but it affects my work. At the same time, the important thing is not to go too far, and to compromise”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“I take after my mother, I keep taking risks... I wanted and I am trying to do as much as possible, to risk. I never have any regrets. Of course, it doesn’t always end the way I want. But I’m in favour of risks”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

Some of the surveyed shared their self-analysis practices and ways to overcome business failures.

“I’m a stress resilient person, I have to be: there are always speeches, some writing and problem-solving... Of course, I tend to do it [self-reflect]. To analyse what I have done right or wrong. Why it has been

that way, what must be done to avoid it in the future. I have a support group, my large loving family. I have very close relations with my elder sister and my husband, and I attend the psychologist”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“My husband is the Doctor of Law, a professor; he has been registered as an IE for ten years and keeps encouraging me to ‘find my strengths’. We often (well, when necessary, approximately once a month) directly analyse what is happening and decide where to move. He asks me what I want and how I see it. In other words, he helps me get out of this maternity-leave condition, reach the new level in general, both financially and mentally. He supports me... When I am in despair, when I fail something, or something goes wrong, my husband is of great help, and he says, ‘You can do it, I believe in you, see what you have already achieved...’ Here [comes] the awareness that my failure is followed by something, like in the story about frogs in the sour cream where one kept fighting and got out”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

As for the business traits the participants lacked, the following were mentioned during the discussion: harshness, creativity, self-discipline, sociability, and determination.

“[I lack] self-discipline. I’m finishing my maternity leave and changing my life completely; I’m helping my family get used to the fact that mother is not home 24/7”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“As for the skills I’d love to improve, they are global objectives. I have some small ones now, for a day, a week, a month. I’d like to deal with the big ones”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“I probably lack determination. I’m distracted all the time... I look around – I can do it here and there..., pick something up. The confectioner’s business is very broad, I still haven’t made a clear choice [of the direction]. You must choose one or two deserts, for instance, to succeed as a confectioner. I’m afraid to choose the wrong path. I’m still looking...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

Therefore, the discussions during the focus groups as well as the proposals made by the participants in the final part of the discussions confirmed that the educational programmes for starting your own business, namely Skills Lab: Business Platform, should be supplemented with the psychological module with the focus on self-actualisation, self-reflection, prevention of the professional burn-out, development of communication skills of future entrepreneurs.

“As for me, [it would be important] probably... to hold a workshop for personal development, [and hear] ‘Come on, you are doing great’, to develop my self-confidence: ‘I’m doing good, I can do it!’ To process everything for myself, to see what I reach in the end, and to structure it in my head...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

“ *As for me, [it would be important] probably... to hold a workshop for personal development, [and hear] ‘Come on, you are doing great’, to develop my self-confidence: ‘I’m doing good, I can do it!’ To process everything for myself, to see what I reach in the end, and to structure it in my head...* ”



4.2. Barriers in Starting a Business

In consideration of their experience in starting their own business and overall views on development of youth entrepreneurship in their city, the participants have mentioned a number of factors (both internal and external) which, in their opinion, are material obstacles for the youth starting their own business (all the surveyed could mention three factors):

Internal barriers	Number of answers	External barriers	Number of answers
Fears, namely:	15		
• of failure	4		
• of responsibility fear	4		
• of the unknown	2	Lack of financial resources/ lack of start-up capital	5
• of the tax authority	2		
• to start something new	1		
• of losing savings	1		
• of unstable income	1		
Lack of experience	4	Lack of support (moral, financial, informational)	3
Lack of necessary personal traits (independence, diligence, decisiveness, confidence)	4	Unfavourable local business environment (seasonal nature, limited area, high lease rates)	3
Lack of psychological readiness (psychological discomfort, lack of desire to leave the "comfort zone", low self-esteem)	3	Lack of stability	3

Lack of business knowledge and understanding of business processes	3	Lack of examples	1
Lack of abilities (to plan time, to set priorities, to find sales markets)	3		
Wrong expectations (for instance, that business is too complicated), stereotypes	2		
Lack of ideas	1		
Lack of motivation	1		

With account of the number of the answers give, the obstacles hindering the youth in doing business are mostly of psychological nature. They are fears, both reasonable and unreasonable ones, psychological discomfort and psychological immaturity (specific undeveloped traits). As for the fears, some of them, concerns about tax accounting, possible financial losses, are associated with the expected complexity of business, lack of relevant knowledge and skills of the youth and no positive cases around. Based on their cases, the surveyed proved that such fears could be overcome with studying, communication with other entrepreneurs, moral support of their close people, development of respective skills, and use of self-management tools.

“In the beginning, I was terribly afraid of the tax authority, probably, because of my parents. They had also done business and always said that they had some tax and reporting issues. I was terrified by that”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST,
27 YEARS OLD, MARIUPOL

“When I got my first orders on the phone, my hands were shaking, and I couldn't say a word. Recording stories was out of question, I couldn't even speak on the phone. In fact, you must pull yourself together, take a breath and say 'do it'. I understand that I tell something in my stories, and I have 500 views with 1,500 subscribers... It was very hard to start communicating with people. Then you take a look at other people: they speak properly, they think adequately, they communicated based on the plan, you analyse how they draw customers: it is sort of self-rehearsal... In fact, it is easy to overcome”

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

“I agree that online and social media business gives you a lot, but it scares me – all these Instagram, stories, Facebook. The way out is that you must do it. I have read that you can go without it and advertise your services on public transport, street lamps, but I understand now that it is wrong. The children are more digitalised now so I'm delegating to my teenagers little by little. If something goes wrong, they can help. It is difficult to make tables. I had to sit down and google how to make a table. Well, I'm trying”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“I had a fear of starting my business on my own. I don't know why, but it is always hard on my own. I need a partner. It's true now, it's hard. I thought I couldn't do it, but it's ok, I have fears, but must work – there is no other way out. I support [the others] as much as I can, for example, Stanislav and Kateryna... Stanislav was afraid he would fail, Kateryna was afraid to socialise with people, but I encouraged them to go one, and they've managed”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN,
32 YEARS OLD, MARIUPOL

“I was afraid of the unknown, but it turned out that there was nothing scary about it. [At the training programme] I listened, analysed and made records, and concrete information helped me overcome my fears”

FEMALE PARTICIPANT 7, A FEED PELLETTING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“I was afraid that I'd be short of time for everything. That there would be enough time for my ambitions. I did want to combine my family life and work... I see I need reorganisation, I can't do it on my own, and I need staff”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“Avoiding responsibility” was a certain “value barrier” of the young generation for some participants. The others considered the fear of the youth to assume responsibility and start their own business in the context of impact of the existing upbringing system that does not encourage self-actualisation, development of self-confidence, or in the context of the traditional model of conduct of wage workers, which is based on discipline and expected social approval of the conduct.



“To my mind, the youth want to be free now. But they don't want to work. These are my observations as I worked as a shop assistant. They seem to know their rights and freedoms, but don't want to work and think”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“Indecisiveness results from upbringing, from [the affirmation that] everything must be stable, and if it isn't, ...”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

“I had a fear of responsibility because when you start your own business, you should do everything yourself. Responsibility to your customers, to yourself. ... When you work for a “stranger”, there is practically no responsibility apart from coming at eight and leaving at five”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“The first fears when you have already started... the fear not to live up to the expectations. I was always in fear: did I delivery on my promises, did they [customers] get what they wanted? Also, it was scary... (I had a job then) – what will my colleagues think? At the main job, people perceive it [photo business] as a hobby, as entertainment”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

Lack of financial resources, lack of the start-up capital were mentioned by some of the surveyed as a material barrier on the way to starting your own business, and one of the participants (with several years of business experience) described it as a stereotype. In his opinion, experience, skills and abilities in the respective professional area rather than money were necessary to start your own business. You can start with little money.

“I wouldn’t recommend borrowing for something you are not good at. Experience is the first thing... You can get tools, equipment. They are the things you can’t go without. You buy them in your current operations. It doesn’t take major investment”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

4.3. Business Environment Assessment

Many of the surveyed had difficulty assessing the business environment. They needed explanation of the meaning of the business environment, specification of the assessment criteria, such as local infrastructure, logistics, quality of administrative and municipal services, tax assessment, regulatory policy, competitive environment, market conditions, investment opportunities etc. In the end, the assessment was made based on the five-point score where 1 meant “very bad”, 2 meant “bad”, 3 meant “medium”, 4 meant “good”, and 5 meant “very good”, and the score was mostly between “medium” and “good”. Neither of the participants made negative assessment. One of the female participants assessed it as “excellent”.

“It has been generally fine in Berdiansk for the last six months. Well... it is a resort town, sales, rent of accommodation. My business, trade, food products, is ok. The only thing is that the markets were affected greatly when they were closed down [during the quarantine restrictions]. But the Internet did a great job: the chats were created, deliveries were organised, and you could get whatever you needed. It seems to be that the people jointed their efforts and started communicating instead of bending rage: they said what they had, what they could offer and deliver. We had no public transport at all. So the people go were going to work gave a lift and earned that way... The people found a way out, and nothing terrible happened; in fact, everything was fine”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

“I assessed [the business environment in Melitopol] as a good one, a favourable one because I’m optimistic. The ones who want stay, there is always support; you can always start with something..., develop. It is a small town, and you can strike up acquaintances fast. I rated it high because it is easy to establish social contacts”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“If we discuss the general business environment, we have... a city of entrepreneurs. There are large, medium-sized and small businesses. Most are small. My score was 3. In fact, it is a normal score, an average one, because there is high competition in any area we are developing now”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“Mariupol has been developing really well ... for the last few years. When 1991 Centre opened, it turned into the place where we could get together. Acquaintances are made there, and processes, including business ones, are started there... That is good, and the tendency will persist. It is mostly attended by the people in their 20s and 30s; I’ve never seen anyone older than 40 there. Start-ups, lots of start-ups are created. They are focused not only on the foreign market, but also Mariupol, resolution of social issues, in particular, provision of electronic services”

FEMALE PARTICIPANT 16, A UX DESIGNER, 32 YEARS OLD, MARIUPOL

“I gave 4 points because the city is growing, getting more beautiful, and the infrastructure is developing. This infrastructure suits me. Pictures are made on Instagram: Mariupol is beautiful, people want to have beautiful pictures, order hot air balloons, and make them [these photos]. I like it. I like our transport. I guess large enterprises (for instance, ship repair companies) in our business environment might have difficulty organising that all, there are land and premises [issues]... It is hard to say what is hindering them, I don’t know. Yet, small businesses (the ones I face) have development opportunities. People are getting better off. There used to be few people who ordered balloons. Now everyone does...”

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

“As for the infrastructure, I believe that everything is wonderful now [in Mariupol]. The information, the Internet. The main thing is to have a desire [to do business.]”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“The ASC is a totally positive thing. In general, I believe we have a good city and good salaries in comparison with the other oblasts of Ukraine”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

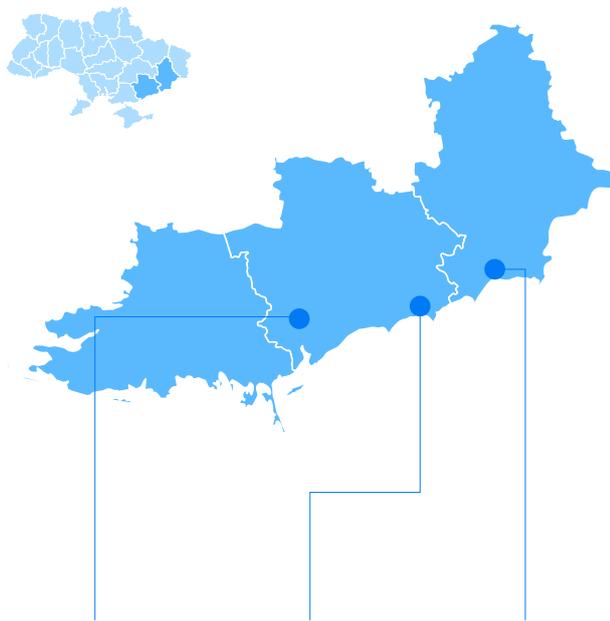
“We have Sartany Military and Civil Administration; it has just been established, and it all started in March. They hold meetings with residents, say that there is micro-entrepreneurship, that they are ready to support, say, ‘we are happy to have you’. They bring the message to the residents that the residents should come to them..., [start their own business], and then it [tax proceeds] will be spent for hospitals, schools and kindergartens. I always look at it via a ‘half-full glass’, so the score is 5”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL



While assessing the business environment, most of the surveyed, with account of the respective employment and consumer experience, focused their attention on the labour market and the goods and services market, infrastructure elements as well as experience in registration as an IE, on the quality of the administrative services. It should be noted that when they described the business environment in their cities, some of the surveyed paid more attention to the social criteria: contacts, connections with other entrepreneurs, business collaboration, mutual support rather than economic interaction.

The average weighted scores of the cities covered by the research:



Melitopol

3,5
points

Berdiansk

3,5
points

Mariupol

3,7
points

Thus, the following was mentioned by the participants of the focus groups among the positive business development tendencies in their cities:

BERDIANSK:

- active development of the service industry, trade due to the resort attractiveness of the city;
- well-arranged public transport;
- adaptability of entrepreneurs.

MELITOPOL:

- high level of business activity;
- rapid development of the beauty industry;
- lack of pressure upon small businesses;
- launch of entrepreneurship support programmes;
- developed consumer environment in the “youth”, “students” city;
- easy establishment of social contacts typical of a small city.

MARIUPOL:

- active development of the municipal infrastructure;
- improvement of public transport;
- launch of entrepreneurship support programmes;
- increase in the level of the public paying capacity;
- adequate quality of the administrative services and digitalisation thereof;
- informal education opportunities.

In general, the participants had a positive attitude to the business development entrepreneurship in their cities, namely as a result of the support they received when they started their micro-entrepreneurship, and their moderate assessment of the business environment was explained by the strive for further development of their cities as well as existence of a number of general and local issues that hinder development of entrepreneurship.

Thus, the following issues were mentioned in the focus groups:

BERDIANSK:

- mostly seasonal nature of entrepreneurship;
- limited areas (services to tourists only);
- high prices of lease of business premises;
- outflow of the youth from the city (labour migration abroad).

“Our city has no production facilities, some areas are practically not developed, except for services to tourists, so self-fulfilment in any other area except for public dining facilities and services to tourists... We lack new areas. Almost all the bright-minded girls and boys leave after they graduate from university. They rarely stay. Cafés are opened only in summer, especially at the sand bar. Some in the centre work all the year round, but they are empty in winter, there is nothing but wind. Beauty salons are open all the year round. So, it is quite a common thing for Berdiansk: you get registered as an IE in spring and deregistered in September. Many people ... rent premises for their businesses. There are major problems, pressure, especially during the quarantine”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

MELITOPOL:

- high prices at the real estate market (at the level of Kyiv, Kharkiv), in particular, to rent business premises;
- lack of tax benefits (tax holidays) for those who are just starting their business;
- high level of competition among small enterprises;
- outflow of the youth from the city (labour migration, mostly abroad).

“The issues faced by the novice businessmen include very expensive rent of premises. There are no options... There are no city projects for novices. You get registered as an IE, and you have to pay taxes no matter whether you have income or not”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL,
32 YEARS OLD, MELITOPOL

“The rent is incredibly expensive... Office premises in the satisfactory condition cost 150 hryvnias per square meter, if the redecoration is good — it is 200 hryvnias per square meters, and when it comes to a studio, it is another type of rent. 20 square meters are not enough for me, I need more space for the flower shop. You can't find such premises here at all. They are either too big, like 200 square meters, or too small... There are lots of offices, but the demand is very high. The building has just been or is being completed, but there are no more premises left”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“I do not take it [students as a driver of development of youth entrepreneurship in the city] into consideration because most of the students study and go back home... or intend to leave the country”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

MARIUPOL:

- lack of tax benefits (tax holidays) for the youth who are starting their business;
- the real estate market is almost totally secondary, with no new buildings;
- high prices at the real estate market in particular, to rent business premises;
- difficulty obtaining permissions for outdoor trade;
- insufficient control over outdoor trade, which creates unequal competitive conditions for those who have a permission and unauthorised sellers;
- the suburbs falling behind the centre in development;
- non-readiness of many entrepreneurs for digitalisation of their services (which was especially applicable during the quarantine);
- limited commodity market.



“I have no experience in other businesses, and it is hard to talk about that... However, ... as I see, [during the coronavirus pandemic] many businesses have suffered. Many people are bad at technologies and don't know how to go digital. The city centre has got much better, but what about the suburbs? Obsolete things need to be upgraded...”

“It is a major issue for a novice entrepreneur... There is no income yet, but taxes are paid for everything... People pay taxes for the same goods several times. If the state has refused from its margin received from such entrepreneurs...”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“The eighth of March. Three places are allocated for trade, and there will also be 33 illegal [sellers]”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPO

“I have no experience in other businesses, and it is hard to talk about that... However, ... as I see, [during the coronavirus pandemic] many businesses have suffered. Many people are bad at technologies and don't know how to go digital. The city centre has got much better, but what about the suburbs? Obsolete things need to be upgraded...”

FEMALE PARTICIPANT 16, A UX DESIGNER, 32 YEARS OLD, MARIUPOL

“I monitor [the real estate market] every day, ... I can't find a place [for the workshop] at a reasonable price... ...I even asked how much the municipal

property was; it turned out to be more expensive than the commercial one in the end. Cheaper property is ruins. The second thing is availability of resources necessary for production. Everything must be ordered. You need a simple thing, ... a saw. You can't buy it; it is sold online, but I can't check the quality. The only places are Dnirpo-M and Epicentr. They said we had a 'dead-end city', so they didn't bring anything”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

In general, the discussion demonstrated that, although they were well aware of their economic niche, most of the surveyed had superficial knowledge of the general economic and social processes (principles of competition, mechanisms for formation of the buyers' paying capacity etc.). Therefore, the content of Skills Lab: Business Platform needs to be supplemented with economic theory in order to improve the economic competence of the graduates.

4.4. Special Aspects of Youth Entrepreneurship

Most male and female participants emphasised the universal nature of the business activity and the relative nature of age benefits in starting business.

“Of course, there is certain difference between the people aged 20 and 50. It is easier for a young person to become an entrepreneur because his or her ‘glass is not full yet’. Those who are in their 50s, with their stereotypical thinking, lack of desire to study,... [have more difficulty] although, on the other hand, they have more knowledge and experience than youth people. If such person decides to start business in the familiar area, he or she will find it easier because of the experience while a twenty-year-old has nothing but hormones and desire”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

The participants of the focus groups who found it reasonable to single out the “youth entrepreneurship” mostly relied upon the socially-oriented approach and discussed that type of entrepreneurship in terms of “support”. In particular, they emphasised the need to create favourable entrepreneurship opportunities for this social demographic group, which is not especially vulnerable at the labour market.

“If a person wants to do business at the age of 18 and has an idea, let’s say that he or she must study because a person at this age is not always competent, does not know how to speak, ... how to introduce himself or herself. It is mostly an impulsive age... If I had been told at 18 how to behave, I would have probably started my own business earlier than at 28. So I believe that we must tell the youth how to start and do their own business”

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

When it comes to understanding entrepreneurship as innovation activity, some of the surveyed emphasised that the youth needed targeted support as the most prospective and resourceful social group for innovation, agents of market changes.

“Of course, youth entrepreneurship must exist because young people are the ones watching all the trends. They are aware of everything and call the shots. They know and implement it...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“ I have children, teenagers aged 13 and 14. I am ‘old’ for them at my age of 35. The girls say she is an ‘old’ photographer or manicurist. The new generation is growing, and ‘hot air balloons’ are different for them... The normal thing is that ‘new businesses’ will be growing together with them, and new trends [will appear]

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“Teenagers and young people have lots of ideas, but they are absolutely unaware of how they can be implemented. I mean they lack skills, knowledge of what to do with these idea... There are enough coaches who teach how to do business and free materials. But I guess that as they do not have an example of what it is like to be an entrepreneur... [they avoid such activity]. Another thing is shortage of funds. They could borrow money, but responsibility scares them off: if their business fails, they will have to pay back the money”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“The youth are now on most demand... The youth have more opportunities. The people who are older than 50 don’t want to use Word, Excel”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

As for special aspects of youth entrepreneurship, the participants noted differences in the structure of business drivers of the youth. In particular, they mention value orientation that conformed to the values of the market society (freedom, independence, welfare, status consumption); development of personal traits (ambition, desire to stand out, career focus, determination); possession of specific skills and abilities (including digitalisation), status goals that facilitate success in the competitive struggle.

“The most important things for them are money, brands... They wonder ‘do we earn a lot? and how popular is it?’ When you meet 14 or 15-year-olds, ‘You don’t have an iPhone, why don’t you have an iPhone?’, or ‘What jeans are you wearing? What brand is it?’”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“

Now you can work from anywhere if you have computer and social media skills. Lots of young people work online now

”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“[The youth] start working ‘remotely’: they sell online... some staff. Some of them become SMM managers even if they have studied something different”

FEMALE PARTICIPANT, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

While discussing the peculiarities of youth entrepreneurship, the participants paid material attention to the **internal barriers hindering entrepreneurship** — wrong attitudes (inflated expectations, illusions of the youth), lack of specific traits (diligence), skills and abilities (namely communicational ones).

“They want to achieve everything without effort, without thinking and trying”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“Young people go to Kyiv... to Poland and think that their life will change, but that’s not true... They have to work even harder there... Your life changes if there is internal strive, efforts, self-work... Many of them fall victim to romance of the youth... They pursue an illusion, which is shattered in the end, and when they come back, they see that everything is not that bad”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“As they use gadgets a lot, their communication skills die off. They can’t socialise, communicate [face to face]”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

It should be noted that during the discussion of youth the participants from the age groups of 25 to 30 and 31 to 35 separated themselves from the younger groups, 14 to 17 and 18 to 24 (from teenagers and students), as the persons who had working experience and sometimes their own families and children. There was a sort of “generation” comparison, which is based on differences in the system of values, life style, taste, preferences of “parents” and “children”.

“

“As soon as you assume responsibility, duties, you don’t pertain to the youth any more. ...You do a serious thing, so you are an adult, a mature person”

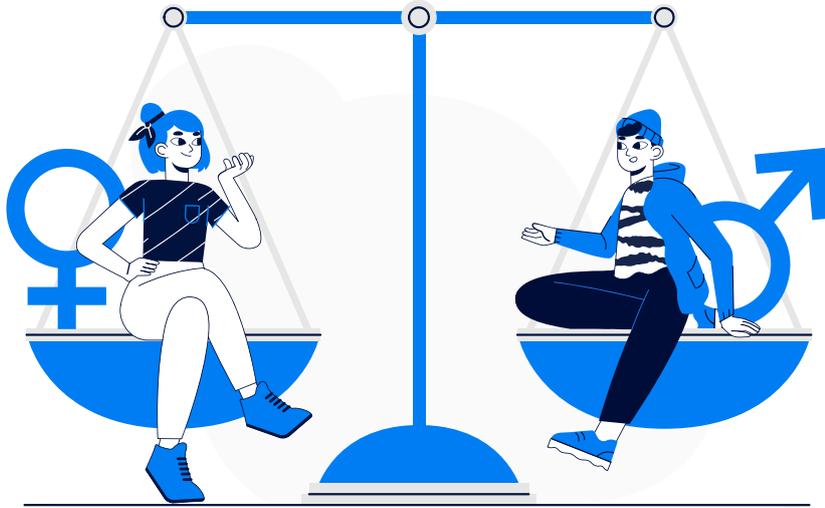
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УЧАСНИК 15, НАДАВАЧ КЛІНІНГОВИХ ТА РЕМОНТНО-БУДІВЕЛЬНИХ ПОСЛУГ, 35 РОКІВ, М. МАРІУПОЛЬ

While discussing the drivers to start your own business, one of the female participants emphasised the importance of considering the peculiarities of perception of information by the audience subject to its age during popularisation of the age characteristics.

“A person aged 12 does not think the way he or she thinks at 28, so information should be presented differently”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL



4.5. Gender Aspects of Entrepreneurship

When the gender aspects of entrepreneurship were discussed, the focus groups demonstrated the socially expected answers of the participants who wished to claim in the first place that they were against gender or age-based discrimination.

“As for the gender aspect... I have many friends among entrepreneurs, both women and men. Both successful. So I think everything is fine here”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“It does not really matter for me ... whether it is a man or a woman and how old he or she is: the person just keeps working, achieving goals and doing business”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“If the [business] qualities are the same, there is no difference. ... What matters is when you start... what matters is what the conditions are. The person either has them [business qualities] or not... There is either motivation or no motivation. A man, a woman, age – in general, it is of no significance”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND
CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

On the other hand, the opinions and judgements of the male and female participants regarding equal opportunities of women and men at the employment market, regarding equal entrepreneurship opportunities were more of the formal legal nature, because their analysis of the motives of and experience in starting own business often included the cases that, for instance, demonstrated the actual challenges and obstacles in employment faced by women, especially young mothers.

“

A woman has more difficulty getting a job both in our city and another one ... When you are hired and you are 20, the employer will keep asking the same questions, 'When are you going to get married? Start a family?' If a woman is, say, in her 40s, the question is 'How often do you take a sick leave?'

”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

According to the research, women spend more time and face more challenges on their path to business success. Thus, when they take a decision to start their own business, their families tend to oppose the idea more often. Such opposition was mentioned in cases of three female participants (the first one was her husband, the second one was her husband and parents, and the third one was her parents).

“[While doing business], I get more self-fulfilled, it ... encourages me. My husband is no support. He is concerned about my independence. He keeps saying, 'What have you achieved?' He does not support me when I have some challenges in my business.”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“My husband does not support me, he insists, 'What is that for? You have a job, work there.' During the training here [at Skills Lab: Business Platform], I wanted to buy my own rotary tiller and mowing machine... I had quarrels with my husband... He didn't like my intentions to buy the machinery. We hardly avoided a divorce in June. He didn't believe I would get the support. We had such a huge fight that I packed my

belongings and left... for my mother's place for a night. In a week, I remade the business plan, changed it for cleaning services, and we made up."

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

Some of the female entrepreneurs who chose the production area which was generally perceived as a masculine one (for instance, laser cutting and plywood production) for their business had difficulty purchasing work tools because they were not adapted for women; also, they had more difficulty finding a common language with their clients during direct sales due to the prejudiced idea that women were sellers rather than technicians.

"I've decided that my feature would be the fact that they [plywood products] are made by a woman. Because plywood products are generally made by men among my competitors, and they are sold by women. Once I took part in a fair, and there was another mother, a creative mother who knitted toys, was standing next to me. Visitors come, I keep standing there, everybody passes and looks at me, and when they reach her, they say, 'You are so great, you have done it with your own hands.' As far as I get it, nobody would even think that I also made it with my own hands... Tools... When I bought them, nobody expected that it could be done by a woman. They are created for man's hands"

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

Due to the real restrictions women face in business (or certain businesses) because of the common social stereotypes as to distribution of the gender roles, both the surveyed women and men, **suggested stronger support of female entrepreneurship.** At the same time, the participants believed that it would be

inappropriate to create “women’s groups only” for the business training programmes. They supposed that mixed-group training was more efficient.

“We have to talk about [female entrepreneurship] to encourage our Ukrainian women because women [are traditionally perceived] as housewives etc., but, in fact, women statistically have higher education more often than men but they are short of time...”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“As for female entrepreneurship, I believe that yes [it should be separated and developed] because women have more difficulty finding a job, and their work is worse paid, as far as I have seen at the example of my acquaintances”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN,
32 YEARS OLD, MARIUPOL

“If you take into consideration the stereotypical thinking, which still is very common, that women are not independent, women don’t believe in themselves (which has been instilled by men) and need help”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

So, the focus group survey has demonstrated that the young entrepreneurs who have completed the programme “Skills Lab: Business Platform” are against gender-based discrimination. The participants of the focus groups have demonstrated that the gender equality in the national SME sector is the reality to be achieved rather than fact, and creation of really equal business conditions for women at the national and regional levels requires lots of efforts. In particular, the attitude to the women’s social role in the public opinion must be changed.

4.6. Micro-Entrepreneurship Difficulties at Initial Stages

As of the period of the focus groups, all the participants of the research were already registered as IEs and had purchased the equipment under their business plan. Most of them, thirteen participants, got registered as IEs after they completed their training based on Skills Lab: Business Platform.

While they were getting registered as an IE, most participants, especially the ones doing that on Diia Portal online, noted that they did it from home very fast (in an hour or two) and had no material difficulties.

“

I didn't notice any major issues. Everything is opened via Diia, there are no complicated documents. The only thing was terms... It took me a long time to get an extract. In general, digitalisation was of great help. It was quite quick, I did everything on the same evening

”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“I had some issues with Diia during registration. I didn't work... I spent two hours, and when I was signing ... I didn't upload. I contacted the technical support service. They started texting me on Viber, then sent me three smiles, and HOORAY”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“Thanks God, I had no difficulties. When it comes to the youth, in fact, there are no difficulties [getting registered as an IE] after school or after university. I didn't choose many types of economic activity..., and there were no questions to me, I could even choose fewer of them. For instance, my acquaintance Stanislav chose four types, and that was enough, he works. Why do something extra...”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN,
32 YEARS OLD, MARIUPOL

The ones who applied to the ASC and especially the ones who had to directly apply to the tax authorities (the need was mostly caused by the wrong type of economic activity selected for the third group of the IE during online registration) faced the red tape and mentioned lack of customer focused services of the tax officers.

“My registration took a week. On the eighth day, I got all the documents. It wasn't difficult, but I thought it would be faster. I called the tax office, and they told me what I had to bring, but when I came there, they told me I had a wrong folder and didn't explain anything else. I asked when and where to pay. 'There is a stand over there, with all the information'... One CTEA was unsuitable, and I had to [correct it] via the electronic account... Their [tax authority's] website is a disaster. Well, I found everything, but why should I waste so much time browsing their website? It is very difficult to find all the templates. Another thing is that they don't inform of anything”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

“When I ordered an extract from the tax office, they didn't want to issue me an electronic one... They said that their website was undergoing reconstruction, and they couldn't issue electronic extracts. Yet, they couldn't print a paper one because somebody was on a leave. They didn't want to sign it but I signed I didn't need a signature. They disagreed and then sent me a scanned copy of very poor quality (they couldn't even scan it properly). Anyway, it was an ordinary issue, everything was resolved. I was nervous..., but I sorted it out”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“I demonstrated lack of competence... I found out that I could chose as many types of economic activity as I wanted, an unlimited number. I was going to develop my business..., so I took thirty types. I sent an application to the tax office. I came there, and they said, '... You selected the forbidden CTEA.' I got terrified and said, 'I'm not doing anything special, I'm not selling alcohol or tobacco', and they answered, 'You are. You are going to perform theatre activities, but it is forbidden.' Then I

remembered that it was red in Diia, and I read it, but didn't understand the main thing... I thought I could select it because it was crossed out. So I had to draft several applications and submit them online. Thanks God, they helped me in the tax office, and I managed"

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

While they were purchasing the equipment and materials for work, the participants faced different displays of bad-faith conduct of sellers in e-commerce.

The answers given in the focus groups mentioned inconsistency of the information at the websites of the companies selling the equipment with the actual delivery terms, prices, specifications of the goods.

"I myself had the following problem: when I was making the business plan, I called..., asked about the flower refrigerator, asked where and how to buy and install it, all the other things..., and they told me — here is the price, here is the refrigerator. Now, ... when I called to have it installed, the refrigerator turned out to be a cooler rather than a refrigerator..."

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

"I faced some difficulties during the procurement. The website I had specified didn't have it in stock..., but the terms were suitable, and I had to look for another website. So first I had one price, then the other, then the third one

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL,
34 YEARS OLD, MARIUPOL

Many had difficulty purchasing the equipment legally. The sellers often refused to provide necessary documents for the goods being purchased. As a result, they had to look for new suppliers, purchase goods at higher prices and experience delays.

"I turned out to have great difficulty buying the materials for work with the official records. Buy by sending money to someone's card —

no problem... As soon as I started asking for records — there was only evasion”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST,
27 YEARS OLD, MARIUPOL

“The same thing. I still haven’t bought a disk polisher because they can’t sell it with official records”

PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

Some of the participants of the research were dissatisfied with the quality of the goods they had purchased and had to find new suppliers.

“My biggest concern is to find high-quality materials. It is an easy task now because I have some acquaintances. The girls working in this area mostly share contacts. I decided not to risk from the very beginning and to keep working with the materials used where I had studied. Then I attended another programme and asked the girl where she ordered. What kind of materials? I took photos of all the names and containers. In fact, before the second training, I decided to try them all once, went to the store and bought all the materials thereto. Thanks God, I learnt at myself. I got a burn and decided that it was one more piece of negative experience...”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL,
32 YEARS OLD, MELITOPOL

It should be noted that only legal purchase of goods with necessary documents (cash receipt, technical certificate and warranty card) enables the consumer who has purchased the product that does not meet his or her expectations (by dimensions, technical characteristics, colour etc.) or the product of low quality to exercise the right to exchange or return the product within fourteen days as well as the right to free warranty maintenance during the period specified in the warranty card in accordance with the Law of Ukraine “On Protection of Consumer Rights”.

4.7. Role of the Skills Lab: Business Platform Programme

The participants of the research mentioned the powerful influence of Skills Lab: Business Platform upon development of their business motivation, more self-confidence owing to the motivational videos created within the programme as well as due to charisma and practical experience of the speakers involved. The programme methodology provided for equal representation of the women and men invited, who demonstrated their successful experience in micro-entrepreneurship during demonstration of the motivational videos.

“

Do you know what I remembered the most? The fact that after each meeting, at the end, a successful entrepreneur made a speech and told about himself or herself. Their stories were incredibly encouraging. You gain more confidence in yourself, you believe you can do it

”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I was so inspired during the meetings... especially at the background of what was going on at home”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“These motivational videos were sensational. Each lecture had the message that there was not scary about it [starting your own business]: getting registered as an IE is easy, going to the tax office is not scary, and the officers are pleasant. The programme helped overcome the fears and stereotypes”

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

The determinant factor for four female participants of the research to start their own micro-business was the possibility of financial support to purchase respective equipment from Skills Lab: Business Platform.

As for the content of Skills Lab: Business Platform, which had seven modules: “Where to find inspiration: how to choose the business or StartUp idea?”, “Organising your own business: business plan, its structure and sections”, “Time management”, “Legal literacy and financial element”, “Marketing strategy”, “SMM promotion, SEO”, “Organising your own business: budgeting”, the participants of the research characterised it as an integral and systematic one with the balanced components.

“It is impossible to single something out; on the contrary, the important thing is that the programme is integral. The programme did help me focus on certain details and peculiarities, adjust them. It also broadened my knowledge and outlook. I had started work earlier, but Skills Lab: Business Platform helped me see what I could do, and where. It was of great use, I mean, experience, skills etc.”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“I found every meeting, every module to be very useful. The module dedicated to development of the business plan is the most memorable, it was a sort of insight that starting your own business was simple”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

As for the most useful knowledge and skills, the participants emphasised module 2 “Organising your own business: business plan, its structure and sections” and module 7 “Organising your own business: budgeting” almost unanimously.

“I would like to single out the segment “Organising your own business”. Those were the key skills in my case”

FEMALE PARTICIPANT 7, A FEED PELLETTING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“The part with calculations where we just calculated the business plan based on the structure, with many tables, was very useful, and I recorded lots of new and interesting information [module 2.2]”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“Of course, all the information was of use. I understood for myself that the most necessary element was a ‘business plan’ [module 2], how to not only draft it in a proper and beautiful manner, but also adhere to it, as well as budgeting (the last part) [module 7]”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL,
32 YEARS OLD, MELITOPOL

“As for me, those were modules 2 and 7... I love tables and plans... – how much I am supposed to do, numbers...”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT
CRAFTSMAN, 32 YEARS OLD, MARIUPOL

“To my mind, the most important parts of the programme definitely were the business plan, the structure and the calculation [module 2], and ... budgeting [module 7]. I already have experience in the special part of such structure, I had a dream, and I had money for all that. I was more or less aware of what I wanted, and which way. The only thing was that my activity was different from business, it was more associated with grants”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

According to the feedback of the participants of the research, in terms of filling the knowledge gaps, overcoming the fears of tax reports as well as development of their own marketing strategy, module 4 “Legal literacy and financial element”, module 5 “Marketing strategy”, module 6 “SMM promotion, SEO” were of use. In fact, some of the participants lacked practice in module 6 “SMM promotion, SEO”.

“They [modules] all were probably of use... But for the business plan, we wouldn’t have reached it all [additional financing, starting own business]. Modules 2, 4, 5, 6 are important. Yet, we didn’t want to get what we wanted from module 6. It was important for me. I guess module 6 should have more practice”

FEMALE PARTICIPANT 14, A LASER CUTTING
PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I was looking forward to SMM because it is very, very [important]... I’d like to know more. I loved the seventh module because I hate making tables, I am more of a writing person))), so I had to be very attentive. However, everything was explained very clearly... I understood everything, it was very presented in a very clear manner”

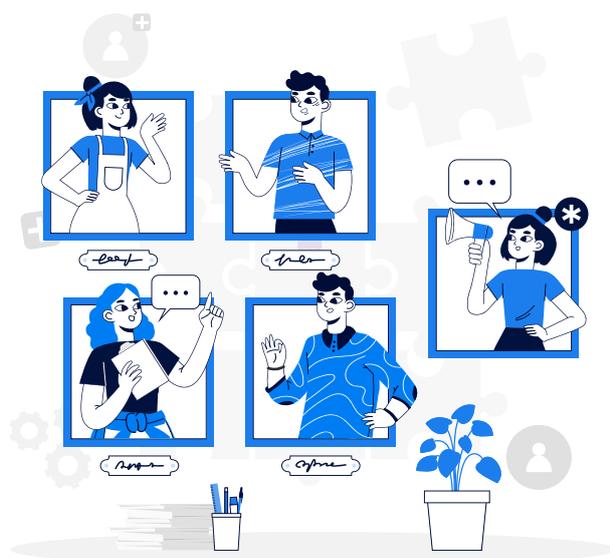
FEMALE PARTICIPANT 10, AN AIR DESIGNER,
28 YEARS OLD, MARIUPOL

“The most difficult thing was promotion, that is my personal barrier. In general, everything was excellent, very inspiring, you look at it and think, ‘come on’...”

FEMALE PARTICIPANT 9, A CLEANING SERVICE
PROVIDER, 35 YEARS OLD, MARIUPOL

The participants emphasised the important role of the male and female speakers of the programme not only to encourage them to start their own business, but also to ensure efficient training and develop certain business skills.

“The important thing was that each speaker already had a best life experience and was not just saying something: they share what they did [in business]”



and how they managed. It was very inspiring and motivational, it was a wow effect: I can do it too”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“I remember Nadiia Serhiivna among the speakers best of all because I know her)))”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

As for proposals on development of Skills Lab: Business Platform, the participants of the focus groups mentioned applicability and necessity of post-programme mentorship.

“You know, I would probably like to see some mentoring... Well, say, if you distribute these business ideas... Flower business, beauty industry, and others... There should be a person who can be

contacted as to certain matters so that there will be concrete information at least at the first stage”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER,
35 YEARS OLD, MELITOPOL

“I agree, I also had some questions during the training, but I was shy to ask them”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL,
32 YEARS OLD, MELITOPOL

“I'd like some mentor support. A marketing part... What I have written must work. Legal literacy... I understand how to fill in reports, there is software that helps. It is not that difficult... But there are some questions I'd like to ask, to get more information”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“Yes, I also agree. If there was an opportunity to go somewhere, ask someone, at least in the beginning...”

FEMALE PARTICIPANT 5, AN AIR DESIGNER,
27 YEARS OLD, MARIUPOL

“I even thought: it's a pity that we had mentorship only for two months, why can't we get it now? I do miss Katia Shtainberh [SMM], who was very helpful with the social media; it is such a hard part”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

4.8. Conclusions Based on the Focus Group Findings

1. Despite the undoubted uniqueness of the business motivation systems of the participants of the focus groups, these systems can be classified by the combination of the internal drivers. Thus, the research has enabled finding three standard motivation models as to the youth starting their own micro-business: “hobby commercialisation”, “experience monetisation”, and “mother and entrepreneur”.
2. The obvious tendency is that the social and psychological factors (independence, self-fulfilment, creative self-expression, satisfaction) outweigh the economic factors (commercial success) in the business motivation of the youth.
3. The internal business drivers (personal goals, needs, interests, desires, demands, abilities, skills, talents and preferences) are generally more important than the external factors (start-up capital, moral or financial support, successful business cases around, employment difficulties).
4. An immediate decision to start their own business is taken as a result of combination of certain motives and drivers. As for five female participants of the focus group survey, the determinant factor to start their own business was possibility of financial support for implementation of their business idea, and four of them decided owing to Skills Lab: Business Platform itself. The factor of higher education is of little significance in starting own business.

5. In the first place, the participants of the research associated business qualities as a significant motivational component with determination, self-confidence and responsibility. The second significant group of the business qualities included sociability, creativity, courage, pro-activity, dedication, flexibility, stress resilience, and self-discipline.
6. The primary obstacles that prevent the youth from doing business are psychological: these are fears, psychological discomfort, lack of certain business qualities. The fears are mostly connected with the prejudiced expectations of complicated business activities as well as lack of respective knowledge and abilities of the youth, lack of positive cases around.
7. The participants of the research who have been trained at Skills Lab: Business Platform are against gender-based discrimination. At the same time, they claimed based on their experience that equal opportunities of women and men at the national employment market and equal business opportunities are the reality to be achieved rather than fact. Despite no legal restrictions, in practice, due to the common social stereotypes of distribution of the gender roles, women (especially young mothers) often have difficulty getting a job and take a longer and harder way to their business success, which makes it necessary to support female entrepreneurship.
8. As for the extent of favourability of the local business environment for micro-entrepreneurship, the members mostly assessed it between “medium”

and “good” based on the five-point scale. The average weighted scores of the cities covered by the research made: Berdiansk — 3.5 points; Melitopol — 3.5 points; Mariupol — 3.7 points.

9. The peculiarities of the business environment in their cities described by the participants of the research are mostly explained by the size and geographic location of the cities, the level of infrastructural development, and the policy of the local authorities.
10. As for the positive tendencies, in Berdiansk they mentioned active development of the service industry and trade due to the resort status of the city; in Melitopol — high level of business activity, namely rapid development of the beauty industry, no pressure on small businesses, entrepreneurship support programmes, development of the consumer environment in the city with the “students” status. As for Mariupol, they noted active development of the municipal infrastructure, increase in the level of the public paying capacity, launch of entrepreneurship support programmes, broad opportunities of informal education, adequate quality of the administrative services and digitalisation thereof.
11. As for the common issues that hinder business development in the cities, the participants of the research mentioned high prices of lease of business premises, lack of tax benefits (tax holidays) for the youth starting their own business, and outflow of the youth. As for the purely local issues, they are seasonal nature of business in Berdiansk, imbalance and high level of competition among small enterprises in Melitopol; and the suburbs falling behind the centre in development and the limited commodity market in Mariupol.

- 12.** As for attitude to the youth entrepreneurship, the participants demonstrated three approaches: a socially oriented one (need to support due to increased vulnerability of the youth at the labour market, unequal competitive conditions); an innovational one (need to support the youth as the most prospective and resourceful social group, i.e. agents of changes, when it comes to innovation); a generation one (young people as carriers of certain generation characteristics — value orientations, behavioural practices).
- 13.** In terms of the “generation” approach, the participants of the research (who pertained to the age groups of 25 to 30 and 31 to 35), the participants of the research emphasised the following peculiarities of the motivational core of youth entrepreneurship: conformity of the value orientations to the values of the market society (freedom, independence, welfare, status consumptions), development of certain business traits (ambition, desire to stand out, career focus, determination); possession of specific skills and abilities (including digitalisation), status goals. Accordingly, they mentioned the following internal barriers: wrong attitudes (inflated expectations, illusions of the youth), lack of specific traits (diligence), skills and abilities (namely communicational ones).
- 14.** The participants from the age groups of 25 to 30 and 31 to 35 separated themselves from the younger groups, 14 to 17 and 18 to 24, as the persons who had working experience and sometimes their own families and children. There was a sort of “generation” comparison, which is based on differences in the system of values, life style, taste, preferences of “parents” and “children”.

- 15.** While they were getting registered as an IE, most participants, especially the ones doing that on Diia Portal online, had no material difficulties. The ones who applied to the ASC and especially the ones who had to directly apply to the State Tax Service sometimes faced the red tape and lack of customer focused services.
- 16.** The difficulties which the participants of the research had to overcome while purchasing the equipment, working materials for their business were associated with various displays of bad-faith trade, including e-commerce: inconsistency of the information on the website of the companies selling the equipment to the actual delivery time frames, price, specification of the goods; offers of “shadow” purchase of the equipment (without applicable documents); low quality of the goods.
- 17.** The participants of the research noted the powerful influence of Skills Lab: Business Platform upon development of their business motivation, more self-confidence owing to the motivational videos as well as due to charisma and practical experience of the speakers involved.
- 18.** As for the content of Skills Lab: Business Platform, the participants of the research characterised it as an integral and systematic one with the balanced components. As for the most useful knowledge and skills, they emphasised module 2 “Organising your own business: business plan, its structure and sections” and module 7 “Organising your own business: budgeting” almost unanimously.



V

Findings of the In-Depth Interviews



- 5.1 Successful Cases of Micro-Entrepreneurship
 - 5.1.1 How Business Ideas Are Born
 - 5.1.2 How Difficult It Is to Make a Business Plan
 - 5.1.3 How to Find “Your Niche” at the Commodity and Service Market and Get Clients
 - 5.1.4 Role of the Team in Starting Micro-Entrepreneurship
 - 5.1.5 How to Organise Entrepreneurship and How Much Money Is Needed
 - 5.1.6 How to Promote Goods/Services
- 5.2 Potential Challenges of Entrepreneur
- 5.3 Intentions of Entrepreneur
- 5.4 Conclusions Based on the In-Depth Interviews

5.1. Successful Cases of Micro-Entrepreneurship

5.1.1. How Business Ideas Are Born

Nine participants of the research out of sixteen started their business in the service industry: sugaring, photography, air design, web design, inclusive early development studio, redecoration of buildings, cleaning; six chose the production industry — dried fruit and candies, cakes, mixed feed, epoxy resin products, laser-cut plywood products, hand and machine-embroidered products; one started working in trade (flower shop).

The participants came to the programme both with the business ideas that have been “nurtured” for a year or years and with the fresh ones, several months and sometimes even days (for instance, the way it happened to one of the female participants who had to remake the project in a day due to the family situation and changed her business idea cardinally).

Given the cases of the participants collected during the in-depth interviews, with some data from the focus group survey materials, we classified the cases of the participants as to creation of the business idea by the sources of ideas.

“There are ideas on the surface”. This group includes the cases of the participants (mostly the ones who commercialised their existing professional experience or hobby) who relied upon the activities/experience of the people around. The participants of the research had the high level of trust to the people around so they gradually placed themselves into their shoes (assessment of their own psychological, professional, financial, technical readiness) and ultimately turned to creative succession (adapted the idea to their own abilities, vision, desire, skills, financial and technical conditions, peculiarities of the local market etc.).

The process can last several years, but, as one of the participants admitted, it was one of the most reliable ways. Thus, after he had worked at the construction site for many years, he turned into the multi-purpose worker who could perform different works on his own and studied the construction service market in the city well. As a result, he found his own niche at the service market and focused on redecoration of commercial premises and provision of integral redecoration services.

“... To do what the others don't... For instance, an integral approach... Some people want nothing but to plaster walls. Or they say that they can make a ceiling... But there is an integral approach when a person is in Kyiv, not in Mariupol, and he or she can..., if he or she wants and for a fee, issue a power of attorney to the person who will do it all [re-decoration]. What I want to say that not every builder will be able to do it. It doesn't mean that there are no competitors in this niche. It means that they don't provide integral services”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

When her family disagreed to develop the agrarian business, one female participant had to look for a new business idea for the project promptly, and she used her previous working experience with the cleaning companies, her knowledge on cleaning agents and special devices used to clean carpets, furniture. She also considered that such services were absent in the suburbs of Mariupol, namely at the service market in Sartana and Talakivka.

“ I used to work for cleaning companies, and I made use of that experience... Nobody provides cleaning services where I live... I don't set high prices for my services [I charge 200 hryvnias to clean one place/product], I'm ready to come to the customer myself while nobody will come from the city because it's not profitable... I provide high-quality services... My clients are grateful, they like my work

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL



Another way to find a business idea based on the previous negative experience is “to do the opposite”. It was used by one of the female participants, who was dissatisfied with the format of the early development services in the kindergartens and schools where she had worked as a psychologist. While she was providing early development services to children from home, she could not help thinking of her own early development office for a year, but she lacked skills and money. In the end, she has opened the office with her family’s support and owing to the external financial support, and keeps developing it successfully.

“I used to work in a kindergarten, and I didn’t like out-of-date methods of work with children, namely with the ‘special’ ones, so I decided to try working for myself [with children with disabilities at home]. ...The people who wanted to give their children more than ... a kindergarten ... could started to contact me... In the first place, they were parents of the children ... with developmental challenges, who were openly ignored in the kindergarten, and such children need support. ...I started working with children with fear, I was very worried, but it turned out I could do that ... I had certain intuitive abilities, to find a common language with a child... The city lacks entrepreneurs who would provide children development services, especially to children with disabilities”

FEMALE PARTICIPANT II, A PSYCHOLOGIST, 25 YEARS OLD, MARIUPOL

In the research, we also had cases of the female participants who mostly considered life competences, household skills and abilities rather than professional ones while they were looking for business ideas. That experience and monitoring of the local markets showed to them that there were certain “unoccupied niches” where they could express themselves by offering a wider range of services or higher quality.

“My idea is that you must do what you can. I can make cakes... I have always baked cakes for the entire family. I had some minimum equipment because I was interested... I hadn't considered that [idea] for a very long time, it happened in January [this year]. My husband told me, 'Try doing that, you can't return to work so try turning this into your profession — now, for several years, while the kids are young'... I watched some courses that could help me understand what I lacked to start making cakes by order”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

The business idea of another female participant, who bred farm animals and knew herself how difficult it was to fund proper feed and decided to produce such feed herself, is also closely connected with the household activities.

“I had this idea because I personally realised how hard it was to find the feed of adequate quality. I'm not talking about the price, I mean I was hard just to find it. I have a little farm: there are broilers, hens of different breed (for meat and eggs and meat). There are different types of feed, different manufacturers... There are lots of them now. Feed is supplied from Mariupol, Zaporizhzhia, it is not made in Berdiansk, but the quality is poor... The [feed] manufacturers whose flow has grown have stopped monitoring the quality to decrease their costs and direct this money at advertising, for instance. I mean, it is not grain anymore, it's just husk. They are pressed and processed thermally, and you will never know whether it is grain or husk. In the end, you buy and feed, hens eat, but there is no result, they don't grow, they fall sick (fall down to their legs). It is such a big problem...”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL,
30 YEARS OLD, BERDIANSK

“Thanks to the first clients!” This is about the participants who used to take pictures as a hobby but were serious about it: they got trained, upgraded their equipment, improved their skills and earned the positive image in their new professional environment. The first clients and first income encouraged them to commercialise their hobby.

“The breaking point was the first money I had earned. I got a call and heard, ‘Listen, we’ll pay you that much, just come and take pictures of us.’ I hadn’t earned by taking pictures before that, at all. They were my good acquaintances. They suggested, ‘Yes and yes, I’ve seen that you make and post cook pictures, I also want pictures. It’s my birthday, come and take pictures”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“When I took up photography, I didn’t think it would turn into business. I loved it. I took pictures for pleasure. Then my acquaintances started asking me, they liked my pictures and paid me for them, out of gratitude, because any work must be rewarded...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“ I earned 600 or 700 hryvnias for my first order, in a couple of hours. Then it was good money, a huge difference in comparison with work for hire. I saw I could earn more in less time and invest the rest into development or something else

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“Equipment opens up opportunities.” Some of the participants affected by certain circumstances (the need to expand the range of their goods, considerably growth of the quantity of orders, spoilage of the products made etc.) saw an opportunity to commercialise their hobby or optimise and scale up the family business by means of modern technologies and special equipment (plywood laser cutting workbench, embroidery machine, fruit cutting and drying machine etc.).

“...I have been working for two years and a half [I started during the maternity leaves]. I have an inborn talent, my father was a furniture maker. I have a workbench [we bought it with my husband for five thousand dollars we had been saving for a car]. I make plywood products. They are decorative elements, toys for children, gift boxes... I make them with my female hands. From the very beginning till the very end, from the layout, communication with the client and approval of all the aspects up to the finished product. I upload the layout of the product at the computer, and then I polish and paint it and so on”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“My family grows apples, and some apples that can't be sold are left after the calibration and sorting. First, we made juices..., but freshly-squeezed juice goes bad very quickly. I decided that it would be a good idea to dry apples and make fruit candies. In addition to apples, there are pears, raspberries, currant, blackberries... My parents supported the idea”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

“[During the pandemic] I had to take more embroidery orders, and I realised some day that I couldn't make all the orders by hand because I had the orders until March next year. ...One [embroidered] shirt can take two to nine months, there can be such

shirts... Now I already have it [embroidery machine], and I've tried to make my first product. I'm going to make towels, embroidered shirts, for men and women, passport covers, notepads, embroidered shirts for children — the first embroidered shirts for children are called “lioli”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“Surf the Internet for ideas.” Some of the participants had the idea “Why not? Why don't I do it? Why don't I earn in this business?”² spontaneously: when they were surfing the Internet for business ideas, they liked a certain activity or new word, which concealed the interesting and acceptable activity. Of course, “the activity was tried on” against the background of emotional enthusiasm to assess the ability to do it.

“I can't explain, ... an ad [on sugaring] popped up [on Instagram], ... why not try? ... I'll study, and then we'll see”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“The plan was born in my head, probable, a year and a half ago. I accidentally saw it [the video on epoxy resin products] ... on the Internet (or Instagram, I don't remember, or some other search engines), I liked it,... and that was it. Following the line, it was

² These are not direct quotes of the participants; it is a summary, but the questions with the negative particles have been preserved. To our mind, it shows both major doubts of the respondents during decision-making and awareness of considerable risks of plunging into the unknown industry

shown more often... then I got interested, started reading how it was done, how it was poured... In the beginning, I liked wooden tables [with resin inserts], ... the way resin looked. Then I saw lamps... I'm mostly interested in lamps, night lamps. I just like the way it's done... But I couldn't plunge into that at once. I had neither money nor time. ...I started to study everything in more detail, say, when we went to the business school..."

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

As we can see in the cases of the participants of the research, the business ideas are mostly born out of the rational source. The emotional impulse and intuition ("it is my cup of tea") at times can make people think or accelerate the decision to start your own business as it helps overcome excessive fears or doubts. Drawing analogies is important in creation of business ideas: analogies of people, analogies of place, analogies of activities.

Thus, you should just look around, see the routine from a new prospective or catch a glimpse of an attractive picture or word on the Internet, hear positive feedback on your activity from close people, and the business idea treasure box can be filled. All you need then is courage and desire to implement the idea.

5.1.2. How Difficult It Is to Make a Business Plan

Before Skills Lab: Business Platform, eight out of sixteen participants of the research had never dealt with a business plan, five of them had

some ideas of a business plan owing to higher education or informal education programmes, but had no experience developing their own business plans, and only three had developed a business plan before (one participant for the contest "Donetsk Kurkul 2018", and two participants for previous grant projects). Thus, when asked about the useful skills developed by means of the programme, most of the surveyed chose the ability to develop the business plan or its element.

"To be honest, while I was making a business plan, I was looking for a person to do that for me. I didn't know how to make it. But I couldn't find anyone, so I decided I'd do what I could. I started googling. There were lots of business plans for sugaring, but I didn't like them, they were wrong... Of course, I'm proud of myself because I made it from the very beginning till the very end although I didn't believe in myself. My husband, my mother-in-law, everybody believed in me except for myself. I would give myself five points, but there is a defect — I didn't estimate the budget properly"

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

"When I was planning to purchase a flower refrigerator (it is made of shop window elements from reinforced plastic [like windows]) ... [I was wrong about the terms]. I placed the order and realised that it was the "re-decoration season" (I mean summer... people went on holidays and started re-decoration), and I had to wait for the shop windows to be made for about three weeks [which postponed opening of the shop]"

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

“Before the training, I had never had to make a business plan, so I couldn’t do it. It is very important and essential to start your own business. You also need a business plan to expand your operations”

FEMALE PARTICIPANT 10, AN AIR DESIGNER,
28 YEARS OLD, MARIUPOL

“That was my first time making a business plan, I had no idea how to make it. I learnt how to do it, and I managed... I delivered my message best of all”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT
CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

“I always knew I needed a business plan. They said it ... at all the training courses I went to. ... Before [Skills Lab: Business Platform], I seemed to have it all in my head, but I had difficulty doing it on my own. Calculation of the net cost and financial tables were of most value...”

FEMALE PARTICIPANT 16, A UX DESIGNER,
32 YEARS OLD, MARIUPOL

“I think I’ll try to make another business plan... At least, I have the basis. As far as I get it, different goals, different programmes ... need other business plans... There can be some peculiarities... But it’s always of great use to do something new for yourself... It is intellectual work, it’s more than just whisking”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“It was my first time ever. We might have studied at the lessons that a business plan was made of this and that... to attract investors, we just considered it superficially, and that was it... It was easy because the idea [of a photo studio] hadn’t been born a week ago; I had had it for a long time, for about two years, probably... I had been making plans of how I saw that so writing the text [of the business plan] ... was

easy, but the calculations and tables were difficult... It’s just that there is no sample... although I like calculating... It is impossible to take everything into consideration, I had to remake the budget for myself, with a more conscious approach and better understanding... I was prompted where I could get other illumination. Now I know... In general, it is ok for a novice”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

“I learnt a lot. Working online wasn’t new to me, but those tables were very difficult. Very difficult, I don’t why, but that Word was absolutely unsuitable for me. I know that there is nothing difficult about it, but I couldn’t manage. I quit everything, got irritated and thought, ‘That’s it, I’m not doing that, I just won’t come.’ Then I thought, ‘Come on, I’ve written it, I tried, thought and wanted that at the end of it!’ So I came back and tried to master the tables. Still there were moments, probably twice, when I wanted to quit, turn around and leave. I didn’t want to waste my work”

FEMALE PARTICIPANT 7, A FEED PELLETTING
PROFESSIONAL, 30 YEARS OLD, BERDIANSK

During the research, interesting results were demonstrated by the method for self-evaluation of business plans by the participants at the five-point scale. After they had made considerably efforts to write a business plan, gained new knowledge and skills, overcome their fears and lack of confidence, most of the surveyed were openly proud of the work they had done and scored their business plans as “good” and sometimes even “excellent”. At the same time, the participants clearly saw the defects and errors in their business plans in terms of the completed stages of their activity, so they

“ I always knew I needed a business plan. They said it ... at all the training courses I went to. ... Before [Skills Lab: Business Platform], I seemed to have it all in my head, but I had difficulty doing it on my own. Calculation of the net cost and financial tables were of most value... ”

reduced their score. The principal challenge was wrongly estimated deadlines, sales increase plans as well as insufficient consideration of technical aspects of operation of the equipment purchased, which resulted in unplanned costs.

“...I overestimated the targets. They are fine for summer, but probably [not really] ... for winter, as for a novice confectioner with no stable customer base... I set the targets too high... ... I calculated the intensity with account of my capacities, I can keep up with it, but the intensity must be set with account of the seasonal nature and specific aspects of the city...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“I didn't consider all the equipment. When I was writing a business plan, I hadn't done machine embroidery yet, I just knew the theory. When I started trying, I realised that I lacked some things. For instance, a thread reel was big, ... I needed an additional holder. It isn't very expensive (200 to 500 hryvnias), but it has a great influence on the quality of the embroidery. Also, my business plan

included an online store at the Marketplace. They say that opening ... takes three days. I started ... doing everything, ... adding my goods, and it turned out it took much more time [to start an online store], at least a month”

FEMALE PARTICIPANT 8, AN EMBROIDERY
CRAFTARTIST, 27 YEARS OLD, MARIUPOL

“My business plan is focused on developed on the page, more sales. I need a professional to get new orders. It will enable be to do more and organise my own point of sale, a stall. I was going to open the point of sale in October, but I'm not. I'm a month late because I was looking for an SMM expert”

FEMALE PARTICIPANT 14, A LASER CUTTING
PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I made a little mistake, let's be honest. My business plan provided for payback in seven months. In fact, it will be the twelfth month because I didn't consider development of the new portfolio. I need time to develop it because I can't use the old one, with its prices...”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“While I was making a business plan, I forgot about the scales. I don't know how I could have done it — how am I supposed to weight? The cable, the rectifier, the scales — I didn't consider any of them. The rectifier costs 4,500 to 5,500 hryvnias if it's a good one, the scales are 1,500...”

FEMALE PARTICIPANT 7, A FEED PELLETTING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

“I didn't have business plan making skills, but the programme taught me how to do it. I guess it wasn't very good for the first time, but the mentors helped improve it. I believe making a business plan is a very important skill”

FEMALE PARTICIPANT 11, A PSYCHOLOGIST, 25 YEARS OLD, MARIUPOL

“When I started writing my business plan, ... I hadn't found premises for a flower shop... I had had the idea for a long time, and I knew where the shop had to be... There was a major flow of people, a crazy one, and all the other things... I could really see it there. But I didn't book the premises in the beginning. When I completed the grant..., and then, when I got everything confirmed, the classic thing happened — they were already 'gone'. When I called to rent it, I was said that, unfortunately, the premises had been leased for a long time, so I had to look for new premises”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

“I have nothing to compare with... This is the first business plan I have ever made. I haven't seen any others so I have some doubts...”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

On the contrary, some of the participants felt they had benefits owing to their experience in development of business plans.

“I like it [my business plan]... I don't know what to compare with... I'd give it '5'. Show me another one, I'll say that it could be better than mine”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“I didn't expect it would take so long to buy the moulds. I supposed [in the business plan] that the first works would be done at the beginning of September; but there was a delay with the moulds in the end because they were made by order for up to two weeks. So there was a general delay about the plan”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

Thus, although almost 80% of sixteen participants of the research made their business plan for the first time, they managed to create the plans that enabled them to succeed in the competition, obtain financial support for their micro-entrepreneurship from Skills Lab: Business Platform, and get registered as an IE and launch / legalise / expand their business within three months upon the start of the programme. According to the participants, their programme helped them realise that starting your own business was not difficult. The business plan enabled them to elaborate

Some of the participants had perfectionist attitudes and were very critical about their first experience of writing a business plan, so their score was medium.

their dream, “visualise the image in their head”, assess their resources and arrange the steps necessary to achieve the result.

“You make your plan and then follow it step by step, that’s it... There is nothing difficult about it. You just do this, then this and that — and you are already a businessman, you are in”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“It [the business plan] didn’t have 28 pages... Actually, it clearly shows... what steps... actions... what I have to do... I do use it... When you open it, you have a clear understanding of what you must do. To my mind, everything is very brief there, but still informative”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“While I was writing a business plan, ... I could already see what my office would be like, what materials I would work with. So everything was easy, I see my goal now and keep achieving it”

FEMALE PARTICIPANT 1, A SUGARING
PROFESSIONAL, 32 YEARS OLD, MELITOPOL

However, it also requires the high level of motivation, the sustainable desire to start your own business (which will help overcome the first challenges, for instance, calculations or tables), persistent training and qualified mentor support. Therefore, it is definitely easier to develop the first business plans during such training programmes as Skills Lab: Business Platform or other numerous trainings available.

“If you have never had your own business, you don’t understand what to start with, what must be done, what actions must be taken... for what... So, I’ll have a look — ok, I’ve taken a look... I could take a look at the same things..., as I didn’t understand what was going on and how it was supposed to be done... You lose lots of time, but when you are a part of the project, [it gets clearer]...”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

5.1.3. How to Find “Your Own Niche” at the Commodity and Service Market and Get Clients

While they were developing their business plans, the participants of the research analysed the market environment in their industry: Are there many competitors? What is their pricing policy? What range of goods and services do they offer? They also analysed their target audience: their social and demographic characteristics, needs, tastes, habits, paying capacity, and considered their own business and market positioning.

Subject to the industry and use of online tools in operations, the selected marketing strategies, experience or customer base, one of the participants was mostly focused on the international market from the very start, some were aimed at the national one, but most preferred the local markets covering the whole city (Mariupol, Berdiansk or Melitopol) or separate districts, such as Sartana Village or Talakivka Village at the outskirts of Mariupol, or Osypenko Village and others in the vicinity of Berdiansk.

During the survey, the male participant who had been working abroad for several years explained the benefits of selling the decorative elements made epoxy resin at the international market owing to the e-commerce tools with the much higher paying capacity of clients, who are less demanding and stringent.

“When it is online, a person abroad just presses the Buy button, and that’s it: you have five days to make and sent it. The people are more financially stable there. 10, 20 and even 50 dollars are not that much for them... They just click it, ‘it’s beautiful, I’ll get it’, click it, buy it and even forget what they have bought. ...It takes less time because ours... if these are orders from Mariupol or somewhere from Ukraine, that’s Instagram, live communication with a client, which takes a lot of time... They start asking, ‘Can you add a little blue there? And some more pink?... I don’t want this, I want that... Can you prompt me ... what is better?’ And it can last long, a week or even more; a person is bored, he or she wants communication while I still have to answer these questions because this is my job”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

At the same time, operations at the international market demand more attention to certification of goods and products in accordance with the standards of the European Union, use of the EU labelling, development of website content in English etc.

“As for foreign customers, it goes without saying. They won’t buy without it, there will be no demand. There has to be information on what resin it is, what

its chemical components are, ... how to handle it. I mean, can you put hot things on it? Can it be left in the sun? How to work with it? How to take care of it? There is different resin: some is scratched, some is not. You can put hot things on some products while there is resin that is not hot-proof..., you can’t put hot cups because they leave traces, resin goes yellow and so on. All these things have to be described accordingly because there is more focus on this abroad”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

One female participant with her hand-embroidered works has already entered the Ukrainian and even international market. Her feature is exclusive products.

“The customer base is probably several dozens of people. Now I am embroidering the shirt for a client in Kyiv, and two towels have been ordered in Zhytomyr... All over Ukraine. My works can be found in the USA, Greece, Germany, Italy... My products are unusual. It isn’t serial production, each product is unique and made for its buyer. [My motto is] being unique, so it is the embroidered shirt nobody else has. ... I made one embroidered shirt by order. ... The customer’s family was relocated here, to the east of Ukraine, after World War II. The customer dreamt of having the same embroidered shirts as his parents wore. I made a research and found the ornament used in the village to embroider the shirt... I found the author of the book who had lived in that village. She told me about her village; in particular, she had the books on embroidery, with the patterns of the embroidered shirts they wore there...”

FEMALE PARTICIPANT 8, AN AIR DESIGNER, 27 YEARS OLD, MARIUPOL

She has no competitors at the local market in Mariupol.

“I have found such services [embroidery by order] in Mariupol. Some serial ones are available, but there are no exclusive offers. Of course, I socialise with those who embroider, but these people do not work with clothes, they mostly embroider pictures”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFTARTIST, 27 YEARS OLD, MARIUPOL

Another female participant, a UX designer, is gradually entering the Ukrainian market and is going to develop there and provide website design package services in the future.

“[I have] online business, and I don't have to rent an office, I can work all over Ukraine... The area of my operations is not very popular yet, so there are few competitors. I have enough clients, there is demand for the service... A very important thing is to advertise yourself and to make a name for yourself to succeed. ...I'm planning to improve marketing, to expand cooperation with two partners and to find more serious orders. My global plans are to create a turn-key product by mastering new design skills (front-end and others) to know more and get more orders”

FEMALE PARTICIPANT 16, A UX DESIGNER, 32 YEARS OLD, MARIUPOL

The other participants are focused on the local markets, where is generally typical of micro-entrepreneurship, with its minimum distance between the manufacturers of products, service providers and consumers. Some of

them even emphasise the local nature of their micro-business in their brand.

“Our region actually has lots of its own flowers, wonderful flowers. In the steppe..., field flowers growing in our yards. We have lots of small house suburbs. I wanted to emphasise that they didn't have to be some fanciful flowers, they are cool and prestigious, but our local ones are really atmospheric, cool and authentic. I had had the idea before, but it was materialised together with the premises”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

A considerable share of the young entrepreneurs are focused on the creative industry (photography, leisure, beauty, floristry) because they understand the satisfaction of aesthetic needs as important for a modern person as vital needs.

Except for the cleaning services in the rural area and the services of early development of children with disabilities, the production or work industries selected by the participants in the cities covered by the research have quite a high level of competition, which makes the participants who have started their business look for competitive advantages actively.

“[In the sugaring industry] we [Melitopol] have 30 persons for sure although the city is very small. There are already four of us in the business centre where I rent the premises. I rent an office, and the girl opposite me has also rented an office. We all get trained, improve our qualifications, and generally

use the same materials in work. I communicate with the girl who teaches sugaring in our city a lot. She has also trained me, and we've made friends. She has two new students every month. There are lots of us, with big competition. All of us work on Instagram, each has her own clients, but still there are lots of us. Music, ... polite attitude. I see no differences in novices now"

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

"As for our small city [Berdiansk], the niche [of home-made confectionery products] is quite full: 15 to 20 confectioners. ...Eight to ten how work from home professionally, have regular orders, plus

those who want to do that in their free time... But in summer, when there are lots of tourists, even all these confectioners can't satisfy the demand..."

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

"There are more and more competitors. When I just started [laser cutting], there were two other workbenches in the city. Now, in two years and a half, there are more than ten or maybe even fifteen of them. Most of them are advertising agencies, which buy workbenches for their souvenir products"

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“ [I have] online business, and I don't have to rent an office, I can work all over Ukraine... The area of my operations is not very popular yet, so there are few competitors. I have enough clients, there is demand for the service... A very important thing is to advertise yourself and to make a name for yourself to succeed. ...I'm planning to improve marketing, to expand cooperation with two partners and to find more serious orders. My global plans are to create a turn-key product by mastering new design skills (front-end and others) to know more and get more orders

”

Some of the participants think that the way out is to gradually narrow the operations and segment their target audience, for instance, family or portrait photos only, or certain cakes or desserts only.

“In Mariupol, there are lots of people who take pictures as amateurs and earn this way, ... lots of them, around 120 photographers, while ... there are only 15 to 20 people ... in the top segment. The top segment that creates high-quality videos and photos is not sufficiently occupied... As for me, I offer different types of photos: weddings, any events, personal photos, but my main focus is portrait photos. What I want to show with my photos is that everyone who wants a picture from me is beautiful in their own way, and my task is to show the people that they are unique and cool. Orders vary greatly, ... I'm at the stage when it is early to be picky about orders, there aren't enough of them. I'm trying to choose the direction that ... will be successful”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“I made a competitive analysis... seriously. ...Of the top photographers who do offer high quality..., there are up to ten of them. The cost of a photo session like that is 1,500 to 2,000 hryvnias. When it comes to the middle class (there are about ten of them), the average price varies from 800 to 1,000 hryvnias, 1,100 to 1,200 hryvnias. But there's another group: 'I have a camera, I've bought it, I still don't know and can't do anything, but I'm taking orders', the people who are not familiar with the matter at all... Their price is up to 500 hryvnias, 200 hryvnias. Still,

there are clients ... for whom it is more than enough. Each photographer has his or her own clients... The niche of family photographers in Mariupol ... is not occupied that much. There aren't many competitors, I guess, that's because few photographers want to make efforts and deal with the child's photo session. The child's photo session takes up a lot of energy, and you must find a common language with children: that makes photo sessions special, and there are not so many competitors”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“Children's parties are great events! People can go without a cake themselves, they can get it from a supermarket or a confectioner's neat home, but when it is a child, especially the one who turns ten, they ... do their best to create a real celebration for their kids, and I help them create this atmosphere... I have partners here, in Berdiansk, who make food prints, and I order pictures from them... There are partners who make gingerbread cookies with edible prints, also boys from Berdiansk. It is very important for children's cakes. Practically all the cakes for children are made that way. Children look forward to getting them”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“I have lots of specialisations, so something must be reduced... I'd like to turn to commerce, shooting objects, and to personal orders, portraits... I mean I want it to be ... really ... Super-creative”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

The other participants tend to expand the range of their goods/services, namely with the exclusive ones.

“I want to find out how to deal with ingrown hairs to give advice and consult my female clients... I want to focus on that. Sugaring professionals generally don't want to study such problems deeply... I used to be a client myself, and when I asked the girls about it, they said, ‘That's not our specifics, why should we plunge into it?’ But I do want to ‘plunge’ there”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I'm planning to expand my services in the future... I guess I'd offer yard cleaning, window and façade washing, tree cutting, weeding and other works for detached houses. I will have to hire a person ... for these works in spring”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“Exotic is very fashionable now, but naturalness is also popular; that's why there are ‘Local Stems’... As for the fashion trends, they are men's bouquets, they are more fanciful, darker, ... exotic (no field camomile, no immortelle, no peonies or roses). They are bog, cool, high-quality and expensive. There are few of them in the city. ...I'd love to work with immortelle, it is popular now, ... there can be any compositions, but it requires equipment. I'll try to find funding or earn it.. I have beautiful cache pots, ... they look great, so cool. I'm 100% sure there are none in the city. And packaging, accordingly. I haven't seen anywhere in our city, at least, ... packaging for flowers that would

be for kids, interesting to a child. When kids go to a birthday party, they always bring ordinary flowers or flowers in a pot. I'd like to cover this segment as well”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

When asked to specify special/distinctive features in the selected industry, all the participants of the research emphasised the customer-focused services (personalised approach to clients) and guaranteed quality of their goods/services.

“Our life is routine...: work, home, studies, whatever. And a celebration is something to remember: bright moments, bright emotions and sensations... Those sparkling eyes when you show a kid the cake he or she wanted, with his or her favourite characters! My son had his birthday party on 13 September; I have him the cake, his eyes were shining. I saw those eyes, and he was not the first kid to get what he wanted, what he liked... I bring festivities to people! It's not just buying a cake, you can get one in a supermarket... A cake is always a climax of the celebration..., I have seen my female client today, a regular one, it's her third order, and she said, ‘My mother can't forget your cake.’ It is wonderful!”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“One of my clients regularly orders perfume boxes. He has different sizes of vials every time. Every time, I have to think, structure the box by geometry and dimensions, make a sample to see what it is like, if

it is fine. It takes time, it's a long process: creating a sample and making it suit the order"

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34-YEARS OLD, MARIUPOL

"The client's convenience, comfort is a very important thing... I make scripts (even though it takes an hour) to understand how I'll plan this hour, what we will be doing, what we will be saying to relax clients because... they aren't models, they are ordinary families, ordinary people, there are special techniques... Of course, the word 'techniques' sound rough, but I do use it"

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

The secret of how many of the participants "win over" their clients, especially in the creative industries, was often explained with a specific creative intuition and skilful communication with a client, which enabled them to "feel the emotions", "open up the personality", "guess the desire" and "make the dream come true". Some of the participants associated their brand with their own first or last name, which emphasises the personal element of their professional success.

As the in-depth interviews have demonstrated, the basic values on which the image of the entrepreneurs is based are the values of the family lifestyle, well-being of the children, social ones — values of partnership, trust, as well as aesthetic, hedonist values, the role of which has considerably grown today owing to the massive spread of the phenomenon of "demonstrative/conspicuous consumption"³.

The participants emphasised that you can learn a lot from your competitors when you are starting your own business: you can understand how to organise your operations, what equipment is necessary, what you can strive for, and what should be done differently, and get a better understanding of prices etc.

"I spent lots of time last year to be a 'secret buyer' from the photographers in Mariupol. And I can say there are few photographers whose services are really of high quality. I sometimes thought, 'what has I paid for?' That's not because I'm a photographer, and had certain creative expectations. I assessed them as a client (although I did have a look at them in technical terms: what camera is that? how have the photos been processed?..."

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

3 The idea of demonstrative/conspicuous consumption discovered by the American sociologist T. Veblen is that a consumer purchases the product to make an impression on the surrounding people rather than to use it as intended. Consumers strive to purchase the product to be distinguished, to differ from the majority, to emphasise the status ("prestigious/status consumption"). Alternatively, they are forced to incur costs to keep up with the others and trends, and the stuff that are bought by most people (friends, colleagues, neighbours). That is about the familiar social phenomenon known as fashion.
<https://mgn.com.ua/uk/pokaznoe-potreblenie-stadnyj-instinkt-ili-snobizm/>

“We have a wholesale warehouse in Melitopol. Of course, I monitored the market [of flowers] to see how much those flowers cost in the other shops. When somebody records stories or posts a video somewhere, I generally pay attention to the stickers to see what company it is. [I look] in the shops to which I went and which I liked, where I bought flowers of good quality... I contacted those suppliers, and I work with them”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

One of the female participants noted that training at the programme and mastering of the applicable competitor segmentation tools enabled her to materially improve performance of analysis of the competitive environment in her industry as it had taken much more time and had not been systematised before.

“Photography is a visual [type of activity], and, of course..., each photographer has a portfolio... I looked at the competitors’ pages when I started considering it as a business. But I ever analysed them... I looked at them, remembered something, but ... so that I could monitor myself how many of these and those there were... [No]... It was chaotic. Well, I looked at them..., I could kill an entire evening to find the photographers, but I didn’t make any records... Then I had to find them again to understand what price to set, what photo sessions were held, what style was popular, how I could stand out”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

The cases of the participants showed that hostile attitude to competitors is a stereotype. Despite the competition, the business environment has room for mutual assistance, professional communication, exchange of knowledge and experience with the others, collaboration and partnership.

“There is a confectioner’s, it’s very popular. Top in Berdiansk. It’s called Praline. They have lots of orders; by the way, my friend has opened it. So, I can observe his experience, what he started with, what challenges he faced. That’s an element of information support... I can call him and ask questions... I know several confectioners who work from home. I communicate with these girls, we sometimes share experience, some recipes and life hacks. Who? Where? What? How? When? We don’t get together on purpose..., we communicate in the process... I can call more experienced confectioners if I have a question that is vital now, and they’ll help. I can make fewer mistakes this way...”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“I have lots of orders and nobody to delegate them to... When I can’t refuse, I delegate such photo sessions, which aren’t very important (for instance, I know that the client doesn’t generally care what is happening at the session, and the result is the only thing that matters), to another photographer”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

As for the pricing, most of the participants now work in the medium pricing segment and believe that the undercutting strategy is of no use although some of them set the prices lower than the average ones in order to gain an advantage over their competitors, or due to the low level of the paying capacity of consumers of their goods/services. Thus, one of the female participants noted that she could set lower prices than its competitors because she used her own raw materials for dried fruit and fruit candies.

“My product is a part of healthy eating. You can eat fruit candies and dried fruit from the age of two, and there are now age restrictions. These products are also popular with the people who go in for sports. The main competitive advantage is packaging and pricing... The price is lower than average...”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

“During the assessment, I take it into consideration how many materials I have used for the product, a meter of cutting (to pay back for the workbench), accessories, paint, and add it to the price (the net cost is multiplied by 1.8). Of course, when I set the final price, I take my competitors’ prices into account. Most people [those who make plywood products] don’t show their prices: they have social media pages, but don’t write how much it is. Many undercut the competitors’ pricing while others set incredible prices. I ignore the ones who use the undercutting strategy, and consider those who, say, are material

competitors for me: I take their price into account and set a little lower price”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I calculate the cost of the materials and the cost of work separately. I also consider the type of embroidery when I set the price. If it’s cross-stitching, it’s the cost of a cross-stitch, if I create the pattern — I add the cost of design... I have cross-stitched portraits, development of the pattern is 1,000 hryvnias. One cross-stitch costs 10 to 15 kopecks depending on the complexity, number of colours in the work, the back (if I make a picture, the back is generally not very important, but when it’s towel — yes, it is very important). If it is machine embroidery, the price is per thousand stitches. The price depends on the quantity of stitches, colours and number of stops of the machine (to change the colour, to cut the threads) — all these things are also considered”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“Our prices are approximately the same as competitors’, and a bit higher for some items because we offer high quality and speed. The price mostly depends on the quantity and quality of balloons and additional accessories”

УЧАСНИЦЯ 8, МАЙСТРИНЯ З ВИШИВКИ, 27 РОКІВ, М. МАРІУПОЛЬ

«У нас ціни приблизно такі самі, як у конкурентів, а за деякими позиціями трохи вищі, тому що ми робимо якісно і швидко. Ціна

в основному залежить від кількості та якості кульок та додаткових аксесуарів»

FEMALE PARTICIPANT 10, AN AIR DESIGNER,
28 YEARS OLD, MARIUPOL

“Roughly speaking, it’s from 500 hryvnias per [product]. But these are Ukrainian prices. I’m not talking about export. In this case, you must add deliver ..., courier services and so on... As for lamps, which I’m also going to produce by the end of the year, it’s up to 3,000 hryvnias per year. You spend a lot to buy wood, to turn them on with a smart phone so that a person lying in bed could easily turn them on/off, change the colour for red or yellow”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT
CRAFTSMAN, 32 YEARS OLD, MARIUPOL

“I have mid-range prices... I saw the girls on Instagram who undercut the prices a lot. I offer a bikini service for 150 hryvnias while they offer it for 70 hryvnias. It covers the materials only, why do that?... Of course, when I have my own office, I’ll raise the prices (a little, by 20 to 30 hryvnias) because I’ll have invested lots of money into redecoration by then, and I’ve already spent the grant. At that moment, I’ll have completed three advanced training courses, including the one at the medical college. I’m investing, and I believe this is the right thing to do”

FEMALE PARTICIPANT 1, A SUGARING
PROFESSIONAL, 32 YEARS OLD, MELITOPOL

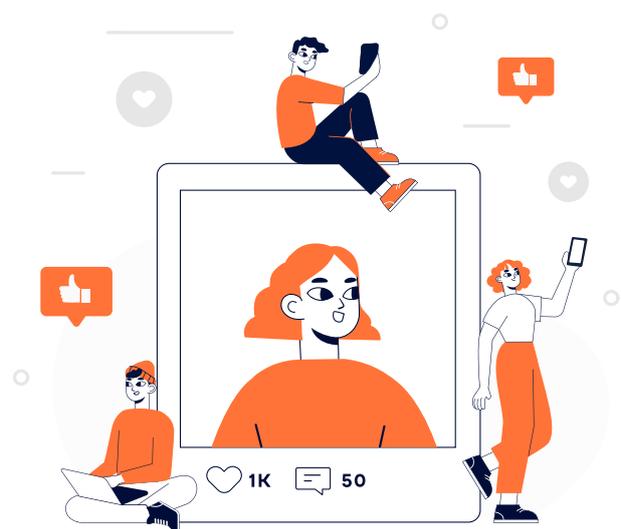
Some of the young entrepreneurs who have improved their skills and duly prepared to promote their goods/services wish to enter the premium segment soon.

“I work in the medium segment (a cake costs 300 hryvnias per kilo now, plus the decoration, so the average price is 800 hryvnias for a basic biscuit cake) because I believe that a novice confectioner can’t go to the luxury segment at once. Firstly, I keep developing myself. I still go to workshops and study. ...I don’t perform orders perfectly yet, visually... I can raise prices when I reach a certain level...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“I definitely see myself in the premium segment... It is sort of... crucial moment now. I had other equipment, and the portfolio was created with that equipment, so I have to create a new portfolio... I have a strategic plan for doing that without damage, I mean to create the portfolio, so I will enter the market with a bit different prices until I complete the portfolio... As soon as I fill in the portfolio, I’ll be able to move to the premium segment”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL



While he was considering pricing, one of the male participants noted that the entrepreneurs should focus on assessment of the time resources used when they determine the net cost of their goods/services, and that the category of quality of the goods/services must be treated broader than merely “price and quality”, namely in terms of development of the entrepreneur’s positive image at the market, sustainable relations of trust with consumers.

“Instead of undercutting the prices of those who can do it, you should do something the others can’t... The prices aren’t always the main thing. The main thing is how many services or goods the person gets. The price is not always the thing to haggle about, you shouldn’t cling to it. It is important what the person gets for this price, you must know and understand it clearly. Secondly, reputation matters more than money. Definitely. The money will be paid back while the reputation won’t be regained. Thirdly, ... time is the same investment as money. If I spend time today, I need a payback in the future. If I have

already worked with a person, there must be further cooperation... You must focus on finding ... several clients who will place regular orders ... rather than keep searching for new clients. A new client is not only the time spent to find him or her. It is also the time to deal with everything, to gain trust and understanding”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

Therefore, as our in-depth interviews have demonstrated, the micro-entrepreneurs have a better understanding of the local markets, but it does not mean they ambitions should be restrained, and the Ukrainian or international levels should be avoided. High competition in the selected industry is room for opportunities rather than a challenge. You can learn a lot from your competitors, and “your client” can always be found.

You should do what you are good at, what the others don’t do. You can offer exclusive goods/services or a wider range of goods/services or packaged services; you can choose a specialisation or narrow target audience. The entrepreneurs who start their own business at the market can undercut prices, but it is more reasonable to hold a steady position in the medium price range. The premium segment requires advanced skill. The customer-focused approach and high quality of the goods/services are not only the reliable way to win over your market niche today, but also investment into the future.



5.1.4. Role of the Team in Starting Micro-Entrepreneurship

All sixteen participants of the research were individual entrepreneurs of group 3 as of the period of the research, and thirteen of them got registered after the training. Fourteen of them work on their own, and only four sometimes engage/have engaged for certain operations (delivery, promotion of goods/services in the social media, extra services at the production site) their family members: husbands, parents, siblings, adult children (laser cutting/plywood products, production of dried fruit and fruit candies, air design).

“Wholesale batches are sometimes ordered unexpectedly... My father helps me fulfil wholesale orders. ...We are at the same premises: he makes furniture, and I do my stuff”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I still have few orders, so I work alone. My son helps me work with the social media”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“I say on my website that cakes are delivered around the city for free... I deliver them myself by my car, and sometimes we deliver them with my husband by our car...”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSKK

“I’m not planning to hire anyone; I have enough time, my parents and sister help”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

“There can be many orders, and I’m short of time because I’m the only to make designs, and my husband is in charge of delivery”

FEMALE PARTICIPANT 10, AN AIR DESIGNER, 28 YEARS OLD, MARIUPOL

“...No strangers — there’s mutual support, I call, and they replace me. ... My team, my support is my husband; my mother moved here a month ago, and I have a seventeen-year-old brother...”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

One of the female participant is going to hire two persons in the future in the photo studio she has just created (with the funds obtained to purchase the equipment from Skills Lab: Business Platform). She would like to have photographs processed by the young man she knows, who has already helped her in this business when she had too many orders, and she sees her mother as an administrator.

“While I’m organising everything [in the photo studio], I’ll be an administrator myself for a month or two, but then I’d like to find an administrator. My mother would love to be an administrator. ... In general, she ... has worked as a daycare worker,

and now she works in the military camp under the contract, but she doesn't like it there. I know she's a creative person. Here she is, so happy and satisfied, choosing the decorative elements... In general, she's focused on 'children' because she's a daycare worker. I approve that. She also wants to work with decorations. Of course, I'll pay my mother... A family is a family, but these are different things..."

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

Of course, human resources are more important for the activity with the large scale or the activity associated with the complex production processes. When many large orders to redecorate the premises are received, one of the male participants who is unable to fulfil them himself manages the processes and performs some works, but he also engages several trusted partners on a contractual basis.

"I work on my own. ...When I'm short of time or can't do something myself, I additionally hire two or three people..., on a contractual basis, from time to time. Trusted people to perform the works... I probably find them by trial and error, and filter some of them off"

MALE PARTICIPANT 15, A CLEANING,
REDECORATION AND CONSTRUCTION
SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

One of the female participants opened the flower shop owing to the financial support from

Skills Lab: Business Platform. She is making the team of three people, two florists and an SMM expert, to support her activity, and is approving and registering relations with them.

"I have an SMM manager who is making an Instagram page, he's already taking pictures, making short videos... He has just graduated..., we have agreed upon the style, the format, and we practically do everything together. It's his first work for the portfolio, so I can't say that I'm just saying 'thanks' to him, but it is like that now... There are two florist girls. One is better at bouquets, at cutting flowers... while the other knows more about home plants. ... I haven't had any problems with people at all because when I said that I'd open my store, the girls [I knew] said, 'We agree to work for you...' ...It's always hard to work with the people you know unless everything is agreed from the very beginning. Business has no room for friendship so we set the amount and the working schedule... I said that there would be no changes for half a year, I mean the salary and working hours. ...I monitored the salary in our shops ... (the big ones... with the volumes of sales and work, and calculated the average price... In half a year, ... if the sales level goes up (and I'm sure it will), the question of higher salaries, bonuses will be on the table. We aren't discussing it now... I'll work as a manager anyway because one girl won't handle the shop... I'll always be with them, of course..."

FEMALE PARTICIPANT 2, A FLOWER SHOP
OWNER, 35 YEARS OLD, MELITOPOL

Most of the entrepreneurs are going to outsource or have already outsourced the accounting. The rest are trying to keep their accounts on their own (they have a degree in Economy) or with the help of their relatives. As for the legal support, the majority of the surveyed resolve their issues via informal consultations with their relatives or acquaintances; when necessary, they are going to get legal advice for a fee.

“As there aren’t many orders, I do everything myself, and I have studied all the information on my own. When there are more orders, I’m going to hire an accountant”

FEMALE PARTICIPANT 16, A UX DESIGNER,
32 YEARS OLD, MARIUPOL

“I haven’t thought about it yet, but I’ll [outsource] the accountant, I won’t handle it myself. I’ve signed up for [taxer.ua](#) to resolve current tax issues; it helps and prompts me when and what to submit to the tax authorities”

FEMALE PARTICIPANT 9, A CLEANING SERVICE
PROVIDER, 35 YEARS OLD, MARIUPOL

“My mother helps me with accounting. I won’t handle legal issues myself, an acquaintance helps me for a fee”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT
CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL



Thus, the experience of the has demonstrated that you must rely on yourself, your skills, abilities, talents, will, knowledge, health and time in the first place when you start a micro-business. Of course, family support, in particular, possibility of involving “an extra pair of hands”, and informal professional advice by friends and acquaintances are of material help in entrepreneurship. So entrepreneurs must establish useful social contacts and form the specific professional environment around.

If there is shortage of human resources, you should not start from the large scale of operations and complex production processes. When employees are hired, the functions, working hours and salary must be discussed clearly: “there is no friendship in business”. Some operations (such as accounting) should be outsourced from the very start, especially considering the fact that it might not be that expensive. All the operations can be performed on your own, which is done not only to save resources that are generally lacked by businesses in the beginning, but also to develop yourself and master all the intricacies of your business.

“You must rely upon yourself from the very beginning. ... Hiring someone is a last resort... If you hire, you won't understand it yourself. ... You won't understand it until you ... do it yourself... You can't do it until you try it; you will fail, you will ask for help, and so on”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

5.1.5. How to Organise Entrepreneurship, and How Much Money Is Needed

Just like any other human activity, entrepreneurship has certain space and time limits. During the in-depth interviews of the participants, we discussed the matter of lease and opening of their offices or work places at home, purchase of equipment and working materials and, accordingly, establishment of relations with suppliers as well as special requirements for their operations with account of the occupational safety and sanitary and hygiene conditions. Special attention was paid to intensity of work and time management.

Equipping the work place

Seven out of sixteen entrepreneurs mostly work from home, five of them – in the residential premises (making cakes, dried fruit and fruit candies, embroidery, air design, UX design), two of them – in the specially equipped non-residential premises like a garage (the epoxy resin workshop and feed production workshop).

“I've turned my garage into the workshop... I had the entire picture in my head long time ago when I had just started planning [to make epoxy resin products]... I could see what it would look like, where it would be located, what illumination would be used, what was better; what was worse... I painted the walls white for more light... because the windows are small... I put the table, 3 m by 70 cm, my work table ..., with the working surface... I

bought the project for brighter light because ... once again, if you work with small parts, you must see whether there are bubbles. ... Pouring the product is not the end, you must polish it, which also takes good illumination... I have only one thing left to do — to finish the air extractor. There's ventilation, but I want different one"

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

Four entrepreneurs (two photographers as well as one construction and redecoration service provider and one cleaning service provider) work "on site" and perform administrative work (also, technical work (photo processing) for photographers) from home.

"I'm not dreaming of my own photo studio. The way I see it now, the ideal alternative to my own studio, is just renting the others. They can be selected to suit the client's needs: different walls, different decorations, and you don't have to spend lots of money. It's easier to rent a photo studio than to remake your own. There are no problems with that now: I know five or six photo studios where you can call and make a reservation"

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

Four entrepreneurs rent their premises: for the photo studio, for the early development studio for children with disabilities, for the flower shop, for the sugaring office, for the plywood workshop. According to the focus group findings, it is very challenging to rent premises for micro-businesses in all three cities covered by the research, Mariupol, Berdiansk and Melitopol. The participants mentioned the limited offer,

high lease charges and the need to perform major redecoration works. Nevertheless, all the participants managed to rent the premises they needed although some of them had to incur additional redecoration costs (in particular, the early development studio, the sugaring office, the photo studio).

"We discussed at our last meeting that the premises here, in the city [Melitopol], are very expensive ... [like in Kyiv], that's the first thing. Secondly, as for the premises of the size I needed [for the shop], there are few of them [there are either offices of 20 sq. m or buildings of 200 sq. m]. I'd say I was lucky. If found the wonderful premises, half in the basement, fully made of the wild stone. It's like going into the cave. It creates a wonderful combination with the flowers there... It's like [connection] with nature, more natural. The most important thing that I didn't even expect is that semi-basement premises are less prone to temperature changes: the temperature is generally the same in winter and in summer. As for the house plants, the temperature in summer must be up to 18 degrees because they feel bad otherwise, and at least 14 or 15 degrees in winter; the temperature there is always 18 degrees, both in winter and summer, even without heating, which is good"

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

"[For the sugaring office] I need the premises in the good condition, but their price is incredible, 5,000 hryvnias per month plus utility bills. I've accidentally found the premises for 1,000 hryvnias per month, of course, without redecoration, it needs to be fully refurbished, ... from the floor to the ceiling, I have to replace the windows, plaster the walls, lay the wires. We've decided to do everything slowly, gradually. I've

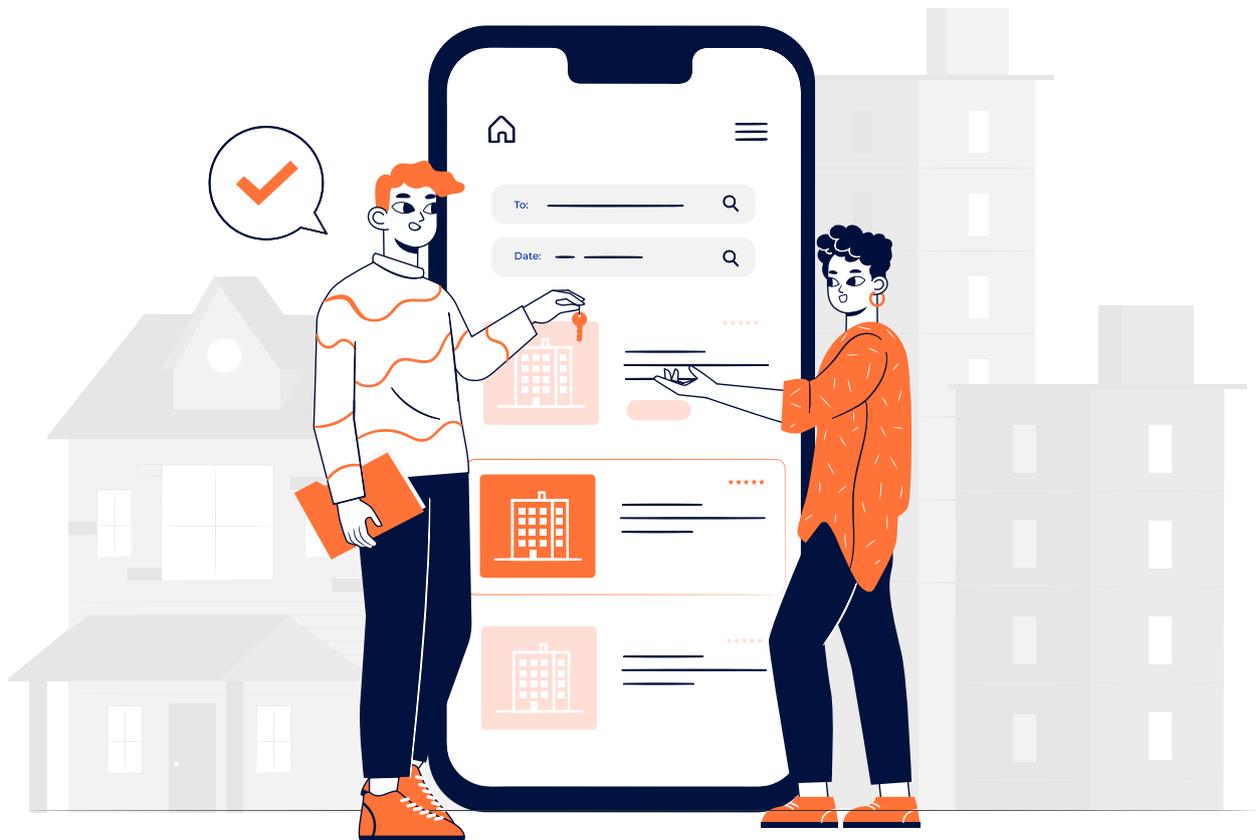
made the contract for three years so I hope nothing will change in three years. Now I have the place to work at, in the other premises. ... I sub-lease those premises for 1,800 hryvnias, plus 500 hryvnias for the utility services”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I came to the leased premises where my father worked. Now I pay the lease charges in full because my orders are more permanent. The lease charges including the utility services are around 4,000 hryvnias. They are large, but there’s no heating. The problem is that the premises will be redecorated.

This building is being redecorated, they are working with one floor, but this floor is still to be done. They keep saying that we’ll have to move out. We’ve started looking for new premises. Some aren’t suitable because of our workbench, which is very large and heavy to be carried around. Basement premises aren’t suitable either because, firstly, we can’t carry the workbench in there, and, secondly, it needs the ventilation system. ...While I’m looking for them [the premises], they say, ‘You know, we have some problems with the redecoration so you can stay for now’...”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL



“There were some delays with the premises [for the photo studio]. I found the really suitable premises with the good location, ceilings (I wanted high ceilings) but the premises were the administrative building of the plant... The ceilings are big and high, everything is fine, but there are lots of small rooms, so it took some time to demolish them, plus redecoration”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

Equipment and materials

Given the nature of operations of the micro-entrepreneurs who have taken part in the research, i.e. production of goods or provision of services, the most important condition to start and do their business was availability of necessary equipment and/or working materials, the considerable part of which was purchased owing to the financial support from Skills Lab: Business Platform. The complexity and cost of the equipment definitely depend on the selected activity. Some of the micro-entrepreneurs could go with home furniture or household appliances and computer equipment for their work places and had to buy few other pieces (like a fridge to keep cakes or electric driers for fruit and fruit candies, compressors and pumps for hot air balloons, a tablet, a couch).

“I’ve invested 115 thousand hryvnias into my business. To purchase the equipment, hot air balloons and special photo zone”

FEMALE PARTICIPANT 10, AN AIR DESIGNER,
28 YEARS OLD, MARIUPOL

“Owing to the financial support [25,689 hryvnias], I bought the [special] tablet, and the discount on that helped me buy some additional equipment. I haven’t invested my own money into the equipment, but I’ll invest into training”

FEMALE PARTICIPANT 16, A UX DESIGNER,
32 YEARS OLD, MARIUPOL

“The programme helped me buy some additional equipment, the fridge... Now I can handle some aspects faster. Say, I’d master the ‘chocolate velour’, the cake surface, because few confectioners use it. Yet, it always looks more expensive and beautiful, and I can raise the price a little. I bought the moulds I needed, and now I make most of the decorative elements myself... So I don’t have to order anything from other people because that’s anyway more expensive than doing it yourself..”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“I opened the [sugaring] office before the programme: I bought the second-hand couch, I also had a corner sofa, so I took a piece of it, got a chair, a mat and a TV as well as curtains for the office from home. That’s it, this is my office now. I’ll also need a couch for the new office because this one is too narrow. 60 cm is not enough for proper work, you need 80 cm for overweight ladies. When I started, 10,000 hryvnias were enough. I bought the couch and materials (I got small containers with a little of everything) and rented the office. Now I buy the working materials to have some in stock so that I won’t have to wait for the new ones and will provide services to my clients. Now it’s already 36,000 hryvnias [of investment] (without redecoration of the new office), I need some

minor items for around several thousand: special lint-free napkins, wax containers”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“[In addition to redecoration of the premises, the funds received from the programme were used for] the equipment — the polishing machine (there will be some drops on the products..., there will be some of them somewhere..., they will be polished), the vacuum cleaner for less rubbish around during the polishing (the devices are connected to each other; so the machine polishes, and the vacuum cleaner sucks in the dust at once...), the angle grinder, the milling cutter (for instance, to drill a hole because I’m planning to install some LED elements there), fret saws to cut some figures... [Apart from resin], it is mostly work with the wood so I need wood tools...”

MALE PARTICIPANT 13, EPOXY RESIN PRODUCT CRAFTSMAN, 32 YEARS OLD, MARIUPOL

The other entrepreneurs needed a set of special portable equipment for on-site photo sessions and video records or to perform construction

and redecoration works or provide on-site cleaning services.

“My first camera wasn’t expensive – it wasn’t a professional one, it was an amateur camera. We purchased it for the family, for ourselves... Nobody knew it would happen this way. My husband didn’t believe I’d even touch it, he doubted the purchase. I spent 11,000 hryvnias for my first camera together with the lens. Then I bought some more equipment, a flash... Because when I got commercial orders, I realised that there wasn’t enough light; even when I charged 200 hryvnias per session, I still wanted to create the high-quality product. So I bought the flash, then batteries for the flash, then I realised I could use a tripod... Then I understood that my old laptop was too weak for Photoshop, so we bought a new powerful one, which is still very good at all the functions”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“I bought my first professional camera at OLX. Of course, I was very worried, it was clearly risky and

“Owing to the financial support [25,689 hryvnias], I bought the [special] tablet, and the discount on that helped me buy some additional equipment. I haven’t invested my own money into the equipment, but I’ll invest into training

”

so on... It has been in use for three years, and I have had it fixed only once. However, that was my fault because I take pictures very quickly, and the button started getting stuck a bit... Payback? I bought it then for 15,000 hryvnias, only the 'body' [basic module of the system camera, with no lens and other devices]. It probably took three or four months to pay it back. As soon as I had bought it, my quality got much better"

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

"As for the top segment, the package of [photo] equipment is about 120,000 to 150,000 hryvnias. This is 5D Canon Mark 4, these are lenses with the variable focus distance and the portrait lens of 50 mm, at least two flashes. That is a starter kit. Also, a part of the business plan was about upgrade of the computer: to purchase the elements that ensure adequate speed and processing of photos and videos"

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

The production process of some of the participants is actually connected with one large and expensive device: the embroidery machine, the laser cutting workbench, the feed processing room, the feed pelleting machine.

"I've already purchased [owing to the financial support from the programme, 44,350 hryvnias] the pelleting machine, the feed processing room, I've totally equipped the premises of 25 square meters. However, I faced a huge challenge, electric power supply. We have... I wouldn't say, failures, but the voltage is not enough. Yet, we found the solution: we ordered the necessary cable, the durable and

powerful, which can be laid separately from the house, from all the structures. I was supposed to pick up the cable today. I also need to make a 'leg' for the pelleting machine, that very bar, because at the sample it was presented at the bar (the picture was taken at the bar rather than the floor), but when it was delivered, they said, 'sorry, we forgot to say it was necessary'... The 'leg' needs to be welded, the metal has already been purchased and given to the welder, who must weld it today or tomorrow. It all has to be covered with concrete a little to be strengthened. So that it won't jump or move around... The feed processing room has already been installed. It is the workbench that was sent together with the bar. Three machines are installed at one bar. One processes grain, the other one works with vegetables, hay and grass. There are four of them in total, but three are installed on the surface. There is space for the fourth one to be installed (either down or up). One of the machines is replaced when there is a need. One engine is switched, and the belt is relocated there. There are three machines at one square meter. When you need, you just relocate the belt and process grains. When grain is processed, there is dust any way, but protective masks are of use, everything can be resolved. I've installed the feed processing room ear the door, which is opened in two directions so that it can be ventilated. The pelleting machine itself does not emit any dust..."

FEMALE PARTICIPANT 7, A FEED PELLETING
PROFESSIONAL, 30 YEARS OLD, BERDIANSK

Some of the entrepreneurs need their own vehicle to provide services or maintain the production services while others can easily go without it.

“To begin with, we have an ordinary passenger vehicle, but we’re going to purchase a van, something of medium size with good capacity. Free delivery is important [for feeds]. People will be very happy to have everything delivered and unloaded. Otherwise, they have to find a vehicle, pay for the services and fuel... Of course, we’ll develop logistics not to carry a bag 30 km every day because it will be expensive; for example, there can be free delivery to several clients once a week”

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

when they hang down, people just love them... That amazes me! Minimum furniture, ... if I have a minimalistic studio..., or different chairs, armchairs where you could sit down... Backgrounds, lights... equipment, powerful flashes... I’ve ordered studio lights, that’s a ‘show off’. Some time lighter, I want to add lights to different things. It will reflect different colours to the background: blue, red ones... It will look great when the background is blue, and there is red on the side. It will be very interesting”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

The early development office for the children with disabilities needs various special furniture and materials for corrective classes. As for the photo studio or flower shop, technical equipment, such as a flower refrigerator or special studio light, flashes, is more important than furniture.

“Apart from the additional funds [60,000 hryvnias], I also invested 49,000 hryvnias of my own money, including 34,000 hryvnias I had borrowed. The money was mostly used to redecorate the premises [for the early development office], to rent and buy the equipment that wasn’t covered by the funding”

FEMALE PARTICIPANT 11, A PSYCHOLOGIST, 25 YEARS OLD, MARIUPOL

“My photo studio... I want a minimalistic one. Sole-coloured walls... I mean... one wall..., say, mossy/green (it’s in vogue now). Another one is blue. ... Deep blue, ... it looks good, and it’s still fashionable... I’ve ordered the backgrounds because it’s very aesthetic...,

Except for web-design and photography, micro-entrepreneurship of the participants of the research considerably depends on availability of the working or raw materials.

“When it comes to the net cost [of the cleaning services, ‘dry cleaner’s on site’], the most expensive element is the price of cleaning agents... I got 60,000 hryvnias of funding and also spent 15,000 of my own money (my own savings). This money will be enough to implement the project [in a year]”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

Adequate operation of the early development studio for the children with disabilities requires special correctional and rehabilitation equipment (special-purpose furniture, training machines). Redecoration works cannot be performed without various construction materials, and epoxy resin production requires resin. One cannot clean carpets and furniture without cleaning agents etc. Food products

and colours are necessary to make cakes, fruit — to dry and make fruit candies, hot air balloons — for air design, different crops and mineral admixtures — to pellet feed, plywood — for laser cutting, cotton thread and linen — for embroidery, sugar paste, wax and napkins — for sugaring, pots — for plants, cache pots — for decoration... If you don't have your own raw materials (for instance, the way it does one of the female participants of the research who processes plants from her own garden) or the materials that can be purchased from a supermarket (to bake cakes) or construction hypermarket (to redecorate premises or make epoxy resin products), participants have to establish sustainable relations with the suppliers of high-quality materials. Some of the participants of the research managed to organise deliveries easily while other face certain supply challenges caused by the specific nature of their industry.

“[As for the confectionery decorations], there are regular partners (our guys from Berdiansk who make food print...) and spare partners... If regular partners can't help me out (although they are very quick, in 24 hours even in summer), I have some other contacts, which I use rarely, but still use when I do need their help...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“[There are no grain issues]. We have a Viber community called Osypenkivtsi. When the lockdown had just started, the people joined their efforts... The people how get grain for their land units, sell it

there. The sell it all the year around, there are lots of people. There are large and small firms, there is a local oligarch...”

FEMALE PARTICIPANT 7, A FEED PELLETTING
PROFESSIONAL, 30 YEARS OLD, BERDIANSK

“As for the flows, the entire Melitopol, all of us [florists] buy flowers either in Zaporizhzhia or from several of our wholesale traders. There are lots of greenhouses in the city now. Our flowers are closer, cheaper and dearer... They are eustomas, roses, sunflowers, lots of different flowers. As for house plants, of course, few people plant and grow them, so I order them from Zaporizhzhia”

FEMALE PARTICIPANT 2, A FLOWER SHOP
OWNER, 35 YEARS OLD, MELITOPOL

“In this area [laser cutting], the permanent problem is that there is Ukrainian plywood and Russian and Belarusian plywood. Ukrainian plywood is of low quality, doesn't look good, and isn't suitable for cutting at the laser workbench. There are regular disruptions, I mean it is sometimes available and sometimes not. Supply from Russia has ceased, and now they are ceasing Belarusian ones. The other European countries don't enter the market. Since I started making plywood products, the price of the plywood has increased almost three times. Two years ago, it was 200 hryvnias per sheet, now it's 600 hryvnias per sheet. Lots of people turn to other materials instead of plywood, such as hard board, homasote (there are lots of different types). I also work with it and learn concurrently, but some products made of it aren't beautiful. The peculiarity of working with these materials [including plywood] is that you have to remake the cutouts all the time

because the thickness of materials is always different. They specify certain thickness, but it can actually be absolutely different whereas a difference of one tenth of a millimetre changes everything... Here it says that it is 4 mm thick, but it sometimes varies 3.5 to 4 mm. So, you have to remake cutouts for the thickness you get every time so that everything will be fine”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

In case the entrepreneurship materially depends on equipment and machines, their depreciation, technical advance in the industry must be considered, and the specific financial reserve must be established for timely technical upgrades.

“I believe if it is connected with equipment, you must probably set aside 20% of the profit in the beginning. Keep the money at the deposit account, the

short-term one, where you can easily withdraw it. I now have 20,000 hryvnias at the deposit account in case... whatever happens...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER, 29 YEARS OLD, MELITOPOL

“I take depreciation into account. The equipment is getting obsolete although the equipment I’ve bought is from the top segment. But that series was released in 2016. It is actually a work tool, and I guess I’ll be using it for a very long time, but since we want to develop and scale up... I haven’t relied upon percentage, 10 or 15... I took the official guarantee, divided it by the cost and realised which amount I had to save aside monthly. I’m saving up ... I don’t touch it, it’s the reserve in case something suddenly ... happens. It organises me ... really well... I understand that I must set aside the specific amount every month...”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

““ It’s hard to stick to time management at home, especially when you lack experience. In general, I have enough [time], but I don’t know what it will be like when I get more orders. I haven’t practised time management yet, but then (when there is more work) I’ll probably have to pay attention to that

””

Labour intensity and organisation

During the focus groups, many of the participants noted that flexible working hours were a pro in entrepreneurship. So, entrepreneurs are responsible for planning their working hours and using them efficiently. Some of the participants, especially the ones working from home, noted that they felt an urge to pay more attention to time management, both in order to maintain the business balance during the seasonal activity of the business and to avoid force majeure and ensure even performance of works pursuant to the deadlines.

“We were said at one of the workshops that we had to make a chart all the time: work, personal life etc. When you divide into segments, you see where there is imbalance, and you have to deal with it. This summer, I worked too much, it took approximately 60% of all my time, and I had family issues at the end of the season...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

“It’s hard to stick to time management at home, especially when you lack experience. In general, I have enough [time], but I don’t know what it will be like when I get more orders. I haven’t practised time management yet, but then (when there is more work) I’ll probably have to pay attention to that”

FEMALE PARTICIPANT 16, A UX DESIGNER,
32 YEARS OLD, MARIUPOL

When there is a customer-focused approach, some of the participants of the research have

to work without days off to create the customer base. However, they are going to optimise their activity and have at least one day a week for themselves and their family.

“We’ll work at the intense pace until there is at least a little flow of clients... The total time is at least six hours a day because we have to try and make feeds with new ingredients... Then we might have one day off a week, I guess it’ll be enough... When it’s work from home, it doesn’t mean you have to ‘lift weights’ all day round. I work a little here, then you leave and work with people, everything is on the move”

FEMALE PARTICIPANT 7, A FEED PELLETTING
PROFESSIONAL, 30 YEARS OLD, BERDIANSK

“I’ve thought it through and organised everything, older kids help me and take care of the younger kids and of themselves. It gives me time to fulfil one order and come back home. I’ll work at the weekend if there are orders. In the future, I’ll refuse to work at the weekend. Now I don’t let myself rest because I need to create the customer base... In general, there is enough free time”

FEMALE PARTICIPANT 9, A CLEANING SERVICE
PROVIDER, 35 YEARS OLD, MARIUPOL

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hours a day because we have to try and make feeds with new ingredients... Then we might have one day off a week, I guess it'll be enough... When it's work from home, it doesn't mean you have to 'lift weights' all day round. I work a little here, then you leave and work with people, everything is on the move"

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FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

Based on the volume of their customer base, some of the entrepreneurs have already tried to optimise their hours when they work with clients, group their orders to save time and transportation costs, and clearly set the deadlines so that they will have free evenings and spend time with their children.

"My customer base is growing, I had 12 people last week, I'm keeping records. There can be three female clients a day at most, all together. It is 9 a.m. to 4 p.m., with a break of half an hour between the clients so that they won't overlap. It was hard to work in the beginning, but I've learnt, my speed has increased, so I can have five or six clients a day... I'm satisfied with the flow of my clients. I've started grouping my

female clients not to go to work every day. I have two arrangements tomorrow, I haven't had any today, and I had two clients yesterday"

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

As the micro-entrepreneurship is at its initial stages, some of the participants of the research have a minor volume of activity, so they can be busy up to two hours a day (for instance, in making dried fruit and fruit candies). Some of the participants deliberately avoided maximum labour intensity possible and higher income to pay adequate attention to family and kids.

"When it comes to maximum, say, let it be five days as I need to rest. Five days, three cakes each day, so I can make 15 cakes a week. Of course, it is a cake per day under perfect conditions so that I'll feel comfortable, do everything on time and not worry. It takes less time... I have two little kids, a family, I don't spend the entire day in the kitchen, but I still have stable income"

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

The specific aspects of the entrepreneurs' work in the creative industries are the high work load at the weekend and the "flexible" and "unpredictable" schedule of their days off — the days off are the ones when there are no orders.

"Of course, there's more [work] on Saturday and Sunday because people have days off.. Yesterday I had three sessions (I try to avoid more than three sessions a day). It was Tuesday, there were two

children's and one adult birthday parties... I take lots of pictures..., I can say so. I had 21 hours of shooting last week. If you calculate it per hour of shooting, work with clients 'before' and 'after', processing and selection of photos take six to seven hours per hour of shooting. Of course, I do concurrent things: while my photos are uploaded, I select them quickly... I used to have no [days off], and here it is, ... five years, the milestone, if you can say so. Five years — and burnout. That's it, I need a holiday! I took a holiday at the beginning of September, there was a free week — four days with no Internet”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

“One photo session is the client's call in the beginning, then discussion of details at the meeting or by phone (which is one or two hours). The shooting process itself generally lasts two or three hours. Then goes the processing stage, and the materials are provided. I provide around 200 to 300 photos, it all takes three to four hours. In total, one photo session is

about seven to eight hours, i.e. one business day. I had three or four stable orders per month without vast advertising, I mean, small ads at OLX and Instagram page. I have up to ten regular customers”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

During the in-depth interview, one of the female photographers emphasised that since the photographer's activity beyond the photo session itself was mostly “concealed” from the clients, they often failed to understand the real volume and values of the photographer's work.

“You must demonstrate your work... so that they will understand what kind of work it is, because some people just tell me, ‘You photoshop everything’... I say, ‘No, I make colour adjustment.’ And they say, ‘Why are we so beautiful in the photos?’ And I answer, ‘It is this way’...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

“ I have a planner, I can't go without it. I think every entrepreneur has one. I try not to keep anything in my head, I put everything down to avoid extra pressure on my 'operational memory'. It helps resolve as many tasks as possible ”

The research has demonstrated that labour intensity of the micro-entrepreneurs depends on their attitude to entrepreneurship: whether it is the main source of their welfare/family welfare or additional income. In the first case, it is quite high. However, as one of the male participants of the research noted, “irregular working hours”, which are typical of entrepreneurship, are not upsetting when you like your job, when you work for pleasure, and when you have organised everything properly.

“I use time management principles. I like my job. I know that I have irregular working hours, that I spend lots of time at work, but it’s not hard. I manage my own time. ... I don’t have the feeling that I’m forced to do something. I don’t find myself in the situations when I have to do something and can’t afford doing it another way. The feeling that I do it out of my free will is very important, it’s a matter of choice. Of course, I have no choice in some situations... The situations associated with deadlines, when I’ve accepted the order and have to fulfil it... But I do my best to avoid such situations”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

As for organisational entrepreneurship tools, each participant has chosen their convenient formats. Most of them prefer ordinary notebooks where they record their orders and information on clients.

“I have a planner, I can’t go without it. I think every entrepreneur has one. I try not to keep anything in my head, I put everything down to avoid extra

pressure on my ‘operational memory’. It helps resolve as many tasks as possible”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“I keep my customer records in the notebook, as I have always done. I mean, I take a dated planner and keep records for every date: what I do, when I do it, what session it is, and where”

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

“A notepad is very convenient. I’ve tried keeping records in my phone, downloaded an app, but I still kept records in the notebook as well as realised it was enough”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

Some participants additionally visualise their deadlines, for instance, at open boards.

“I have a big soft board on my fridge... the one where you write with chalk... The nearest orders are put down there. People call me, we discuss orders, and I put down the order at once. When I get an order, I use one colour; when the order is confirmed (advance payment is received), I start to fulfil it, it gets another status, and I change the colour. Orders are regular..., thanks God, I haven’t lost any of them. It must be a confectioner’s ‘nightmare’: you get a call, ‘Where is our cake?’...”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

Many of the participants are aware of the special customer base management software, but do not use them because of the limited number of clients (some have around a dozen, the others – two dozens while some have deliberately limited the number to two or three major customers).

“I’ve heard of such systems as CRM..., but I’ve never seen them in action. I have a small flow of clients now, but I think I’d like to master such software because, as far as I get it, there are birthday reminders... Not to keep everything in your records, not to check your Viber, especially considering that I have several communication channels: Viber, OLX, Instagram (three sources at least), plus Telegram and WhatsApp, but they are ‘inefficient’, people don’t use them. Instagram, Viber, OLX... it can be difficult at times, especially in summer...”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

The participants of the research who are photographers have customer bases in their computers. As it is hobby commercialisation in their cases, their customer bases are more or less established.

“I’m now learning how to use the very important application that will help collect all the information I have in one place, and I do need a person who would perform this routine work”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“It’s just ... an Excel table where I record clients’ last names, and their photo sessions under each last name. ... I keep all the photos, it’s my advantage, for all the years. When they tell me, ‘My laptop with all the photos has broken down’, I say, ‘No problem, let me find the photos.’ I mean I copy all the photos and keep them at the hard drive, send them to those people. There are many people... Probably, ten families, for sure... They have cousins, siblings, grandparents... It turns out they have many kids, I mean, five children in one family, each having one birthday party a year. They definitely order five to seven photo sessions a year. Plus graduation parties, schools, celebrations (New Year parties, definitely), themed parties... There are also major customers [municipality, non-governmental organisations, commercial organisations] — workshops, conferences, interesting events...”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

So, you can start your micro-business at home, in the kitchen, with ordinary household appliances and food products from the supermarket or at your computer/tablet in your room. You can equip a workshop or a real production shop in the garage. You can lease the redecorated premises or rent the “ruins” as a result of negotiation and redecorate them to your own taste. You can gradually accumulate the equipment to fulfil orders on site. You can get to a client by public transport or taxi or offer free delivery of goods/services with your own car. You can risk

and buy large, expensive special equipment for business. You can open your own shop. You can work for weeks without a day off or two hours a day. As the participants of our research have demonstrated, there are many ways to start your own business – everything depends on how ambitious the idea is, how much you want and believe in yourself. Available financial resources do matter. Most of the participants had the start-up capital of 100,000 hryvnias, but some started with 10,000. Money is just a way to reach your purpose. The clearer you see the goal, the more transparent are calculations in the business plan, the easier it is to find the funds you lack, the faster you overcome your fears as to family savings or borrowing money, searching for and winning grants.

Entrepreneurship is not only the freedom you dream of, but also responsibility for efficient use of your funds and time. Organisational tools (such as “book-based” time management, customer base management by means of modern software or ordinary notebooks) enable optimisation of the activity and higher performance in the more reliable way than well-trained memory. Anyway, no matter how well-equipped the business place is, how technically and organisationally arranged production or service processes are, how much money is invested, the principal micro-entrepreneurship resource is male and female entrepreneurs themselves, and this resource must be recovered.



5.1.6. How to Promote Your Goods/Services

In order to develop their customer bases, the young micro-entrepreneurs who participated in the research used recommendation marketing in the first place: the word of mouth, the benefit of which is establishment of sustainable, trust-based relations with consumers.

“We have regular customers who recommend us”

FEMALE PARTICIPANT 10, AN AIR DESIGNER,
28 YEARS OLD, MARIUPOL

“The word of mouth is working for me now. I have had several [female clients] from Instagram, but they were ‘one-time’ ones...”

FEMALE PARTICIPANT 1, A SUGARING
PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I always provide high-quality services to my clients because I want them to return and advertise my services to others. The word of mouth really exists, it is free of charge. If your service is of high quality, people will come again and again, and will bring their kids. I guess it is important for any business”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

Those who have had their customer bases for years, especially when they work in small cities like Melitopol are actually fine with this marketing communication channel to work at their maximum capacity.

“To be honest, I don’t advertise my services because clients find me themselves. I don’t advertise to avoid ‘extra’ clients, to avoid rejecting them because I don’t really like rejecting. People call me, and sometimes they start [saying] ... like ‘we want it to be you.’ ... So I can’t, say, hire another person, and I feel ashamed; I must discuss this with my psychologist, for sure”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

Some of them successfully use direct marketing tools to develop loyalty of the existing clients and to engage new clients via direct sales, by offering discounts to “wholesale traders”, services on credit to regular clients, bonuses for the clients who have brought their acquaintances or friends, free delivery, advertising and tasting in the reference groups etc.

“I offer a 10% discount to regular clients to please them”

FEMALE PARTICIPANT 14, A LASER CUTTING
PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I have a special offer, ‘bring a friend — get a 50% discount’. The girls bring their friends. Some are ‘one-time’, some skip [procedures], but they [female clients] come, there are some. I try to maintain communication with all of them after the procedures: I call them, congratulate them. Many of them forget about the procedures, so I remind them. I even work on credit”

FEMALE PARTICIPANT 1, A SUGARING
PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“It says on my website that delivery of cakes around the city is free of charge, but some people don’t use this offer and come on their own”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

Situational marketing can be of use for some participants: they participate in exhibitions, large-scale exhibitions and events.

“I take part in exhibitions all over the city. There is my personal exhibition in the museum in Sartany now. I take part in the exhibitions of the History Museum of Illich Integrated Plant. The museum of the integrated plant holds regular tours during which the tour guide tells the visitors where the products can be purchased. From the exhibition in Sartany — they just have my contacts — and people call... I already have my business cards”

FEMALE PARTICIPANT 8, AN EMBROIDERY
CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“I love working at large events when... they make them grand, beautiful... I’m interested. Also, my services are advertised. There are lots of people, they find out about me”

FEMALE PARTICIPANT 3, A PHOTOGRAPHER,
29 YEARS OLD, MELITOPOL

“ It says on my website that delivery of cakes around the city is free of charge, but some people don't use this offer and come on their own ”

“I go to a gym and have an advertisement there. There are sportsmen among my consumers”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

Owing to Skills Lab: Business Platform, many participants are fond of branding their goods/ services. On developing their logos, product names and packaging design at the workshops, many are already using them actively to develop their brand awareness at the market.

“I have [original] packaging... These are wooden boxes with my logo engraved. ... They are wooden because it's environmentally friendly, and the product itself can be kept in the package”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“I've ordered aprons for myself, two aprons with my logo... I'll also create a photo zone in my office, with my name, my last name there. I love it because it sounds goods and is easy to remember”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“The bags will be ordinary... But there will be my logo there (I presented it in the business plan). It's a chick on the palm, sitting and chirping. I want it because it means trust. I'd like to attach small stickers with the ingredients, my contact details to the bags but I haven't decided yet how to do it”

FEMALE PARTICIPANT 7, A FEED PELLETTING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

Under the influence of Skills Lab: Business Platform, including SMM promotion workshops, practically all the participants pay a lot of attention to Internet marketing, their Instagram and Facebook pages: posting photos, texts, stories pursuant to their content plan, increasing the number of subscribers, working with comments, and are planning to launch or have already launched targeted advertising.

“I've created a page [on Instagram], and I do everything myself for now. I've already made the content plan, ... with two posts. I gather my friends, acquaintances and clients there”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“The Instagram page is gaining popularity little by little, there are about 900 subscribers. They are the ones interested in the page. They respond, they share and write even when I post personal information. People are interested in the professionals’ life rather than pictures of how you ‘sugar’ legs”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I’ve created a Facebook page and want to write several posts with beautiful photos and videos and launch targeted advertising. Yet, I still have marketing difficulties, don’t have time and abilities to do some things. The knowledge gained at the project is of use, but I need mentor support to study social media work better”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

“Now I have Instagram advertising on. I’ve turned on the advertising because I had fewer orders in September in comparison with summer. I make a couple of cakes a week now. Unfortunately, the advertising doesn’t work the way I imagined, as my friends who already have business have told me about that. They say, ‘You turn on advertising and get orders at once’ ... I haven’t noticed that yet. I’ve paid for targeting but it hasn’t satisfied my expectations yet... Well, let it work. Maybe, I have narrowed the target audience too much, and I had to be wider... As the mentor [at Skills Lab: Business Platform] advised, ‘Everyone loves sweets.’ ... I take pictures of cakes [for Instagram] myself, as soon as they are ready... I have the special spot... I put the cake there quickly, ... take a picture, which generally takes two

min... I studied at Ardo Confectionery School, ... there were ... special classes on food photography. I need to improve these skills”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

Two of the female participants have entrusted this work to professionals. However, the outcome is different. In one case, the effect is obvious, in particular, the effect of photo sessions, the video on opening of the flower shop. In the second case, a month of cooperation with the SMM expert to promote plywood products was of no expected use.

“We took pictures of flowers, namely, plants. Before the shop was opened, we had made a small video of how to get to the shop: a man rides a bicycle, with flowers in the basket, then he rides down to my shop... It is atmospheric!”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

“... I hired an SMM expert to promote my product in the social media... I spent three weeks looking for him. Some people say, ‘Yes, let’s work,’ and then don’t answer your messages. Some are busy, some have strange conditions like ‘you must give the terms of reference to the photographer to take pictures, then you’ll give that to me, and I’ll do something.’ Finally, I found the girl I liked. ... I thought I’d get rid of some of my duties, of having to post some information all the time, but I actually got even busier... She made a list of what I had to do: posts, stories and son on, made a plan and the list of what she needed for that.

I have to provide so much information every day... I sometimes have no idea of what to do. It's like 'I'll do everything myself, but you must send me everything — what it is, prices, photos' while 'myself' means that she will just add my text to the photograph. I take pictures myself, she takes an extra fee for that. Her services cost 4,500 hryvnias per month, but I give her everything myself. It hasn't resulted in any sales yet"

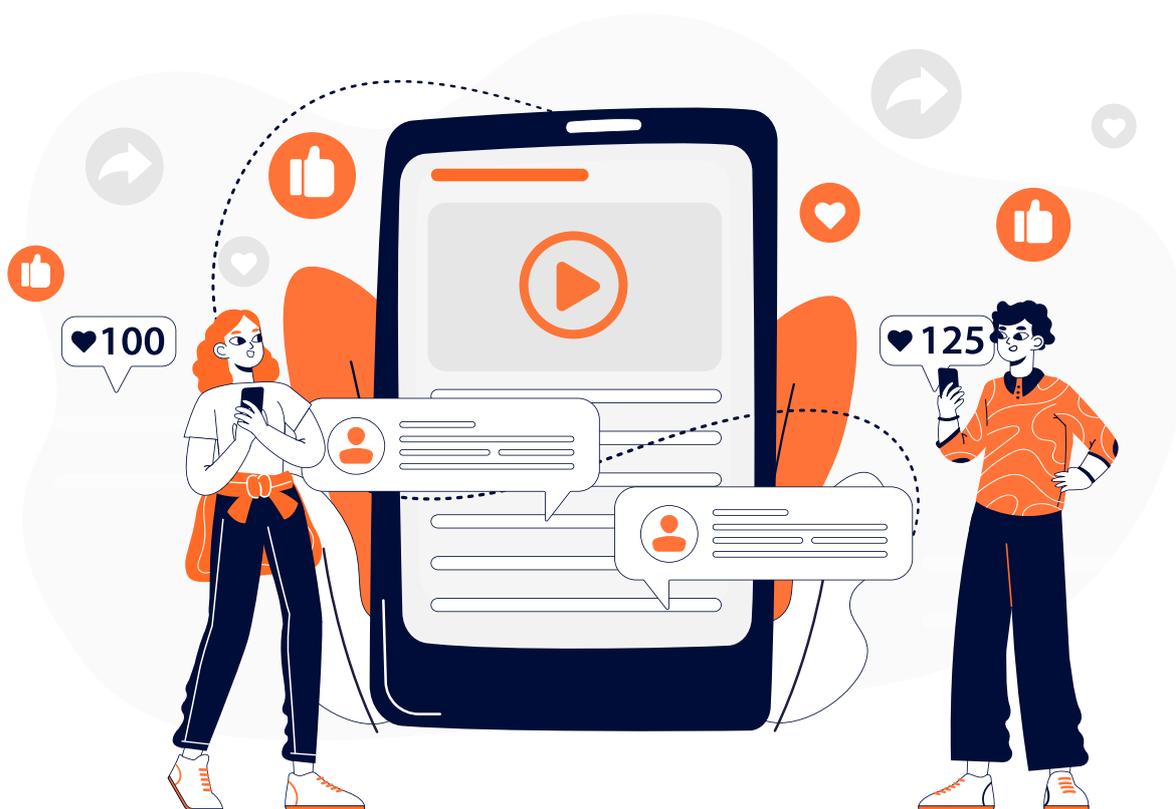
FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

Two female participants are going to promote their goods/services via bloggers.

"I'm going to cooperate with bloggers to advertise my products"

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

"There is a matter of more clients... It used to be so intuitive... word of mouth, with no settings, even targeted advertising, but now the purpose is to set up advertising to increase the number of clients so that the number will grow month by month. My [new] marketing strategy was to create a new portfolio by means of influencers... They need photos for their blogs... Their feedback is important so that their subscribers will come to me and place orders.



However, even our girls from Mariupol wanted money. Despite the fact that I offered them photos... as if a photo session costs 20,000 hryvnias rather than 1,500... I didn't expect that they'd ask money... Not all of them, ... some actually brought lots of subscribers"

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

According to the experience of the participants of the research, the entrepreneurs who have started their own business can use various marketing tools and techniques that do not require lots of funds or time to sell their goods/services.

Direct marketing, including personal sales of goods and services typical of micro-entrepreneurship, enable developing relations with the clients based on trust and winning over regular clients. The customer-focused approach and quality of the goods and services

are always appreciated by word of mouth. The successful branding (name, logo, packaging, business cards) ensure brand awareness of the product/service at the market.

Bonuses, discounts, free deliveries maintain loyalty of regular clients and win over new ones. Internet marketing gives endless opportunities to promptly expand the target audience at little cost. Its tools can be mastered on your own via informal education (training programmes such as Skills Lab: Business Platform), or professionals can be engaged. Self-promotion of goods/services on social media takes certain time, but it definitely is a captivating creative process. It is a way of self-expression and investment into new skills: the ability to write texts, make high-quality photos and videos, make public speeches. Of course, SMM promotion is not a magic pill, and targeted advertising itself can't give expected results at once. Integrated marketing communications are more reliable.



5.2. Potential Challenges of Entrepreneur

The in-depth interviews have visualised two types of the challenges faced by the micro-entrepreneurs in their activity. The first type is associated with a “human factor”. The second one is related to the systemic displays of insufficient development of market relations, namely the major “shadow sector” of the economy in Ukraine and low trading standards.

When they used the customer-focused approach, some of the micro-entrepreneurs faced its reverse side quite quickly. As one of the male participants of the research has reasonably noted, “The client must always be satisfied, but the client isn’t always right.”

“There is a difference between the people who build for themselves and [those who build for business]... For instance, you want to redecorate your house. You have set aside money from ten salaries, you want to redecorate your entire house, make an expensive redecoration... How will you treat this redecoration? You’ll check everything, you’ll be interested in what’s happening there. And you’ll also have your own idea of what it is supposed to look like. God help you if the person gets it wrong... And when you are advised to make a design project, you’ll probably refuse because these are extra costs. You’ll entrust everything

to the building who must ... let's say, do it, understand what you want and please you... Those who prepare large areas for business order design projects and give them to the builder... The 'human factor' of whether you like it or not is eliminated, there's clear understanding of what it should look like. The only thing left to do is to make it well, with adequate quality"

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

"One person orders in five minutes, that's it! And some people..., I can talk to them by phone several days, and thanks God they make an order in the end. But it takes so much time to decide... Maybe, I give too much information: some people need nothing but the name while others start doubting: you have so many offers, what will you recommend? ... So I have to place myself into their shoes, assume their responsibility..."

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

In other words, the clients often face the problem of unformed consumer culture as a result of the limited economic experience of their clients and, therefore, poor understanding of their needs, interests and wishes. The way out is to be patient and discuss all the details of the order with the clients.

"Most conflicts are faced by entrepreneurs not because they do something wrong. To do something wrong, you must be 'ham-handed', but one can't be 'ham-handed' all the time... And when you have skills, but there is no understanding of how to find a common language with your client and what he or she wants, this is the problem. A lot depends on the questions asked and aspects negotiated on time. In other cases, work is done, but in the end you get, 'I wanted it different.' That's the problem because he or she [the client] thought it would be different"

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

When they placed themselves into their client's shoes while buying the equipment for their activity, the participants made

sure how important it was to ask the supplier as many questions as possible so that there would be no delays in delivery and the equipment would be delivered with the complete configuration. As they had not asked necessary questions, some of the participants set wrong deadlines in the business plan and miscalculated the final cost of the equipment (which was mentioned in Sub-section 4.1.2).

Another matter is whether the supplier is ready for the dialogue and stable cooperation. How ready is he/she to be honest? How interested is he/she in further interaction?

Thus, the suppliers gave hope to some of the participants for weeks, promising the product “tomorrow”, although they did not have the product from the website in stock, or tried to sell another product, for instance, a cooler instead of the refrigerator by abusing the buyer’s technical incompetence (it was mentioned in Sub-sections 4.1.2 and 4.1.5.).

“I ordered a fridge from Eldorado [the shop selling household appliances]... I chose it on the Internet... When I came to examine and pick it up, it turned out it was absolutely unsuitable... I mean the picture on the Internet had absolutely different dimensions. It turned out to be a fridge for a summer house, it was small, I could hardly fit one three-tier cake there... As a result, I had to add 3,000 hryvnias from my own funds to remain within the budget planned in the business plan for the fridge... I can't say it's a problem... but these are definitely unplanned expenses”

FEMALE PARTICIPANT 4, A CONFECTIONER, 35 YEARS OLD, BERDIANSK

“Lots of things are based on trust. No matter what contracts you make, they are not notarised. And our Ukrainian court will not make him [the supplier] [compensate]. I have no trust in it... The insurance mechanism doesn't work. Once, we ordered furniture from Kronos (it's going to be anti-advertising), they promised it would be ready in a week, but sent it in a month and a half. Moreover, ... first they made the delivery for which we paid, then the second one. As for the second one, they said, 'It will be for free.' Sort of saying sorry... They fulfilled the

order in a month and a half, the delivery was divided into two through their fault but they pretended to be doing us a favour”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

Another important matter is whether the entrepreneurs themselves are ready for the actual customer-focused approach and “extracting” the client’s vision and wishes. While she was monitoring the competitive environment in the photography industry as a “secret buyer”, one of the female participants of the research was literally shocked by the fact that neither of the service providers was interested in her expectations and wishes as a client.

“ Neither of the photographers asked me what I wanted to get in the end... They are creative people, artists, they know better... I would love more attention, just as a human... The point is that at the photo session ordinary people don't understand how to stand, what to wear... where the process will take place... I believe it is very important to open up [the client] before the photo session so that the person will have no fear ”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

As for the problems to be settled with the clients, suppliers and sometimes careless employees, the participants of the research have demonstrated clear understanding of the fact that the “human” factor in entrepreneurship will display itself anyway, and that this activity is associated with the high level of risk. Therefore, force majeure, the situations when your partners let you down, when your employees let you down, when your supplier has left the market will occur from time to time, and you should be ready to work in such conditions. The way out is constructive attitude, development of flexibility and stress resilience.

“The human factor is of great significance. When my suppliers let me down, of course, I tell the client..., but I’m still the responsible one. This way or the other; it is unpleasant, and you must resolve the issue and change the supplier or do something else because I am responsible... [As for the employees], probably, the main thing is that don’t conceal their mistakes, tell the truth, then it is easier to correct them. You can’t control everything, you can do and hide something, or you can tell the truth and fix everything”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

When it comes to low trading standards (bad-faith trade), during the in-depth interviews, the participants emphasised approximately the same set of problems as the one mentioned at the focus groups: non-transparent information at websites of the suppliers, bad-faith consultants, failure to respect the delivery deadlines, and “shadow e-commerce”. With account of their responses, the last issue can be treated as the most significant one. The “shadow traders” undercutting the prices create unequal competitive conditions for those entrepreneurs who work legally.

“There were procurement issues – some of the sellers can’t provide records. I spent a long time looking for the workshop where I could order packaging with official records. I found it in the end, but it was the fourth or fifth workshop, and the prices there were higher than the ones in the business plan”

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

“People work without documents. They have the turnover in billions, online stores... and don’t want to get registered as an IE of some group. They are all right here, they are not hiding anywhere... The tax officers go around streets looking for those who are officially unemployed, and here are the people right in front of their eyes, and they are fine... That’s

unfair: the old lady selling something at the market is asked whether she has the first group. The body digging a hole is asked whether he is officially registered. And what about the person online?”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, MARIUPOL

“[In the business plan,] I didn’t know and set the minimum prices I could find online. But the places with minimum prices give no receipts. The prices with receipts were twice higher although the quality was the same”

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, MELITOPOL

It should be noted that during the research the participants also mentioned their benefits of being in the legal sector in addition to the issues associated with the “shadow” activities.

“As I’m an official entrepreneur now, I have orders from Mariupol District Council, wholesale ones, 10, 30, 50 items, for now”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“I don’t think that the “shadow” market is a competitor. I see no competition there for myself. Why? When a person has a large company, and he or she wants to have the premises redecorated quickly, he or she wants to deal with the people who can do it quick, with good quality, and help resolve related issues. Of course, by wire transfer, with all the necessary records, which is important. So, the ‘shadow’ market... I’d see more competition for private customers. There would be competition because they would undercut prices”

MALE PARTICIPANT 15, A CLEANING, REDECORATION AND CONSTRUCTION SERVICE PROVIDER, 35 YEARS OLD, MARIUPOL

The analysis of the business difficulties conducted by the participants during their in-depth interviews in terms of their resources, organisational, technical and technological elements

has enabled to state that these difficulties are mostly of the communication nature. It is a matter of establishment of the efficient interaction with clients, suppliers and partners. The experience of successful cooperation is gained by trial and error. Resolution of the issues caused by the “human factor” is an ordinary thing for the entrepreneurs. It takes readiness to quickly find the alternatives and to make prompt decisions, it takes determination, stress resilience, patience and sometimes harshness. Of course, entrepreneurship is made difficult by certain imperfect of its legal regulation and the power “shadow” sector in the Ukrainian economy. Bad-faith trade, past-due partnership obligations, low-quality goods and services, unequal competitive conditions are standard factors that make novice micro-entrepreneurs vulnerable.

5.3. Intentions of Entrepreneur

During the in-depth interviews, the micro-entrepreneurs shared their visions of the future. They were focused on the nearest prospects, a year, and achievement of the results specified in the business plans, and also considered their future in two or three years. Thirteen out of sixteen participants mostly spoke about establishment of the systematic business activity: final resolution of organisational, technical and technological issues, achievement of the planned intensity factors, flow of clients, payback, stabilisation of results and certain prospects of scaled-up activity. As for the latter, eleven interviews were about expanding the range of goods/services and/or hiring one or two employees.

“I hope I’ll have an employee in a year; and we perform more different types of work; and one more employee will clean up gardens and vegetable gardens. I’m not planning to go beyond my community because I don’t have enough equipment for expansion”

FEMALE PARTICIPANT 9, A CLEANING SERVICE PROVIDER,
35 YEARS OLD, MARIUPOL

“I’m planning to improve marketing, to expand cooperation with two partners and to find more serious orders...”

FEMALE PARTICIPANT 16, A UX DESIGNER, 32 YEARS OLD, MARIUPOL

“Expansion takes more new trees, and I’m also going to improve the range by buying the fruit I don’t grow. I’m going to do it next year”

FEMALE PARTICIPANT 12, A FRUIT CANDY AND FRUIT CHIPS MANUFACTURER, 27 YEARS OLD, MARIUPOL

“I’m going to [hire] two professionals when I have enough clients, but I haven’t considered branches yet”

FEMALE PARTICIPANT 11, A PSYCHOLOGIST, 25 YEARS OLD, MARIUPOL

“I need at least two more people. I need the one who can decorate something creatively, i.e. an artist, plus one more person here, at the production site. My main requirements for employees are responsibility, punctuality, timely performance of tasks. Understanding and being on the same page are also important”

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

“ I have great plans, of course... I’m considering additional income. ...Glitter tattoo, temporary one... Trade – perfume, ... medical gold (I used to do it online, .. there is demand). While I was on a maternity leave, I also sold pants and socks. So I want to get back to that because there’s always demand. ... I want to lease out my old couch to novice sugaring professionals for a day, an hour. That’s for those who don’t have money to rent an office or a couch, but have ten clients

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I want to open the floristic workshop [at the flower shop], we don’t have anything like that in the city...”

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

The participants of the research who represent creative professions have noted that they would be happy to delegate some of the “routine work” to their assistants as soon as possible to improve their efficiency.

“My self-confidence was a bit shattered when I realised that photography was not only taking pictures and communicating with people, but also spending hours correcting photos. That is routine work, which I’m generally planning to delegate to another person”

MALE PARTICIPANT 5, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“I’d like to hire a female assistant. ...If you consider such [aspect] as competitive analysis, — the market needs to be monitored all the time..., digital tools now enable you to do a lot, but all of us have the same amount of time, you can’t do everything...”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

Three female participants see themselves at the new organisational level of entrepreneurship in two or three years — opening a sugaring studio, a multi-profile photo studio, a coffee house.

“I’ll have my own sugaring studio in two weeks. I won’t train anyone, but I want two or three girls to work for me”

FEMALE PARTICIPANT 1, A SUGARING
PROFESSIONAL, 32 YEARS OLD, MELITOPOL

“I’m going to open the [multi-purpose] photo studio and hire photographers because the number of clients is growing, I won’t be able to [handle] them all myself. My [plan] is that in three years

I won’t be doing photography myself anymore... I’ll be managing my business. I guess there will be no business without this stage. ...Once again, everything will depend on the funding a lot. If something goes wrong, then... I don’t even understand now how much money it takes... I haven’t considered additional grants yet... As for me ... I’m describing it to... Understand what I need for the studio because ... I need lots of equipment, ... some interior elements, at least ... a few.. It will help ... calculate then how much money I need...”

FEMALE PARTICIPANT 6, A PHOTOGRAPHER,
28 YEARS OLD, MARIUPOL

“I’d like to open a coffee house with a fridge... a shop window which I can fill myself.. I could hire one or two home confectioners (the same way as I cooperate with the coffee house now...) so that I will not have to do everything myself... If something happens, there will be other products... They [must offer] high quality too so that I will see and be able to control everything. I don’t want to hire many confectioners, organise the confectionery business, I guess. I think [a coffee house] is more real. I also consider the funding, what I have. It’s cheaper to open a coffee house than a confectioner’s. That’s objective. But I haven’t calculated it yet”

FEMALE PARTICIPANT 4, A CONFECTIONER,
35 YEARS OLD, BERDIANSK

Two female participants have shared their dreams to establish social enterprises.

“The workshop where you not only buy a product, but also can learn how to embroider; embroider your own shirt. These must be separate premises, with equipment, embroidery workbenches, cutting tables, sewing machines. There should probably be up to ten

female employees, and the same number to teach. You can't have more all at the same time. I see myself as a teacher. I will probably manage myself, too"

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

"One of the greatest plans is to establish the company where lots of mothers will work. ...Many mothers on a sick leave start doing something. They knit and sew, do many different things. But most of them have difficulty finding clients for their orders. It would be great to create the place that would consolidate those mothers. Professionals would find orders, and mothers would fulfil them. I see myself as a manager, of course"

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

One female participant with the considerable experience in civil activity wants to develop her business as a socially responsible one and plans to partner with the "third sector" in the city.

"I live in my own house, my garden is definitely beautiful [as I'm a florist], but when I pass by apartment blocks, I feel sad because... you know, these abandoned areas... Even if somebody demands something, everything is so chaotic... Thanks God, tyres have been banned... They have been removed, that's wonderful. I'd live to work with chairpersons of the condominium associations to make yards truly beautiful..., make beautiful flowerbeds at little cost"

FEMALE PARTICIPANT 2, A FLOWER SHOP OWNER, 35 YEARS OLD, MELITOPOL

It should be noted that the participants pay a lot of attention to self-education and self-development in their current plants, from regular webinars, short workshops online to

improve their professional skills to medical, accounting, driving and other offline courses and training programmes.

"I study something all the time. I'm going to take a machine embroidery and online marketing course. In total, I spend approximately a day per week, i.e. several hours a day for that [self-education]"

FEMALE PARTICIPANT 8, AN EMBROIDERY CRAFT ARTIST, 27 YEARS OLD, MARIUPOL

"I'm going to do lots of advanced training in the future, I'll study stages of hair growth. I'm starting the human skin course at the medical college on the 27th"

FEMALE PARTICIPANT 1, A SUGARING PROFESSIONAL, 32 YEARS OLD, MELITOPOL

"I'm now studying to get a driving licence. Then I'll be able to deliver [feed], take everything"

FEMALE PARTICIPANT 7, A FEED PELLETING PROFESSIONAL, 30 YEARS OLD, BERDIANSK

"I've submitted an application for the grant [to the international organisation] for funding of the course "IE Accounting". A month passed, they called me back and said, 'Why do you need it? You make wood products). You won't be able to combine, what is it for? Outsource an accountant, that's it.' Now I don't have money to pay for this course myself, so I'll have a look and ask questions for now"

FEMALE PARTICIPANT 14, A LASER CUTTING PROFESSIONAL, 34 YEARS OLD, MARIUPOL

"Several times a week, it is a training video or training programmes on photo or business development (lectures, webinars). Live meetings are much more rare, every two months"

MALE PARTICIPANT 5, A PHOTOGRAPHER, 28 YEARS OLD, MARIUPOL

As for the plans for the future, thirteen out of sixteen participants of the research wish to focus on organisation of the systematic entrepreneurship (final resolution of organisational, technical and technological issues, achievement of the intensity targets, flow of clients and payback), and stabilisation of the results achieved. Most of them are going to scale up their activity within two or three years: to expand the range of goods/ services or to hire one or two employees, which can result in changes in the IE's group. Three female participants see themselves at the new organisational level of entrepreneurship by opening a sugaring studio, a multi-profile photo studio, a coffee house etc. respectively.

Some of the female participants of the research have expressed the sustainable desire to share

their abilities, skills and experience with the others and encourage them to start their own business. They dream of opening their original schools or courses, of creating, for instance, the female business hub, social projects in their communities together with the "third sector". All the participants are full of understanding that implementation of their plans requires regular self-work, new knowledge and better skills so they educate themselves in a systematic and consistent manner. The message "keep studying if you want your business to succeed!" was often mentioned in the final part of the in-depth interviews where the participants worded their recommendations and advice for the youth who also decide to do micro-entrepreneurship.

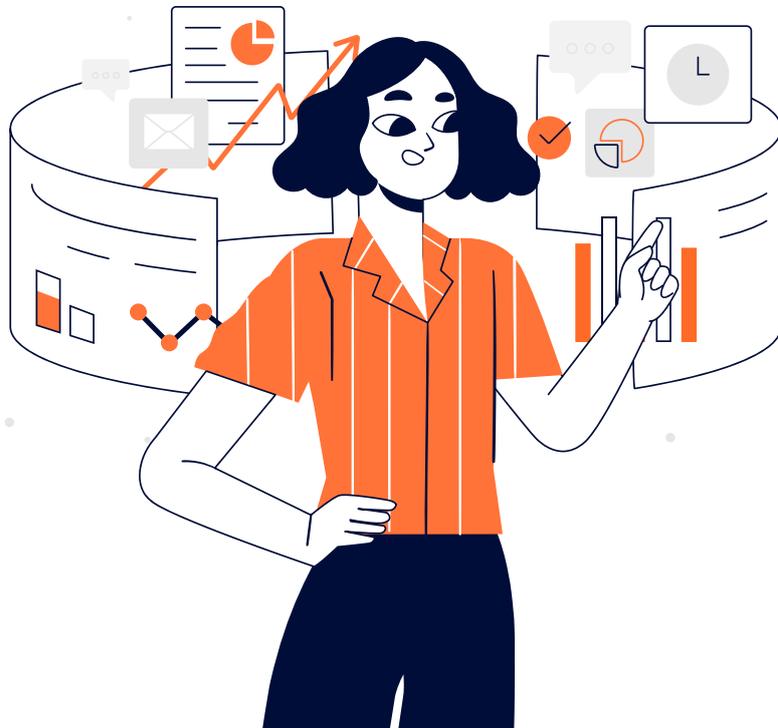


5.4. Conclusions Based on the In-Depth Interviews

1. Analysis of the materials of the in-depth interviews with the young entrepreneurs who have completed the training at Skills Lab: Business Platform regarding their successful micro-entrepreneurship practices has demonstrated that the business ideas created as a result of “gradual ripening” and the ideas resulting from “sudden awareness” could be suitable to start their own business to the same extent.
2. The participants of the research found their business ideas by surfing the Internet and owing to the innovation technologies. The participants with the creative hobby were inspired by the first clients and income. In most cases, the ideas were on the surface — in the activity/experience of the people around (colleagues, friends), in their own professional experience, in ordinary household practices.
3. Analogies drawn by the participants during formation of their business ideas played an important role: they “try on” the specific activity and assess their abilities (psychological, professional, financial, technical ones). As a rule, it was followed by creative succession — adaptation of the activity to their own abilities, vision, skills, financial and technical conditions, peculiarities of the local market etc., improvement of the activity. Objection and search for an alternative were more rare.
4. Being aware of importance of the hedonist values for present-day consumers, relevance of their aesthetic needs (rather than vital needs only), many of the young entrepreneurs have associated their business

ideas with development of the creative industries (photography, leisure, floristics, hand-made).

- 5.** The business plan developed within Skills Lab: Business Platform enabled the participants of the research to elaborate the idea, “visualise the picture” of how exactly the business would work, assess the resources and streamline the actions to be taken to achieve the result: the business providing services (flower shop, sugaring, photography, air design, web design, inclusive early development studio, redecoration of buildings, cleaning) or production (of dried fruit and fruit candies, cakes, mixed feed, epoxy resin products, plywood products, machine and hand-embroidered products). Thirteen out of sixteen participants of the research (two men and



eleven women aged 25 to 35) had never developed a business plan before. Only one male participant aged 35 and two female participants aged 30 and 35 had developed business plans before.

6. The first business plan is important for an entrepreneur not only due to its immediate purpose — technical and economic substantiation of the company's activity in the market conditions and development of the action algorithm. It also has an educational function: the entrepreneurs who are starting their business obtain new knowledge and skills, receive templates for future development of business plan, a psychological function: they overcome fears and lack of confidence, improve their self-esteem, and even a pragmatic one: in case the business plan contest is successfully passed within the SME development support programmes, additional funds can be obtained to implement the business idea, as it happened, for instance, for sixteen graduates from Skills Lab: Business Platform.

7. According to the experience of the entrepreneurs who start their own business, calculations in the first business plans, even the ones developed together with the mentors of the training programmes, are rarely perfect due to the high probability of bad-faith e-commerce practices, poor knowledge of technical parameters and peculiarities of operation of respective equipment, especially when it comes to the estimated costs and time frames for preparation stages connected with lease and redecoration of the premises, purchase of machines and equipment. As a result, practical implementation of the business plans requires certain additional expenses beyond the budget, and the start of the production/service process can be several weeks late.

8. At their own example, the participants of the research have demonstrated that if there is a business idea and stable desire to start your own business following the training on the fundamentals of micro-entrepreneurship and a business plan, the mentor and financial support by Skills Lab: Business Platform, an individual entrepreneur can be registered in three months, with the business started either in trade, service or production.
9. Most participants of the research have decided to work at the local markets, which is generally typical of micro-entrepreneurship, which is successful without limitation due to the shortest possible distance between the manufacturer of products/goods/services and the consumer, by establishing the relations of trust based on the customer focus and high quality of the products/goods/services.

Except for the cleaning services in the rural area and the services of early development of children with disabilities, the production/service industries selected by the participants in the cities covered by the research have quite a high level of competition, which has made the participants who have started their business clearly define and form their competitive advantages, such as: production of exclusive goods, provision of service packages, narrow specialisation (or, vice versa, expansion of the range of goods/services), individual approach to clients by means of empathy, creative intuition, efficient communication etc.

1. The participants demonstrated that perceiving your competitors as adversaries, opponents and enemies is the stereotype that tends to be mitigated. Despite the competition, mutual assistance, professional communication, exchange of knowledge and experience with the others, collaboration and

partnership are important. While starting your own business, you should study the experience of your competitors to find out how to organise your activity better, what technical equipment is necessary, to study the prices etc. The effect of examination of the competitive environment can be strengthened by using the special analytical tools provided at such training programmes as Skills Lab: Business Platform.

2. As for the pricing, most participants of the research now work in the middle price segment and believe that the undercutting strategy is of no success. Several young entrepreneurs are now focused on improving their skills to move to the premium segment.
3. All the participants are individual entrepreneurs of group 3. During the research, they worked on their own and sometimes engaged their family members for certain operations (delivery, social media promotion of the product/service, help at the production site). The participants believe that performing all the operations on your own is a way to develop yourself and master all the intricacies of your business rather than to save resources. Three participants have engaged/engage partners to perform some works on a contractual basis.
4. As the experience of the participants has demonstrated, there are lots of scenarios to start your own business; it depends on the ambitious idea, desire, self-confidence, specific aspects of the activity and resources. Thus, seven out of sixteen entrepreneurs mostly work from home, including five female entrepreneurs in their residential premises,

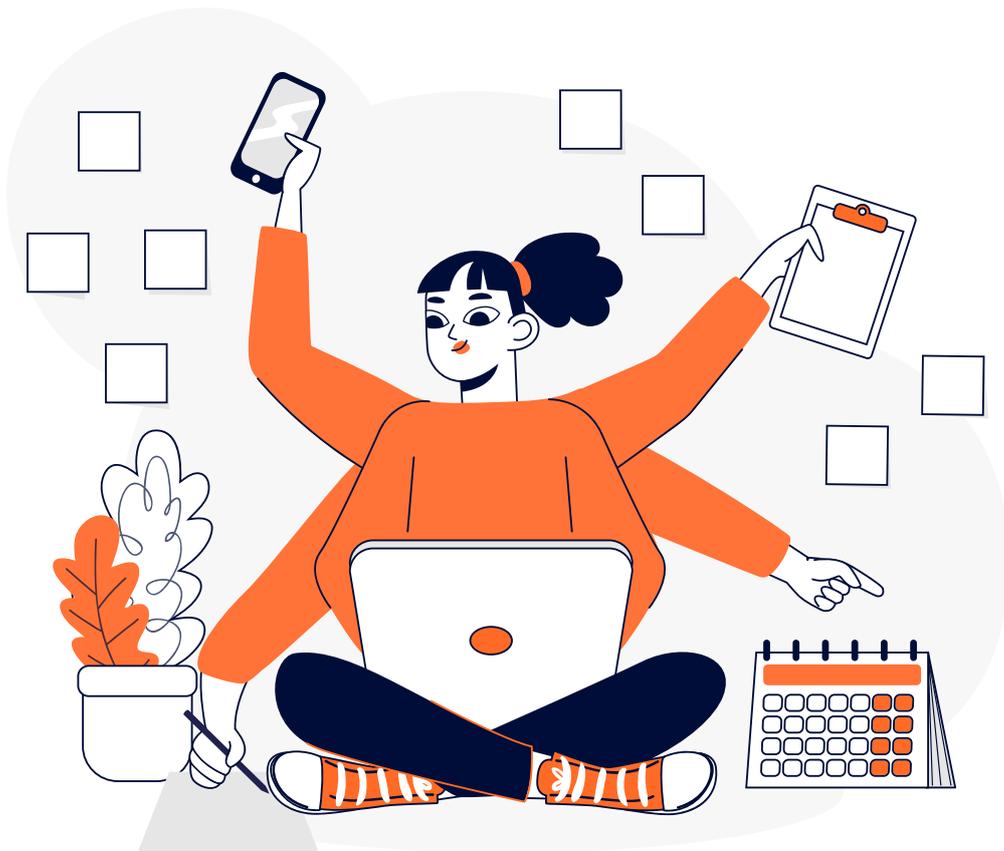
and two (one man and one woman) in the specially equipped non-residential premises like a garage. Four entrepreneurs (two men and two women) work on-site while the administrative work is performed from home; five female entrepreneurs lease the premises. Most of the participants of the project invested more than UAH 100,000 into the project while some of them started with 10,000. In the first place, the entrepreneurs used their financial support from Skills Lab: Business Platform (UAH 24,112 to UAH 60,000 per participants) to purchase the necessary equipment and/or work materials necessary for their activity.

5. The research has shown that the intensity of labour of the micro-entrepreneurs depends on their attitude to business: whether it is the principal source of their wealth/family wealth or additional income. In the first case, the intensity is quite high. Where there is a customer focus, some of the participants of the research work with no days-off to gain more clients and turnover, but they plan to optimise their activity and free at least one day a week for themselves and their family. The specific aspects of the entrepreneurs' work in the creative industries are the high work load at the weekend and, therefore, the "flexible" and "unpredictable" schedule of their days off (the days off are the ones when there are no orders).

As for organisational entrepreneurship tools, each participant has chosen their convenient formats. Most of them prefer ordinary notebooks where they record their orders and information on clients. Many of the participants have heard of special customer base management software, but they do not use it yet due to a

limited number of clients (some participants have around ten, the others — twenty, but some of the participants are reaching a hundred). The time management tools are still used by few participants, and they note that they are not short of time, but will use the tools in the future.

1. In order to expand their customer bases, the participants mostly rely on recommendation marketing (so called “word of mouth”) as well as direct marketing (personal sales, discounts, bonuses, free delivery). Under the influence of Skills Lab: Business Platform, practically all the participants pay a lot of attention to SMM promotion, i.e. their Instagram and Facebook pages: posting photos, texts, stories pursuant to their content plan, increasing the



number of subscribers, working with comments, and are planning to launch or have already launched targeted advertising. Owing to the programme, many participants are fond of branding their goods/services. Their logos, product names and packaging design developed at the workshops are used actively to develop brand awareness at the market.

2. The in-depth interviews have visualised two types of the challenges faced by the micro-entrepreneurs in their activity. The first type is connected with the human factor (matter of establishment of the efficient interaction with clients, suppliers and partners). The second one is related to the systemic displays of insufficient development of market relations, namely the large “shadow sector” of the economy in Ukraine and low trading standards. Bad-faith e-commerce, past-due partnership obligations, low-quality goods and services, unequal competitive conditions (undercutting of prices by the “shadow” sector) are standard vulnerability factors.

3. As for the visions of the future, thirteen out of sixteen participants of the research will be focused on establishment of the systematic business activity and stabilisation of the results in the coming year. Most of the participants are going to scale up their activity within two or three years: to expand the range of goods/services or to hire one or two employees. Three female participants see themselves at the new organisational level of entrepreneurship – opening a sugaring studio, a multi-profile photo studio and a coffee house. The other three female participants are planning to put a lot of time into social entrepreneurship in the future, namely support of female entrepreneurship, partnership with the “third sector”.

4. As for the local peculiarities of micro-entrepreneurship, the in-depth interviews have not visualised any material differences in starting and doing business in Mariupol, Berdiansk and Melitopol due to the legal regulation of this activity, economic feasibility and clearness of the structure as well as due to the fact that the research covers the cities close to each other, with the similar social, cultural and consumer practices of the population. In the cities with the smaller population (as of 01.01.2021, Berdiansk has 107,928 residents, Melitopol has 150,768, while Mariupol has 431,859 [23]), it is a bit easier to create the initial customer base owing to the tighter social contacts; however, it is more difficult to increase the target audience in such places.



5. The research has not identified any material differences between the participants based on the criterion “type of the business activity” since both manufacturers of products/goods and providers of services got into the common category “production entrepreneurship” that time (there were no providers of information or agency services among the participants). There was a certain difference as to “being tied” to the specific place: the activity of “service providers” has a higher level of mobility whereas “manufacturers” need large non-residential premises for their big equipment more often. In case other approaches are used to compare the activity of micro-entrepreneurs, for instance, in terms of the scale of operations, focus on certain sectors of economy (in the first place, directly as to “goods differentiation”), available resources, both organisational aspects and marketing strategies of entrepreneurship have more distinct differences.

VI

Expert Assessment Of Male/Female Entrepreneur Diaries

According to Skills Lab: Business Platform training programme, its participants had to keep the diaries where they recorded all the stages of starting their own business in accordance with the developed business plans. The purpose of keeping records in the diary was to keep track of their experience in resolving the issues associated with.

- getting registered as an economic operator, namely the individual entrepreneur;
- conducting marketing campaigns;
- procuring the equipment;
- selecting the tax assessment form and getting registered as a tax payer with the tax authorities etc.

The following results were obtained when completeness of the diaries and processing of applicable questions were checked:

Individual Entrepreneur	Percent of conformity to the reality as to general information in the diary: (0% — the diary has not been kept at all, 100% — the diary has been filled in completely)	Assessment of the overall approach to keeping the diary
IE of Female Participant 11	100%	4
IE of Female Participant 4	100%	4
IE of Female Participant 7	50%	3
IE of Female Participant 10	25%	3
IE of Female Participant 9	100%	4
IE of Female Participant 3	100%	4
IE of Female Participant 6	100%	5
IE of Female Participant 12	50%	3
IE of Female Participant 2	100%	4
IE of Female Participant 16	100%	4
IE of Female Participant 13	100%	4
IE of Female Participant 5	100%	5
IE of Female Participant 15	100%	3
IE of Female Participant 14	100%	4
IE of Female Participant 8	100%	4
IE of Female Participant 1	100%	5

According to the summarised assessment, all the participants of the programmes have performed the task. The information in the diaries has the conforming logic structure and scope.

Despite the experience gained during the training and practical implementation of their own project, some of the participants have not managed to keep their diary without any comments by the experts. The following defects were found during the cross-check of records in the diaries:

IE	General conclusion	Comments
IE of Female Participant 11	In general, all the sections of the diary have been filled in, but some need more detailed description. In particular, the section "Marketing Strategy" does not specify the tools used for the marketing actions	Task performed
IE of Female Participant 4	All the sections of the diary have been filled in, but the formal approach to description of the actions is used in some of them	Task performed
IE of Female Participant 4	Some of the sections of the diary have not been completed in full, some tasks are performed formally, and there is insufficient information on implementation of the actions planned	Some of the sections of the diary need to be modified
IE of Female Participant 10	Some of the sections of the diary have not been filled in, the process description has not been completed; it does not conform to the real situation. The task has been performed formally	The diary needs to be modified and updated
IE of Female Participant 9	Some of the sections do not contain a record on completion of the action, the first working week is not described	Task performed
IE of Female Participant 3	The marketing and advertising sections have not been filled in, and answers in some sections are not detailed enough	Task performed
IE of Female Participant 6	The diary is completed in full, the sections contain sufficient information on the actions taken	Task performed

IE of Female Participant 12	Some sections of the diary have not been filled in, information is provided briefly, and there is no information on the dates of the actions	The diary needs to be modified and updated
IE of Female Participant 2	Some sections of the diary contain incomplete information, which only includes the name of the event; they lack information on the quantity and quality indicators	Task performed
IE of Female Participant 16	The section "Resources you are planning to purchase" does not specify the equipment to be bought	Task performed
IE of Female Participant 13	Some sections of the diary contain incomplete answers	Task performed
IE of Female Participant 5	The front page does not specify the date of commencement of the project. Some sections of the diary have not been filled in, and information in some sections is not detailed enough	Task performed
IE of Female Participant 15	Some sections of the diary contain incomplete answers; in particular, there is no information on the deadlines of the actions	Task performed
IE of Female Participant 14	The diary does not sufficiently cover the tools that will be used to implement the marketing strategy and hold the marketing campaign	Task performed

Thus, the task to fill in the Entrepreneur Diary was the logic ending of the training and practical procedure for the youth participating in Skills Lab: Business Platform to start their own business. The diaries present the gradual action plan that confirm use of the skills and knowledge gained during the training. Analysis of information from the diaries allows the conclusion on sufficiency and adequate quality of the theoretical knowledge and practical skills gained by the participants of the training programme as to starting their own business. Skills Lab: Business Platform should be used to train more youth on the fundamentals of entrepreneurship to popularise it in the region

VII

Annexes

ANNEX 1

Guide on the Focus Group Interview

<https://cutt.ly/9PIvBYI>



ANNEX 2

Guide on the In-Depth Interview

<https://cutt.ly/LPIv4ZC>



ANNEX 3

Template of the Entrepreneur Diary

<https://cutt.ly/9PIbe45>



ANNEX 4. Sample Business Plan

Annex 4

Standard Business Plan at the Example of the Female Participant of the Project, O. S. Svizhenko

The business plan in the Annex meets all the criteria attributable to the projects for the micro, macro and medium segment and contains all the necessary information, namely:

1. Structure of the Business Plan:

- The number of sections is sufficient for the purposes of the business plan.
- There are key sections that describe the objectives of the business plan, the business idea, market analysis, the product, operations of the enterprise, marketing, finance and risks.
- The structure of the business plan is logic, and readers can find necessary information quickly.
- The structure is logic, and the business plan has the concept and logic.

2. Content of the Business Plan:

- The business plan is efficient and has all the information necessary to take a decision.
- The business plan is systemic, has a uniform concept of the business, purpose and strategy for achievement thereof, which are presented as a system of the logically connected sections.
- The business plan is substantiated with arguments and facts.

- The business plan is relevant and contains considerable and material information for achievement of the business plan objectives.
- The business plan has a logic structure of sections.
- The realistic nature of the business plan is confirmed with the facts based on reliable information.
- The text is business-like, optimistic, with no exaggeration, contains several images, tables and pictures (which are easy and clear to understand).
- The total volume of the text is up to 30 pages and can be read (reviewed) at one go.

The developed business plan is recommended to be used as an example in the training programme on starting your own business.



Business Plan

Embroidery Workshop «Sana»

Project developed by

O. S. Svizhenko⁴



4

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1. Project Map:

1.1. Developed by:



Oksana
Serhiivna
Svizhenko

1.2. Project name:



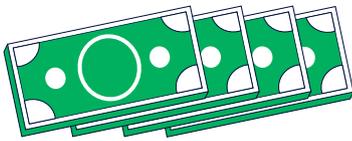
Sana
Embroidery
Workshop

1.3. Developed on:



19
june
2021

1.4. Total cost of the project:



72,334.4€

Own funds:



24,845.0€

Raised funds:



47,489.4€

1.5. Place of implementation of the project:



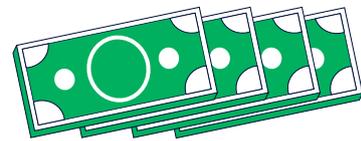
Mariupol

1.6. Project payback period:



7 month

1.7. Profit under the project:



113,496.0€

2. Project Objectives:

- To create the first workshop of embroidered clothes in the ethnic style in Mariupol.
- To gain stable profit.
- To satisfy the demand on the consumer market by providing the services of clothes embroidery and tailoring embroidered clothes in the ethnic style.

The purpose of this business plan is to present Sana Embroidery Workshop in the best possible way in order to raise additional funds in the amount sufficient for stable financial and economic operations based on the progressive production and commercial idea and marketing research.

3. Summary of the Project

3.1. Overview

My nearest objective is to create the full-scale workshop where clothes of Ukrainian origin will be embroidered and tailored, by hand and machine, where everyone who wishes to will be taught how to embroider, helped and supported technically, to make a shirt from A to Z with their own hands.

You can only order hand-embroidered goods from the workshop now. As hand embroidery is quite a labour-intensive, long and expensive process, I cannot perform all the orders. I have decided to purchase additional equipment to increase the range and scope of the orders and to reduce the product prices.

I am going to purchase the additional equipment with extra funds raised. The estimated necessary costs make UAH 47,489.4. I am going to purchase the embroidery machine, the serger, the steamer and consumables.

My target audience is women and men aged 20 to 60. As for the price segment of the market, they are consumer with the medium and high income level.

The consumer goods industry is one of the strategic segments of the national economy which provided for almost 5% of budget proceeds before the crisis resulting from the spread of COVID-19. Therefore, it has the significant potential for further development.

Sana Embroidery Workshop is the only workshop that embroiders clothes in the ethnic style in Mariupol.

The main channels for selling finished products include:

- E-commerce (pages in the social media, such as Facebook, Instagram, online store at Svii.Market marketplace).
- Direct sales.

3.2. Social and ecological consequences of the project

There is an incredible demand for the embroidered items in our society.

My products are as environmentally-friendly as possible. I use natural materials: cotton, hemp, silk, wool.

The workshop's philosophy is to preserve and reconsider the Ukrainian traditions. When we create the clothes full of sense, we preserve the connection between generations.

Sana Embroidery Workshop is the place where you can buy and order modern things with the authentic embroidery. Also, there will be embroidery workshops.

3.3. Creation of new jobs

I am planning to perform all the work myself at the initial business development change. Additional jobs will be created when the number of orders grows.

4. Legal Aspects of Operations

4.1. Legal form of entrepreneurship

An individual entrepreneur is the most popular and simple form in terms of state registration and management at the stage of establishment and development of the business.

I choose this legal form of economic operations for myself.

The benefits of such legal form as an IE include:

- simple registration;
- reduced taxes;
- simplified accounting and records management system that does not require an accountant on a permanent basis.

4.2. Tax assessment form

There are two tax assessment forms for an IE: general and simplified. The simplified tax assessment, accounting and reporting system is the special mechanism for paying taxes and levies at which certain taxes and levies are replaced with the fixed tax (hereinafter the “FT”), and simplified accounts and reports are kept.

I choose the simplified tax assessment system, group 3 of fixed tax payers with no VAT, for myself.

According to Article 291.4 of Clause 3 of the Tax Code of Ukraine, the third group is individual entrepreneurs who do not hire employees, or the number of persons in employment relations with them is not limited, and legal entities being economic operators of any legal form whose income during a calendar year does not exceed 1,167 minimum wages established by the law as of 1 January of the tax (reporting) year (income for 2021 of up to UAH 7,002,000).

The fixed tax rate per month under Clauses 293.1, 293.2 of the Tax Code of Ukraine is 5% of income.

Submission of a report to the STS: the report is filed on a quarterly basis within 40 calendar days upon completion of the quarter (Clause 49.18.2 and 296.3 of the Tax Code of Ukraine).

4.3. Accounting income and expenses

As I have decided to get registered as an IE of group 3 and payer of the FT, income and expenses will be accounted in the free form: in hard or soft copy by monthly recording of the income gained.

Also, registration of the Book with the tax authorities was cancelled on 1 January 2021.

5. Description of the Goods, Works or Services

The clothes I am planning to embroider and tailor in my workshop will be made of natural fabrics made in Ukraine. The products will be made with account of the customer's personal preferences.

I am planning to make the following products in the workshop: an embroidered shirt for men; an embroidered shirt for women; a towel.

I am also planning to expand the range in the future: an embroidered shirt for boys; an embroidered shirt for girls; a Horbatka skirt; a skirt with fine folds; a Horsyk.

I am planning to hold the following master classes for adults and children in the workshop: master class "How to embroider a traditional shirt"; master class "How to embroider a towel"; master class "Drawn thread work"; master class "Forking"; master class "Swings".

6. Description of the Production Process

1. The entire clothes-making process is made of five stages:
 - Design of clothes;
 - Embroidery;

-
- Preparation of the fabric and cut-out;
 - Technical preparation;
 - Production and quality assessment.
2. Design of clothes includes: creation of the model; modelling and design; development of the structures (sewing patterns and templates).
 3. The embroidery process is made of three stages: creating the embroidery design in the specialised software; preparing the embroidery machine; embroidering.
 4. Preparation of the fabric and cut-out include: laying the templates; chalking; cutting the product details.
 5. Technical preparation is preparation of the equipment to tailor clothes.
 6. The product-making process includes treatment of specific parts and units and their assembly into the finished product.

Final treatment of the product (wet and thermal treatment, cleaning).

Despite the wide range of sewing products, the variety of models, structures and properties of the materials, the production technology and other factors, the order of making top wear and bottom wear have a lot in common. As for the top wear of light range (dresses, blouses, men's shirts), their general production order can be presented as follows.

- First, the main parts (files, backs etc.) undergo initial treatment, which provides for treatment of edges of the parts to prevent falling off, production of tucks, folds, frills, connection of the main parts of the principal units, connection of yokes with the principal units, wet and thermal treatment.

- Following the initial treatment, pockets and fasteners are made at the principal units if they are included into the model. Then the principal units are attached by the shoulder and side edges, the bodice is connected to the skirt etc.
- Then the collar is attached to the neck hole, the sleeves are attached to the arm holes, or the arm holes and neck hole are treated if the product has no collar and sleeves.
- The last clothes-making operations are treatment of the lower edge, attachment of buttons, cleaning, wet and thermal treatment and packaging of the product.

The clothes are embroidered and made at the premises equipped with all the necessary equipment, which is listed in **Table 1**.

Table 1

Name of the equipment	Bought or to be bought	Cost, UAH	Period of use, months	Depreciation charges per month, UAH
Embroidery machine Janome Memory Craft 550e	To be bought	34,510	84	410.83
Serger Janome 210D	To be bought	6,400	84	76.19
Sewing machine Brother ModerN 27	Bought	4,845	-	-
Iron	Bought	-	-	-
Iron board	Bought	-	-	-
Steamer	To be bought	1,900	36	52.78

Laptop	Bought	17,000	-	-
Work bench	Bought	-	-	-
Hand embroidery bench	Bought	2,000	-	-
Hand embroidery frame	Bought	1,000	-	-
Moana linen	To be bought	1,584	-	-
Onyx cotton	To be bought	907	-	-
Thread	To be bought	680	-	-
Lower embroidery thread	To be bought	325	-	-
Tear-off fusible webbing	To be bought	333	-	-
Packaging	To be bought	800	-	-
Consumables	To be bought	50	-	-
Bought in total		24,845		
To be bought in total		47,489		

According to **Table 1**, some of the equipment has already been bought, and some still needs to be bought.

Only natural fabrics and accessories will be used as raw and other materials. The materials are listed in **Table 2**.

Table 2

Type of raw materials	Supplier	Price per unit
1. Fabric (per meter):		
• Moana linen		264
• Fiona linen		261
• Elbrus linen		243
• Konvalia linen	Edelvika PrJSC	162
• Benefis linen		264
• Valery cotton		108
• Onyx cotton		108
• Extra homespun fabric 20		240
• Extra homespun fabric 30		210
• Extra homespun fabric 40		210
• Multi-coloured Extra homespun fabric 20	Kolomyiski tkanyny	270
• Multi-coloured Extra homespun fabric 30		240
2. Cotton thread for hand embroidery (per bundle):		
• DMC cotton thread	Kolorova TM	10.5
• Cotton thread for machine embroidery (per reel)		10.5
3. 1,000 m embroidery thread:		
• Lower embroidery thread	Tailors'	68
		325
4. Stabiliser (per meter):		
• Tear-off fusible webbing		34
5. Packaging	JoyGift	80

The list of the services that pertain to household ones and are subject to patenting is established and approved by the Cabinet of Ministers of Ukraine in its Resolution dated 27.04.1998 No. 576. The List does not include such services as embroidery and tailoring of clothes. Therefore, provision of services of embroidery and tailoring of clothes to the public is not subject to patenting.

7. Marketing Strategy

7.1. Target market research, analysis of the state of affairs in the industry

In the modern consumer-focused world, the consumer's conduct is of final significance, which considerably increases the influence upon operations of organisations of any type and makes them develop the methods of influence upon consumers with account of their preferences in the future. Due to the more complicated structure of the public needs, the targeted approach to clothes design is the most important condition for selling the products. In this case, when the clothes are designed, manufacturers must consider the clearly defined market segment, its needs and expectations.

My target audience is women and men aged 20 to 60. Their social status is male and female professionals, medium-level executives, heads of departments and organisations.

The clothing requirements of the consumers in different pricing segments have different peculiarities. Moreover, the difference in their education, income and professional activity are useful indicators for producing and selling clothes.

As for male and female consumers, the most important selection criteria include the price of the product and quality of the fit. A material is the most significant criterion for pricing.

Quality of the product is of special significance in the competitive environment and is one of the ways to influence the consumer. When new types of products are created,

special attention is paid to the external attributes of the product, which is notice by the consumer in the first place. The clothing requirements of consumers have their own peculiarities. So marketing research is feasible to determine the groups of consumers with similar preferences.

Due to the more complicated structure of the public needs, the targeted approach to clothes design is the most important condition for selling the products. In this case, when the clothes are designed, I must identify the clearly defined market segment, its needs and expectations. At present, marketing research plays the key role in planning of the range all over the world.



Results of marketing research

The respondents were selected based on the subjective criteria: women and men



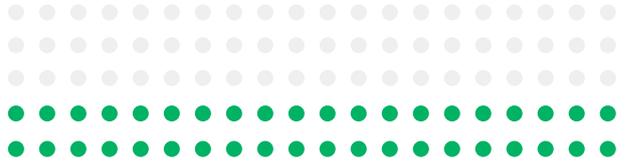
aged 20 to 60

their social status is

male and female professionals,
medium-level executives,
heads of departments and
organisations



As a result of the survey



40%

of the respondents said that they would buy clothes with the ethnic embroidery

The sewing industry of Ukraine ranks

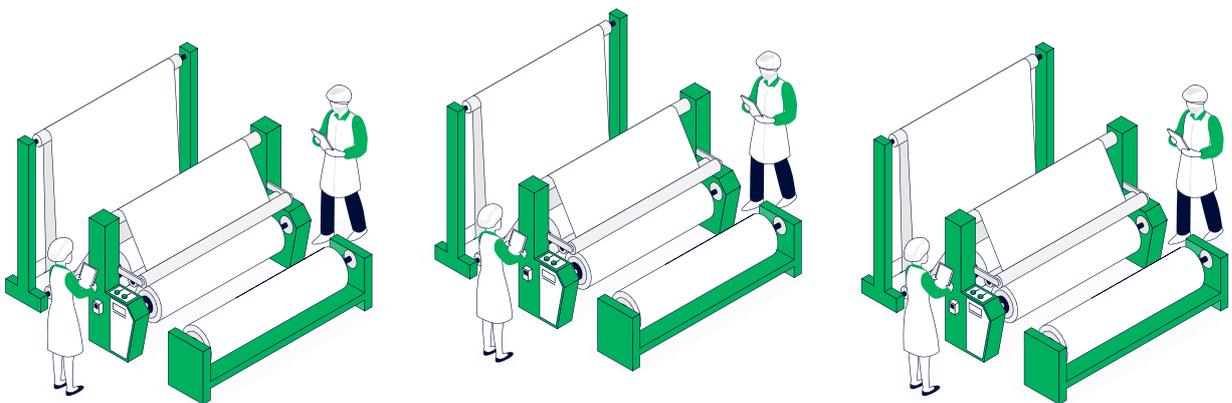


2 *place*

in the consumer goods industry following the textile one, which includes

5,300

enterprises (two third of them are sewing enterprises)



7.2. Potential clients

Portrait of a female client of Sana Embroidery Workshop:

Occupation:	Salary:	Marital status:	Children:	Place of residence:
Bank worker	18,000€	married	2 sons (3 and 6 years old)	City of Mariupol, Tsentralnyi District

Interests and hobby	<ul style="list-style-type: none"> Likes cooking; Has her own culinary blog; Follows fashion blogs; Interested in eco-trends. 	Insight: natural materials
Fears and concerns	<ul style="list-style-type: none"> It is always possible that there will be nobody to look after the kids when necessary; Limited time. 	Insight: possibility to order goods by phone or via social media
When she contacts	When she wants to buy new clothes, before holidays, before 1 September	Insight: speed of fulfilment of the order
Purpose of visit	To buy an exclusive item	Insight: moderate prices, high quality
What is important in her choice	Price, quality, environmental friendliness	
Why she comes to me	<ul style="list-style-type: none"> Friendly staff; Possibility of unique design. 	
What she does not like	No ready-to-wear products	

7.3. Pricing policy

In addition to the marketing strategy, the pricing policy that will define the final price and future changes thereto needs to be selected. Two tasks are performed at this stage:

- to create my own discount system for buyers;
- to determine the mechanism for adjusting pricing for the future.

At present, functional peculiarities of products, i.e. the comfort they can offer, are gaining considerable significance in the pricing policy. These indicators play the key part. Thus, the major issue is to set the proper price of the service with account of the price and non-price factors.

In the beginning, I will set the price by the methods “costs+profit”, which is the simplest and the most common one. However, in any case, when I determine the level of the product price, I will only get the approximate price formed based on my own conditions and purpose. Release of the products at the market is the only way to adjust and set the specific product price.

With the high quality of the embroidery and production of unique clothes, the workshop’s pricing will be flexible and competitive: pricing offers will be monitored regularly, and prices will be maintained at the medium level of the embroidered clothing market.

The democratic prices, high quality of products, pleasant services, prompt and high-quality fulfilment of orders and most fashionable solutions for special occasions and every day wear — all these things can be found in Sana Embroidery Workshop.

The average price
of the embroidered
shirt for women is

1,700€

The average price
of the embroidered
shirt for men is

1,500€

The average price
of the embroidered
towel is

2,000€

7.4. Female competitors

The most significant external factor that influences the company's business is competition.

Sana Embroidery Workshop is the only workshop that embroiders clothes in the ethnic style in Mariupol, which means there are no local competitors. At present, my main competitors are online companies, but I believe I have an advantage over them.

The main competitors of Sana Embroidery Workshop are Pani Workshop in Kramatorsk, Zerno Brand in Kyiv, and Roksoliana Shymchuk's Ethnic Gallery in Lviv.

The level of product prices is one of the most important indicators that influences the scope of demand, sales and profit. It has to be set with account of multiple factors, namely:

- Supply and demand ratio at the market.
- Inflation level.
- Quality of raw and other materials and labour costs.
- Quality.

I believe that the pricing level of these competitors is too high (**Table 3**).

Product prices in 2021

Table 3

Type of products	Price, UAH			
	Sana Workshop	Pani Workshop	Zerno Brand	Roksoliana Shymchuk's Ethnic Gallery
Shirt for men	1,500	2,900	-	4,500
Shirt for women	1,700	3,300	2,300	7,000
Dress	-	4,000	3,600	6,500

If you consider the data in **Table 3**, you can see that the competitors' prices are considerably higher than the prices of Sana Embroidery Workshop.

The main competition rules are a relatively high quality and a moderate price. It is the main criterion to which the buyers pay attention in the first place.

7.5. Competitive advantages of Sana Embroidery Workshop

The services of my workshop differ from the competitors' because:

- The level of prices is much lower than the one of competitors.
- More attention is paid to quality.
- There is a discount system for buyers.

Operations of the workshop will be aimed at covering as many consumers at the potential market as possible and at gaining popularity among the clients in the nearest future.

7.6. Organising sales

Product sales include the workshop's activity to plan, organise and control physical relocation of materials and finished products from the site of production to the place of use in order to satisfy needs of consumers and gain benefit.

Possible product sales channels:

- E-commerce.
- Direct sales.

The online store will be created by means of Svoi.Market marketplace to sell products.

Svoi.Market is an opportunity to create your online store for free, to tell about your company, to show products and to increase online sales. A site selling goods can be launched

in a day. Svoi.Market is a part of the structure of the online journal about Donetsk and Luhansk oblasts, Svoi.City.

The products will also be sold via the social media pages, for instance, on Facebook and Instagram.

Since the workshop will provide the services of embroidery and making of clothes for women and men with account of the clients' preferences, the direct product distribution channel will be in use. Direct channels provide for relocation of goods from the manufacturer directly to the consumer, bypassing the intermediaries; in this case, the manufacturer sells his/her goods to the consumer on his/her own. This form enables reducing time and money expenses both of the workshop and the consumer. Another pro will be direct contact with the consumer, which enables better understanding of the order and fulfilment thereof. consumers place their orders while a employee of the workshop accepts and fulfils them. After the order is fulfilled, the consumer pays for it.

In the future, an online store at Etsy marketplace is also going to be opened.



7.7. Calculation and forecast of retail prices of the products made

The retail prices are based on the net cost of the products. While forming the price of the goods, I added income to the net cost of the products.

Let's calculate fixed costs (**Table 4**).

Таблиця 4

Опис	Витрати на серпень-жовтень місяць, грн	Витрати на місяць з листопада, грн
Комунальні платежі	800	800
Інтернет	99	99
Мобільний зв'язок	45	45
Просування в соцмережах	-	1 325
Послуги банку	125	99
Амортизація обладнання	539,8	539,8
<i>Сумарні постійні витрати на місяць</i>	1608,8	2933,8

In order to develop the workshop from August to October, the social media pages will only be filled in, and there will be no advertising costs.

The unified social tax is not considered in the estimated fixed costs since the persons specified in Clause 4 of Part 1 of Article 4 of the Law on the Unified Social Tax are exempted from the unified social tax for themselves if they are retired by age or have a disability and obtain the legal pension or social allowance. Since I pertain to this category, I am exempted from the unified social tax.

Let's calculate the net cost of the embroidered shirt for women (**Table 5**).

Table 5

Data sheet of calculation of the net cost of the embroidered shirt for women

Embroidered shirt for women		VARIABLE COSTS PER UNIT	
Input	Purchase value	Estimated quantity per unit	Estimated costs per unit, UAH
Fabric, m	108.00	1.6	172.8
Upper thread	0.068	322	21.9
Lower thread	0.0325	161	5.2
Fusible webbing	34.00	0.8	27.2
Consumables	10.00	1	10.00
Electric power, kW	1.68	0.27	0.45
Packaging	80.00	1	80.00
Estimated variable costs per unit (1), UAH			317.55
FIXED COSTS PER UNIT			
Estimated aggregate fixed costs per month (2)			1608.8 2933.8
Estimated aggregate variable costs per month (3)			3810.6 3810.6
Ratio between the fixed and variable costs (4)=(2)/(3)			0.42 0.77
Estimated fixed costs per unit (5)=(4)*(1)			133.4 244.5
Full net cost per unit (6)=(1)+(5)			451.00 562.00

Let's calculate the net cost of the shirt for men (**Table6**).

Table 6

Data sheet of calculation of the net cost of the embroidered shirt for men

Embroidered shirt for men		VARIABLE COSTS PER UNIT	
Input	Purchase value	Estimated quantity per unit	Estimated costs per unit, UAH
Fabric, m	108.00	1.8	194.4
Upper thread	0.068	529	36.00
Lower thread	0.0325	265	8.6
Fusible webbing	34.00	1.2	40.8
Consumables	10.00	1	10.00
Electric power, kW	1.68	0.27	0.45
Packaging	80.00	1	80.00
Estimated variable costs per unit (1), UAH			370.25
FIXED COSTS PER UNIT			
Estimated aggregate fixed costs per month (2)			1608.8 2933.8
Estimated aggregate variable costs per month (3)			4443.00 4443.00
Ratio between the fixed and variable costs (4)=(2)/(3)			0.36 0.66
Estimated fixed costs per unit (5)=(4)*(1)			132.29 244.37
Full net cost per unit (6)=(1)+(5)			504.00 615.00

Let's calculate the net cost of the towel (**Table 7**).

Table 7

Data sheet of calculation of the net cost of the towel

Towel		VARIABLE COSTS PER UNIT	
Input	Purchase value	Estimated quantity per unit	Estimated costs per unit, UAH
Fabric, m	264.00	1	264.00
Upper thread	0.068	1,380	93.84
Lower thread	0.0325	690	22.43
Fusible webbing	34.00	1	34.00
Electric power, kW	1.68	0.5	0.84
Packaging	80.00	1	80.00
Estimated variable costs per unit (1), UAH			495.11
FIXED COSTS PER UNIT			
Estimated aggregate fixed costs per month (2)			1,608.8 2,933.8
Estimated aggregate variable costs per month (3)			5941.32 5941.32
Ratio between the fixed and variable costs (4)=(2)/(3)			0.27 0.49
Estimated fixed costs per unit (5)=(4)*(1)			133.68 242.6
Full net cost per unit (6)=(1)+(5)			629.00 738.00

The price of my products will be calculated based on the formula:

$$Pr = N + P$$

Pr — means price per unit

N — means net cost per unit

P — means profit

Let's calculate the price of the embroidered shirt for women pursuant to Table 5:

$$\text{Prsw}_1 = N + P = 451 + 1249 = \text{UAH } 1,700$$

$$\text{Prsw}_2 = N + P = 562 + 1138 = \text{UAH } 1,700$$

Let's calculate the price of the embroidered shirt for men pursuant to Table 6:

$$\text{Prsm}_1 = N + P = 504 + 996 = \text{UAH } 1,500$$

$$\text{Prsm}_2 = N + P = 615 + 885 = \text{UAH } 1,500$$

Let's calculate the price of the towel pursuant to Table 7:

$$\text{Pt}_1 = N + P = 629 + 1371 = \text{UAH } 2,000$$

$$\text{Pt}_2 = N + P = 738 + 1262 = \text{UAH } 2,000$$

7.8. Product promotion policy. Organising the advertising campaign, and estimated associated costs

The social media is a large base of potential clients. Modern businesses must promote themselves on Facebook and Instagram to effect sales.

The modern competitive environment provides for the workshop's own website, which is a necessary element of the business environment and an important tool of communication with users on the Internet. Following the registration, the online store of the workshop will be filled with the respective themed content, which will enable the target audience to obtain exhaustive information on the available services.

The workshop's web-resources will publish high-quality images with the detailed description of the products. Given the modern trends, a considerable benefit will be video presentations and video reviews, which are positively perceived by the users provided that they are informative, and the video is presented in an interesting manner.

With account of the specific nature of the service, Facebook and Instagram pages with the respective themed content will be created.

There will be daily posts. They will be consolidated by the following themes:

- Information on products.
- Information on the workshop.
- History of Ukrainian embroider and Ukrainian wear (costumes).

The logo has been developed to identify the services of Sana Embroidery Workshop. I believe that the people who are interested in my works will have clear associations by the products of my workshop, their quality and style. Owing to this logo, the people will remember my workshop. The logo is presented in **Annex 7**.

Marketing promotion plan

Method	Description	Costs, UAH
Advertising		
Targeted advertising	Targeted advertising settings with the budget of 1\$/d	825
Advertising by bloggers	Purchasing advertising from a blogger once a month	500

Public activity		
Participation in exhibitions	Participation in themed exhibitions in the municipal museums	Free of charge
Promotion of sales		
Discount system	Discounts for a birthday as well as other holidays during a year (International Vyshyvanka Day, Independence Day, Christmas etc.)	The discounts will be granted at the expense of profit
Total promotion costs		1,325

8. Management

In the beginning, I will work myself in the workshop. I will hire some female employees later, when necessary.

I have the Specialist's degree in staff management and labour economy.

I have been embroidering since 2004. I study history of the Ukrainian embroidery and Ukrainian national clothes.

I have participated in many exhibitions, including four personal ones.

List of the attended courses and other types of additional training

1. Online course of Borshchiv embroidery. Basic techniques (Larysa Ovcharuk, 2017).
2. Online course of cutting, Bukovyna tsyrka, basics of hardanger (Viktoriiia Kryvonis, 2018).
3. Fundamental course of Borshchiv embroidery. Online (Maia Yurkevych, 2018).

4. Pictorial embroidery. Alena Petrova's School (2017).
5. Prekrasa Studio. Online School of Ukrainian Embroidery. Course "How to embroider a towel, five embroidery techniques" (Olha Narbut, 2019).
6. Concentrated course "Seven stitches" (Iryna Shevchenko, 2019).
7. Cutting a traditional insert shirt. Workshop (Hanna Baranova, 2020).
8. Church and gold embroidery school. Course "Embroidering angels" (Elena Katasonova, 2020).
9. Course "Cutting based on ten-measurement system" (Iryna Paukshte, 2020).
10. Course "Pencil dress with sleeves" (Iryna Paukshte, 2020).
11. Course "Pencil dress without sleeves" (Iryna Paukshte, 2020).
12. Course "Chanel-style dress. Design and tailoring" (Iryna Paukshte, 2021).

Risks (SWOT analysis)

Strengths

- Exclusiveness and handicraft
- High quality of the products offered
- Attractive looks of the goods and conformity to the fashion trends
- Wide range of services
- Possibility of using new technical tools and technologies
- No local competitors

Weaknesses

- Economic risks, including inflation
- Lack of funds to purchase materials
- Seasonal factors
- Low popularity of the workshop
- Poor SMM skills

Opportunities

- Expanded sales area
- Use of Internet marketing

Threats

- Dependence on suppliers of raw materials
- Responsibility to clients
- Lack of clients

In order to mitigate the above-mentioned risks, I:

1.

Have selected several suppliers of the raw materials

2.

Thoroughly control the quality of my products

3.

Have planned advertising of my workshop

FINANCIAL AND ECONOMIC FEASIBILITY OF THE PROJECT

	August 2021	September 2021	October 2021	November 2021	December 2021
1. Proceeds from sales (1)	0.0	7,200.0	10,900.0	20,500.0	20,200.0
1.2. Investment (grant)	47,489.4	0.0	0.0	0.0	0.0
2. Net cost of the product (2)	0.00	1,611.4	1,612.7	7,487.9	7,310.4
2.1. Variable costs	4,679.4	2.58	3.87	4,554.1	4,376.6
2.1.1. Raw and other materials	4,679.4	0.0	0.0	4,547.6	4,370.4
2.1.2. Fuel and energy	0.00	2.58	3.87	6.57	6.18
2.2. Fixed costs	43,879.0	1,608.8	1,608.8	2,933.8	2,933.8
2.2.1. Depreciation	0.00	539.8	539.8	539.8	539.8
2.2.2 Utility costs	800.0	800.0	800.0	800.0	800.0
2.2.3. Internet	99.0	99.0	99.0	99.0	99.0
2.2.4. Mobile communication	45.0	45.0	45.0	45.0	45.0
2.2.5. Advertising	-	-	-	1,325.0	1,325.0
2.2.6. Bank services	125.0	125.0	125.0	125.0	125.0
2.2.7. Equipment	42,810.0	0.0	0.0	0.0	0.0
3. Taxes (3)	2,374.5	360.0	545.0	1,025.0	1,010.0
4. Net profit (1-2.1-2.2-3)	-3,443.5	5,228.6	8,742.3	11,987.1	11,879.6

January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Total
15,300.0	20,500.0	21,300.0	20,000.0	19,500.0	20,200.0	20,000.0	195,600.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	47489.4
6,305.0	7,487.9	7,790.3	7,363.1	7,238.2	7,310.4	7,363.1	68,880.5
3,371.2	4,554.1	4,856.5	4,429.3	4,304.4	4,376.6	4,429.3	43,938.1
3,366.4	4,547.6	4,849.2	4,423.1	4,298.6	4,370.4	4,423.1	43,875.8
4.83	6.57	7.35	6.18	5.79	6.18	6.18	62.28
2,933.8	2,933.8	2,933.8	2,933.8	2,933.8	2,933.8	2,933.8	73,500.8
539.8	539.8	539.8	539.8	539.8	539.8	539.8	5,937.8
800.0	800.0	800.0	800.0	800.0	800.0	800.0	9,600.0
99.0	99.0	99.0	99.0	99.0	99.0	99.0	1,188.0
45.0	45.0	45.0	45.0	45.0	45.0	45.0	540.0
1,325.0	1,325.0	1,325.0	1,325.0	1,325.0	1,325.0	1,325.0	11,925.0
125.0	125.0	125.0	125.0	125.0	125.0	125.0	1,500.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	42810.0
765.0	1,025.0	1,065.0	1,000.0	975.0	1,010.0	1,000.0	12,154.5
8,230.0	11,987.1	12,444.7	11,636.9	11,286.8	11,879.6	11,636.9	113,496.0

PLANNED FLOW OF FUNDS

Proceeds and expenses	August 2021	September 2021	October 2021	November 2021	December 2021
1. Залишок коштів на початок місяця	0.0	-3443.5	1,785.2	10,527.5	22,514.5
2. Надходження					
2.1. Виручка від реалізації	0.0	7,200.0	10,900.0	20,500.0	20,200.0
2.2. Інше (грант)	47,489.4				
3. Разом надходжень	47,489.4	7,200.0	10,900.0	20,500.0	20,200.0
4. Витрати					
4.1. Сировина	3,879.4	0.	0.0	3,587.6	3,410.4
4.2. Електроенергія	0.0	2.58	3.87	6.57	6.18
4.3. Обладнання	42,810.0	0.00	0.0	0.00	0.0
4.4. Амортизація	0.0	539.8	539.8	539.8	539.8
4.5. Податки	2,374.5	360.0	545.0	1,025.0	1,010.0
4.6. Комунальні послуги	800.0	800.0	800.0	800.0	800.0
4.7. Інтернет	99.0	99.0	99.0	99.0	99.0
4.8. Мобільний зв'язок	45.0	45.0	45.0	45.0	45.0
4.9. Послуги банку	125.0	125.0	125.0	125.0	125.0
4.10. Реклама	0.0	0.0	0.0	1,325.0	1325.0
4.11. Пакування	800.0	0.0	0.0	960.0	960.0
5. Разом витрат	50,932.9	1,971.4	2,157.7	8,512.9	8,320.4
6. Баланс (1+3)-5	-3443.5	1,785.2	10,527.5	22,514.5	34,394.1

	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022
	34,394.1	42,624.1	54,611.1	67,055.8	78,692.7	89,979.5	101,859.1
	15,300.0	20,500.00	21,300.00	20,000.00	19,500.00	20,200.00	20,000.00
	15,300.0	20,500.00	21,300.00	20,000.00	19,500.00	20,200.00	20,000.00
	2,646.4	3,587.6	3,889.2	3,463.1	3,338.6	3,410.4	3,463.1
	4.83	6.57	7.35	6.18	5.79	6.18	6.18
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	539.8	539.8	539.8	539.8	539.8	539.8	539.8
	765.0	1,025.0	1,065.0	1,000.0	975.0	1,010.0	1,000.0
	800.0	800.0	800.0	800.0	800.0	800.0	800.0
	99.0	99.0	99.0	99.0	99.0	99.0	99.0
	45.0	45.0	45.0	45.0	45.0	45.0	45.0
	125.0	125.0	125.0	125.0	125.0	125.0	125.0
	1325.0	1325.0	1325.0	1325.0	1325.0	1325.0	1325.0
	720.0	960.0	960.0	960.0	960.0	960.0	960.0
	7,070.0	8,512.9	8,855.3	8,363.1	8,213.2	8,320.4	8,363.1
	42,624.1	54,611.1	67,055.8	78,692.7	89,979.5	101,859.1	113,496.0

SALES PLAN

Product	Description	August	September	October	November	December	January
Towel	Scope of sales	0	2	3	3	2	2
	Selling price	2,000.0	2000.0	2000.0	2000.0	2000.0	2000.0
	Value of sales, UAH (1)	0	4,000.0	6,000.0	6,000.0	4,000.0	4,000.0
Shirt for women	Scope of sales	0	1	2	5	6	4
	Selling price	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
	Value of sales, UAH (2)	0	1,700.0	3,400.0	8,500.0	10,200.0	6,800.0
Shirt for men	Scope of sales	0	1	1	4	4	3
	Selling price	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
	Value of sales, UAH (3)	0	1,500.0	1,500.0	6,000.0	6,000.0	4,500.0
Total value of sales, UAH (4)=(1)+(2)+(3)		0	7,200.0	10,900.0	20,500.0	20,200.0	15,300.0

February	March	April	May	June	July	Total
3	5	2	1	2	2	27
2000.0	2000.0	2000.0	2000.0	2000.0	2000.0	
6,000.0	10,000.0	4,000.0	2,000.0	4,000.0	4,000.0	54,000.0
5	4	5	5	6	5	48
1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	
8,500.0	6,800.0	8,500.0	8,500.0	10,200.0	8,500.0	81,600.0
4	3	5	6	4	5	40
1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	
6,000.0	4,500.0	7,500.0	9,000.0	6,000.0	7,500.0	60,000.0
20,500.0	21,300.0	20,000.0	19,500.0	20,200.0	20,000.0	195,600.0

NECESSARY RESOURCES

Physical resources	
Description	Cost, UAH
Embroidery machine Janome Memory Craft 550e	34,510.0
Serger Janome 210D	6,400.0
Steamer	1,900.0
Moana linen	1,584.0
Onyx cotton	907.2
Embroidery thread	680.0
Bobbin thread	325.0
Tear-off fusible webbing	333.0
Packaging	800.0
Consumables	50.0
To be bought in total	47,489.2
Sewing machine Brother ModerN 27	4,845.0
Hand embroidery bench	2,000.0
Hand embroidery frame	1,000.0
Laptop	17,000.0
Bought in total	24,845.0

CALCULATION OF THE BREAK-EVEN POINT (TOWEL)

Input		
FC	2,933.8	Fixed costs
AVC	495.11	Variable costs per unit (average variable cost)
MR	2,000.00	Price, income per unit (marginal revenue)
Qmin	1	Quantity of the products (units), lower limit
Qmax	12	Quantity of the products (units), upper limit
Outcome		
Q0	1.95	Break-even point (units)
R0	3,899.02	Break-even point (UAH)

CALCULATION OF THE BREAK-EVEN POINT (SHIRT FOR WOMEN)

Input		
FC	2,933.8	Fixed costs
AVC	317.55	Variable costs per unit (average variable cost)
MR	1,700.00	Price, income per unit (marginal revenue)
Qmin	1	Quantity of the products (units), lower limit
Qmax	12	Quantity of the products (units), upper limit
Outcome		
Q0	2.12	Break-even point (units)
R0	3,607.7	Break-even point (UAH)

CALCULATION OF THE BREAK-EVEN POINT (SHIRT FOR MEN)

Input		
FC	2,933.8	Fixed costs
AVC	370.25	Variable costs per unit (average variable cost)
MR	1,500.00	Price, income per unit (marginal revenue)
Qmin	1	Quantity of the products (units), lower limit
Qmax	12	Quantity of the products (units), upper limit
Output		
Q0	2.6	Break-even point (units)
R0	3,895.29	Break-even point (UAH)

9. Conclusion

The estimated economic indicators presented in the business plan are feasible and conform to the project goals. The marketing analysis is complete and describes the main parameters as to identification of the target audience, pricing and tools to promote goods at the market. The project is viable and provides for payback within the established time frames and profit targets.

