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2REVIVE

GUIDE TO SECOND-CHANCE ENTREPRENEURS' SUCCESS



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Who is this guide for?

If you owned a business in the past, you failed and you want to start all over, this Guide is for you:

Because it will help you estimate the viability of your new business idea.

If the crash of your previous business attempt destroyed your self-confidence, your self-esteem and your motivation to move on, this Guide is for you:

Because it will guide you through a step-by-step process of acceptance, learning and recovery.

If you are a young entrepreneur who has just started a business and you want to be prepared for all scenarios, this Guide is for you:

Because it will show you that failing is just a part of being an entrepreneur so you would better be prepared for it.

If you are an experienced entrepreneur striving for continuous improvement, this Guide is for you:

Because it will offer you tools you can utilize for your business to make it work better.

If you never owned a business but you always had an interest in entrepreneurship, this Guide is for you:

Because it will present good and bad entrepreneurial examples that might inspire you to take the leap into your own business adventure.

If you are a VET teacher/trainer or if you are running a VET centre/organization or if you are somewhat involved in the VET sector, this Guide is for you:

Because it will benefit you to incorporate this Guide's content in your trainings, courses and programmes as it can provide your students with:

- ***valuable tips on overcoming stigma of failure, gaining motivation and achieving self-awareness;***
- ***relevant examples and effective tools for restarting a business;***
- ***an overview of the specific business environment in each partner country in terms of regulations and prospects for running a business, survival of enterprises and useful local sources for finding funding, networking spaces and links to find more information.***



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Part 1

HOW TO START AGAIN?

The current situation in Europe place ex-entrepreneurs in a tough environment not only from regulation point of view but also from psychological and societal. There is a widespread perception about **the stigma of failure and the fear of punitive sanctions** as well as practical difficulties faced by formerly bankrupt entrepreneurs that hinder them from retry. In countries where stigma levels are deemed the highest, researchers have found that if you are an entrepreneur who have failed you have more difficulties to start a business again. But first, what exactly is stigma?

According to Goffman, 1963, stigma is a "multilevel phenomenon" which encompasses the macro level – social groups and the micro level – persons. The macro level makes a collective judgement about the consequences of having a stigma marking and the micro level bears that markings are socialized to incorporate the judgements of the wider society into their conception of self. Researchers have found out that part of the entrepreneurs who, for some reason, decided to terminate their business, become stigmatized. Specialists in the sphere of stigma and its effects have also indicated that individual implications of stigma in entrepreneurs who have gone through a "business exit" from an unsuccessful business venture are of utmost importance since they are rarely studied (Simmons, S., Stigma and Business Failure: Implications for Entrepreneurs' Career Choices). It is argued that if you are an entrepreneur who has experienced firm failure, you are prone to developing feelings connected with "loss of reputation, image, status and experience" which in return hinders your prospects on the labour market. Since the failing of an enterprise is predominantly associated with the failure of the entrepreneur who created it and runs it, the cause of the failure is often transferred to him or her and thus, stigma marking is developed.



According to the target group surveys that the 2REVIVE project consortium conducted across Poland, Italy, Bulgaria, Croatia, Malta, and The Netherlands within O1: Research on behavioural attitudes towards second-chance entrepreneurship, respondents mainly consider that the view of people around them on individuals who do not succeed with a business (plan) is rather negative with one of the respondents expressing that: *"Even my therapist sounded negative towards entrepreneurs and risk taking that comes along with that."*

However, some respondents say they have observed a shift in perception as one interviewee answered: *"So, I am convinced that today people consider the failed entrepreneurs not incapable but just unlucky."*

Thus, the results can be interpreted as confirming the overall perception of failure by the society.

Researchers also suggest that mass media is a part of the stigmatization process as it was found that when your failure as an entrepreneur is publicized, the sense of stigma is more likely to appear. The attributional theory can also be analyzed to further explain why stigma has such an effect on individuals.

¹The theory generally assumes that people are trying to decide why individuals act in a certain way and therefore, they attribute one or more causes to their behavior (B. Weiner, 1974). The process which underlies an attribution consists of three stages: 1) a person must observe another's behaviour; 2) a person must determine if they believe the behaviour is intentional; 3) a person must decide if he/she believes the other person was forced to perform the behaviour or not. In the context of stigma and people's reactions to it, the theory extends to the nature of attributions that people make for stigma and how this is applied to the way they feel pity and need to help the stigmatized person. For example, help is more often offered when people perceive the stigma bearers to have low ability and there are circumstances and external barriers out of their control.

According to hypotheses testing (Jenkins et al) though, entrepreneurs are found accountable for their firm's failure no matter the circumstances which naturally impacts the amount of empathy shown with the individual. Thus, failure is the stigmatizing factor but respondents who understood failure **as an inherent risk of running a business were less prone to attribute the failing of a business to the entrepreneur himself/herself**. Jenkins et al suggests that if a greater understanding of the risks accompanying self-employment and owning a firm is achieved, the stigmatization of failed entrepreneurs can be decreased. This is why through the 2REVIVE project, the consortium is aiming at reshaping the concept of failure and normalizing it. Thus, the current Guide that includes information, practical tools and techniques for restarting a business successfully will be widely popularized and used to change the perception of failure not only of the project target groups but also of society.

¹ Jenkins, A., Hellerstedt, K., Hunter, E. and Davidsson, P. (2014). Stigmatization Of Failed Entrepreneurs: Prevalence And Solutions, Frontiers of Entrepreneurship Research, Vol. 34: Iss. 5, Article 2. Retrieved from: <http://digitalknowledge.babson.edu/fer/vol34/iss5/2>



1.1. Techniques and strategies for overcoming the stigma of failure, gain motivation and self-awareness²

● Technique 1 *Analyse your mistakes while keeping your self-respect*

One of the ways to shake off the stigma of failure is to first start with yourself. It is normal that after your unsuccessful attempt in business you will have lower self-esteem and doubts. Take the time to get some rest and learn the lessons from your experience before jumping into another business initiative. A good starting point would be to develop new consciousness for your weaknesses. Remember: it is about how you interpret the negative event. This interpretation will either damage your confidence or will shape you into a better version of yourself.

Make a list of the mistakes you have made in your first business endeavour. Identifying precisely the wrong moves you made will help you learn from your failure and will be instrumental in building back your confidence. The hardest part in this technique is that you are probably stuck in the situation. In such case, there are two main factors at play: making **adequate estimation** of what went wrong while keeping **your self-respect**. Usually when self-respect takes over, one blames external factors for their failure. However, when one is successful, they credit the success to their personal qualities and knowledge! Keeping your self-respect has its own price. When you close an eye on your mistakes, it is not possible to learn from them. In order to learn from your mistakes, you must truly admit to yourself that you have made them. But how can you keep the balance? How do you admit your mistakes while keeping your self-respect? It all comes down to one sentence you must keep repeating to yourself: *I have failed but I am NOT the failure*. This means that you accept your failure but you do not identify your whole self with failure.

After you have reconciled with failing, pluck up your courage and pinpoint the wrong steps that you took. Go through the following key points:

✓ **Market:** market research is instrumental for the success of every company. Ask yourself the following questions:

- *Did you perform profound market research before starting your business?*
- *Did you develop a product or a service that nobody wants?*
- *Did you identify a problem and did you offer an adequate solution for it?*

2 Simmons, S., Wiklund, J., Levie, J. (2014). Stigma and Business Failure: Implications for Entrepreneurs' Career Choices. Volume 42, Issue 3, pp 485–505. Retrieved from: https://strathprints.strath.ac.uk/45562/1/04_Paper_SIMMONS.pdf



- ✓ **Clients:** if you don't know your clients there is a high possibility that they don't know you either. This decreases dramatically your chances of selling them goods or services. Think about your previous attempt in business.
 - *Could you provide a clear description of your perfect client?*
 - *Did you fail to recognize your potential client?*
 - *Was your marketing campaign truly based on your perfect client?*

- ✓ **Sales:** if there are no sales, there is no business. It is as simple as that. This seems obvious, especially when looking back at what has remained of your unsuccessful business. Nevertheless, it is not that easy to identify sales mistakes when you are busy building your business. Be honest with yourself.
 - *Did you focus enough on sales?*
 - *Did you have a clear goal on sales?*
 - *Did you monitor your goal?*
 - *Did you correct it when it was necessary?*

- ✓ **Prices:** you must price your product/service based on its value to the customer, rather than on its costs plus the desired profit.
 - *Did you calculate prices too low?*
 - *Did the price correspond to the real value of your product/service or did it just cover the expenses for its production?*

- ✓ **Profit:** it is not about how much money you have made but how much of it will remain after covering your expenses. Stable income is important, but profit is vital for the development of your business and its profitability.
 - *Did you focus on income rather than on profit?*

- ✓ **Expenses:** there are many things you may spend money on, but you have to make sure that a raise in your expenses corresponds with a raise in your profit. Minimize your expenses and invest only in necessary assets.
 - *Did you get carried away and invest in things that were not really necessary?*
 - *Did you go for a fancy office that was not actually needed?*
 - *Did you sign long-term contracts for rent of assets that did not allow you to optimize your expenses when you had to?*



The above questions are examples. You can go further and be more specific, you can add questions or categories that affected your business. The point is to get thinking in detail, investigating each step of your business journey. Once you have your list ready, you will have identified the reasons for your failure and will start learning the lessons.

● Technique 2 Get inspired by good examples

Learning from your mistakes is always a good idea. Learning from other people's mistakes, however, is also beneficial. Especially when this other person is someone famous or someone you look up to. There are many examples of now successful entrepreneurs who failed in their businesses before rising to success. Go through the following situations of failure. How do you think the persons who lived through these disappointments reacted? Did they identify themselves with failure? Were they able to achieve success later in life?

1. He was fired from a newspaper for lack of imagination and good ideas. Later on, his idea for a cartoon character was condemned for lacking potential.
2. At the age of 22 she was a reporter and got fired because she was not suitable for TV. She then became a TV news host but was removed from this position due to low ratings.
3. He used to be an English teacher who wrote short stories for some extra money. He had an idea for a book but gave up on it after 30 publishing houses turned it down.
4. In the early days of the band they were rejected by a record company who told them that they had no future in the show business.
5. He went into bankruptcy 5 times.
6. He couldn't speak until he was 4. He couldn't read until he was 7. His parents and his teachers considered him mentally retarded. He was expelled from school.
7. She was jobless, divorced, penniless, and with a dependent child. She suffered through bouts of depression, eventually signing up for government-assisted welfare.
8. He was told by his teachers he was 'too stupid to learn anything'.
9. His first story received six hundred rejection slips.
10. After just one performance a manager told him, "You ain't going nowhere, son. You ought to go back to driving a truck."

Would you be discouraged in such situations? Would you consider these persons failed?

Now look at the list below. Do you recognize the names? Do you consider these persons failed or successful? Would you associate any of them with the above situations?

1. Walt Disney and his most famous cartoon character Mickey Mouse



2. Oprah Winfrey
3. Stephen King and his book "Carrie"
4. The Beatles
5. Henry Ford
6. Albert Einstein
7. J.K. Rowling
8. Thomas Edison
9. Jack London
10. Elvis Presley

Looking at the situations of failure, you can easily get discouraged. However, looking at the persons you most probably think of them as successful. Their stories of success started with a failure, sometimes even two or three in a row. Nevertheless, they did not let failure define them. What is important here is to distinguish between a bad period of life when you fail and your holistic value as a person and a professional. Try to put your failed business attempt in one or two sentences. Is it similar to the situations above? Can you put it as number 11 on the list? Where do you think this will lead you? Could it be the situation that will eventually take you one step further to success? Do you believe your failure will be the first chapter of a story that will eventually put your name under number 11 right after Elvis Presley?

There are many more examples of successful people who initially failed. If you need inspiration that will boost your self-confidence, you can have a look at the success stories: <http://2revive.eu/success-storybook/>

● Technique 3 Learn from bad examples

Not only unknown small companies fail. Sometimes world-famous big companies take a series of bad decisions that lead them to bankruptcy. These companies are publicly exposed and the whole world becomes witness to their failure. The good point is that they become subject to profound analysis and their failures turn into red flags for other entrepreneurs. Below you will find six examples of companies that were once top players in their areas.

LA Gear

In 4 years, the company managed to increase its sales from \$ 11 million to \$ 820 million. A bad strategic step was the decision to **market many of its products at such a great discount** that consumers began to view LA Gear as **a low-quality brand**. The other mistake of the company was that it invested a lot in products that are far from what they are most famous for - basketball sports shoes. They started offering cheap shoes at Walmart and **lost focus on what they were best at.**



Polaroid

They have reached the pinnacle of a brand - their brand name is both a product name and a synonym for „high quality“. What pushes them away from the market is their own **inability to adapt to the changed reality** - their users from the 80s and 90s already use their phones to take pictures. Their product is an exhibit in the museum of successful brands of the past.

Kmart

Kmart was the first national grocery chain in the United States and had great success. Subsequently, they began trying to attract a richer clientele. Since the beginning of the new millennium, Walmart has focused entirely on lower-priced merchandise, and Target has targeted customers interested in emerging fashion trends. Kmart tried to compete with both companies and offer products in different price categories. The company **had no specific target group**, their customers went astray, and the brand lost market share. In 2002 it went bankrupt.

MySpace

It was not easy for the founders of the MySpace social network to acknowledge their defeat. In 2006, News Corp. spent \$ 580 million on MySpace and made investments for years, but all the while, MySpace was losing ground to Facebook and eventually sold for \$ 34 million. If you have invested a lot of money and energy into something, you do not want to sell it, but if you don't, **you can lose a lot more**.

Lululemon

The company for yoga pants, Lululemon, made a huge strategic mistake by **blaming the customers' bodies for defects in their products**. The company's founder, Chip Wilson, responded to the attacks against the company that the cloth is easily worn, criticizing women for being overweight, which results in faster wearing out of the pants from the inside of the thigh. The result was a real typhoon on social media from angry female speeches against the brand.

Pets.com

The pet product company **failed to sell large quantities of their best-margin products** - animal toys. The ones that were most often ordered through the site - cat toilets and cans of dog food were heavy and expensive to transport. The other thing that drove the company down was their decision to rely on **too many discounts to attract customers**.



Looking at the stories of these once mighty companies, it seems easy to identify the wrong business steps that eventually led to their failure. These were large companies; they probably had a board of managers and many financial, marketing and legal advisors to prevent the wrong turn of events. Still they failed to do so. The awareness that even world-famous brands can fail may help in healing your self-esteem.

What are the lessons you can draw from the failure of the big players? Pretend that your company was just as big and famous as the ones listed above. Write down your own short story of failure outlining the key factors that led you to bankruptcy. Try to be objective as though you were an outside analyst. Now go through the lessons learnt from these business failures (listed below) and write down the lessons that other entrepreneurs can learn from your experience. Do you recognize your mistakes here? Or will you add to the list?

- **Do not lose your focus on what you are best at.** Even if you decide to diversify your product line or service, do it with caution.
- **Be careful with discounts.** Certainly, they can be a way to attract customers but too much reductions of the price may result in low profit. Low profit deprives you of funds for covering unforeseen expenses or ongoing expenses in case of drops in sales.
- **Be consistent.** If you try to make a name as a high-quality brand, do not compromise with it. Your customers will get confused and this will push them away.
- **Know your target group.** As early as the planning phase of your business initiative you should have a clear idea of whom you address with your product/service. Match your product to the target group and stay loyal to it. Do not fluctuate between very diverse groups of customers since there is the risk of losing them all.
- **Respect your customers.** Even if you do not agree with their opinion, consider it and do so with respect.
- **Always try to sell more of your best-margin products.** These are the products that bring you profit. Therefore, you should build your marketing strategy around them.
- **Adapt to the changed reality.** If there is no more demand for your product try to figure out what you can change to keep up with the new tendencies. Do not underestimate the trends in your sphere and act accordingly.
- **Stop investing when it is already pointless.** You should recognize and accept defeat. Sometimes it is better to give up than risk going into bigger debt just because you are stubborn. Before investing more, think whether the better option would be to take a step back.



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Part 2

ESSENTIALS OF SECOND-CHANCE ENTREPRENEURSHIP

2.1. Tutorial for re-starting a business

✓ Find a mentor

Entrepreneurship is an incredible experience but probably you have already understood it is not for everyone. While you might be an expert in a specific field, running a new business or restarting one requires an entirely new set of skills and competences which most business owners only acquire on the job. Unless you were attending a business school or were raised in a family environment where people run their own businesses, you probably have a lot to learn.

Mentors and business coaches can save a lot of time, energy and resources for you. Mentors are crucial in shaping your thinking and actions and can give a huge support in the most stressful times, guiding you through the steps and helping you not only to be more knowledgeable but also be more patient, optimistic and resilient. Achieving this shift in your mindset could be priceless and will guarantee you extra energy and faster results in your new business.

Mentors can also train you to focus on your next steps, instead of chasing irrational dreams and results. They will support you to bring your energies into the actions that are needed at every step.

You do not have to seek the best mentor in town because even in fact, finding a person who is coaching for a good few years could give you valuable insights on how to restart. Such mentor can teach you the basics that you might have not known, or you just missed during your previous attempt as an entrepreneur.

When choosing who you work with, you need to ensure that you get along. Your mentor should be easy to talk to and a good listener, someone you respect and look forward to work with. You will want this person



to listen to your ideas without interrupting or setting limitations, to ask relevant questions and suggest implementable solutions. Do not be afraid if your mentor is from a different business field in which you are planning to start working. It might bring additional benefits and give you an unusual perspective that works well. And what is even more important, you can be more open and honest with him/her since your mentor will not be a part of your competition.

It is important that once you choose someone, you stick to him/her and commit yourself to working together at least for a year. Mentoring is a process so long-term expectations and goals must be established and followed persistently.

✓ **Identify your values and your purpose**

Marcus Aurelius, a stoic philosopher, said 2000 years ago:

'Waste no more time arguing what a good man should be. Be one.'

You might know that many entrepreneurs do the mistake of believing in things but not acting accordingly. Values are supposed to be non-negotiable. If your values are sound, your position and image will be authentic and reliable and will stand above that of many of your competitors.

Linking your business to a purpose will highly increase the chances of success of the venture even if economic downturns happen. Entrepreneurs with solid, purpose-based ideas stay connected with their customers, who in turn promote them with friends and relatives. This is one of the best marketing practices that can be established in a firm.

Not to mention that if a climate emergency state is announced, there is a huge responsibility on businesses and expectations towards them in terms of doing their part for sustainability. One of the most crucial steps you can consider is how to reduce and eliminate waste in your procedures and minimise your carbon footprint. SMEs also have a supply-chain advantage over larger firms as for them it is easier to control who they do business with. Make sure that you apply and promote sustainability measures and expect the same from all your partners.

Consumers in this current awareness-raising period wish to get to know who they can trust and who are the market actors caring more about people and the planet.

✓ **Evaluate where you are now**

During your lifetime, you have probably developed strong capabilities, gained skills and knowledge, learnt from professors, friends, colleagues, bosses, competitors, and most importantly, from your own experience in life and business. Take a look at what you have achieved, how were you enriched and what network, skills and expertise you already possess. Evaluate and list all your resources, and how much they could contribute



to your success in the next period. Build on them, develop and invest in them.

As you examine what you are passionate about, first of all, ask yourself 'Why do I want to start my own business?' Then, start brainstorming about what bothers you in the business sector and how you could do it better. Do you already have the expertise to come up with a new business idea? What do you need to gather all information and resources for a new start? Do not be afraid to ask your network for advice. Conduct research continuously, collect good practices and locate and take note of every important information you missed till now. A market research will let you know if there is an opportunity to earn a decent profit in the area you plan to work in.

According to Carol Roth and her book 'The Entrepreneur Equation', there are 10 mindsets that every entrepreneur should develop before starting their own business. Take some time for self-reflection and go through them:

1. **Critically assess your motivation:** besides knowing what is the core reason for yourself, try to answer what would you say to your business partners, creditors, customers and investors too.
2. **Be ready to have a lot of bosses:** you might think you are free and no one is controlling you as an entrepreneur. In reality your creditors, investors and your customers will be your new bosses.
3. **Evaluate how you work with others:** communication and people skills are essential in the business sector. You might need to focus on developing your communication, cooperation or problem-solving skills, it will be necessary when you work with accountants, lawyers, customers and other colleagues as well.
4. **Add up your responsibilities:** running your business can be felt like you have a 24/7 job. Ask yourself if you are ready for this, and if any steps need to be taken to allow you to reach an acceptable work-life balance.
5. **Sharpen your management and leadership skills:** you have probably already realised in your previous entrepreneurial period, that managing a team is crucial for the success of your business. The team's motivation is highly correlated to its productivity and commitment.
6. **It is not what you know but who you know:** make a list of a variety of professionals who you are already in contact with, and look for opportunities to widen your network on various events, business meetings, seminars etc.
7. **Be honest about your relationship with money:** not only in the first period, but throughout all your activity, you will need to take several decisions on expenses, investments etc. If you feel that your financial management skills are not strong enough, educate yourself. Look for resources, contact experts, attend meetings and watch videos or follow online courses. Every effort can potentially increase the chance to stabilize your business.



8. **Access your personality:** most importantly, reflect on how you manage stress. Being a business owner means that you need to be ready for the unexpected. To be flexible and manage everything that comes. If you get extremely stressed when things do not go as planned – it is very important that you start consciously developing new coping mechanisms for managing stress better. There are various resources and methodologies available online, but you can also ask for the support of a coach, counsellor or for example, a mindfulness trainer.
9. **Examine your competitors and the marketplace:** to brand your business and convince people to support it, you will need to understand why and how you can outshine your competitors.
10. **Test your scalability:** many successful businesses rely on automation and delegation. As a leader you need to know how and to whom to delegate the work

✓ Write a business plan

This is such an important and complex part that we will get into more details in the next section 2.3. Tips on writing a business plan.

✓ Build up your new business with all the necessary steps and tools:

As you probably know from your previous experience, regarding your official registration of your business, you will need to:

- Determine the structure and format of your business;
- Give it a name;
- Register it at the appointed offices;
- Get a tax number;
- Acquire permits and licenses;
- Set up a business bank account;
- Register for trademark or copyrights.

First of all, you need to be aware of all these necessary steps. If you need any advice, you should get legal aid or a lawyer.

As a next step, it is highly recommended to start using a variety of digital tools for the management of different aspects. You might look around in forums or ask your network for recommendations to get to know which tools and brands would be your best choice. Think about the following:

- Getting an accounting software to easily track your expenses;
- Setting up a website which you could also build on your own that would not cost additional finan-



cial resources;

- Getting or creating a logo - you can also find free platforms for the design of basic logos. However, if you prefer a professional one, you need to hire a graphic designer;
- Setting up social media accounts and getting to know how to manage them properly (schedule posts, engage with followers, find a good communication strategy). If you need training on that, you can ask your network, a professional, or check online tools and tutorials.
- Setting up an e-mail address plus a secure and well-functioning cloud-based platform for storing your documents and files;
- Using a project management tool could also be highly beneficial. There are plenty available, and you can consider the scale of your business as well as how many employees you plan to recruit. Based on this, you can find the tool with the most proper structure for your needs;
- Researching how you can market your business online in the easiest and most efficient way possible;
- Setting up a calendar and marking important events/meetings;
- Setting up a customer service account;
- Consider getting a password-storing and securing tool for remembering the passwords for all your new registrations.

2.2. Understanding unique value proposition of ideas

Understanding the true value of your business idea means to evaluate it, have it reviewed by another person(s) and improve it by identifying potential implementation weaknesses and respective measures to overcome them.

There are several methods that can help you evaluate your ideas. If you skipped this part before launching your previous business endeavour, it would be a good idea to dedicate more time on estimating the true value of your product/service.

Below you will see several methods that could help you estimate the value of your business initiative and focus your attention on possible weaknesses:

Pass-fail evaluation

This method works best in cases when you are fluctuating between several ideas. Each of them may seem good enough for you but focusing on the right one may turn out to be quite a challenge. Especially if you have experienced the hardship of failing in your first entrepreneurial attempt. The first step to select your "winning" business idea would be to make a list of criteria to determine whether the respective idea is worth



further consideration. Write down a number of key criteria, for example:

Table 1 Pass-fail evaluation

Criterion	Pass	Fail
Does the release of my product/service fit within the budget I have set?		
Will I be able to release my product/service within the time-frame I have set?		
Will I be able to deliver my product/service with the resources I have (human/financial/temporal/material, etc.)?		
Does my product/service fill a gap in the market?		
Is my product/service scalable? Will it meet customer demand without the need for it to be constantly reinvented?		

You can add to the list as many specific criteria as you deem relevant. Do not forget your previous entrepreneurial experience. Perhaps you have identified additional key criteria that are specific to your business field and that you failed to meet the previous time. Once your list is ready, set a threshold. It could be that if any idea fails to meet at least 90% of the criteria, it should be discarded as not viable. In order to be able to perform this kind of evaluation you must be very objective and certain about the answers you give. There is no "maybe" or "partially" column here. It is just yes or no. Still, if you think that your idea could be modified in order to meet a certain criterion, do so. It will be beneficial if you could involve another person in this evaluation – be it your business partner or an employee. Ask them to make their own pass/fail evaluation. They may provide a different perspective regarding the viability of your product/service. Comparing two or three evaluations may help you identify a weakness you failed to see.

✓ Evaluation matrix

This method is useful in cases when you have two or three ideas for a product/service or modifications of the same product that you find difficult to choose from. Unlike the pass/fail evaluation, this method encourages you to award each evaluation criterion with a score from 0 to 5.

Below you will find an example for an evaluation matrix that you can modify in accordance with the specifics of your business:



Table 2 Evaluation matrix

		CRITERIA					
		Fits a gap in the market (0-lowest, 5-highest)	Cost/ benefit (0-lowest, 5-highest)	Doable with the available resources (0-lowest, 5-highest)	Has potential for scaling (0-lowest, 5-highest)	Total score
IDEAS	Idea 1						
	Idea 2						
	Idea 3						

Evaluate each criterion on a scale from 0 to 5, 0 being the lowest score and 5 the highest. The last column sums up the scores from all criteria. The idea with the highest score is considered the most viable one.

You can add criteria depending on the specifics of your product/service. Do not ignore your previous experience. It can help you identify aspects you have neglected before that turned out to be crucial for the development of your business.

✓ SWOT analysis

The classic analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) is a good follow-up of the evaluation matrix. It allows for a deeper evaluation of your ideas as it considers them from different perspectives.



Table 3 SWOT Analysis

<p>Strengths</p> <p>What are the advantages of this idea?</p> <p>What will be the positive impact of this idea?</p> <p>What makes this idea stand out?</p>	<p>Weaknesses</p> <p>How could this idea be improved?</p> <p>What will be difficult with this idea?</p> <p>What aspects of this idea waste time and resources?</p>
<p>Opportunities</p> <p>Why will the market be enthusiastic about this product/service?</p> <p>What else could we do with this product/service?</p> <p>What new trends are occurring?</p>	<p>Threats</p> <p>What barriers stand in the way of success?</p> <p>What necessities do we lack to make this work?</p> <p>What changes are occurring in our market's environment?</p>

Once you have filled in the table for your idea(s), give 0 to 5 points for each strength and opportunity and take away 0 to 5 points for each weakness and threat. The final scores will make a good comparison of the values of your different ideas. Again, it will be good to involve another person in this evaluation in order to provide an unbiased perspective. When you have your evaluations ready, you can ask your team members/business partner or even your friends about suggestions for overcoming the identified weaknesses and threats. This will help you shape your business idea to better fit the market.

2.3. Tips on (re)writing a business plan

✓ Keep it simple

The key to a successful small business, especially in the start-up phase, is to keep things simple and low-cost. And costs do not just include your monetary costs but also your time and energy. Many start-up entrepreneurs fall into the trap of wishing to create the world's best business plan, especially if they have already failed before. You will definitely need a great plan if you are looking for an investment or reinvestment and financing but still, it is highly advised to test your ideas before spending a lot of time, money and other resources.

As a first step you can create a simple one-page business plan summarising all aspects of the business you are about to start or restart.

What is necessary to define is:

- Your vision – What would be the end result of your business?
- Your mission – What is the reason behind your company creation? Why does your company exist?
- Your objectives – What are the goals leading you to achieve your vision and mission?



- Your basic strategies – How are you going to achieve the identified objectives?

After answering these questions, all you need to do is make a step-by-step, task-oriented action plan on how you will start working towards fulfilling your objectives.

✔ Use a proper framework

You have probably heard about the Business Model Canvas - a tool which is a great template for developing a new business model. This chart with 9 separate blocks gives space for describing:

- Key partners of the business: such as suppliers, or complementary businesses;
- Key activities: the most important activities in executing your company's value proposition;
- Key resources: the assets that are needed to sustain and support the business, such as human, financial, physical and intellectual resources;
- Value propositions: the collection of products and services your business offers to the customers;
- Customer Segments: the identified customer groups you are trying to serve;
- Customer relationships: the type of relationship you plan to create with customer segments;
- Channels: through which channels you can deliver your value proposition to your customers;
- Cost structure: the financial structure according to which your company will operate;
- Revenue streams: the way you can generate income from different customer segments;

Filling out the Business Model Canvas together with other colleagues and professionals can bring a lot of advantages such as boosted creativity and the possibility to openly project your different views which, can both facilitate important discussions and provide better understanding of the management of your future business.

Another way of (re)setting up your plan is to use the methodology of Logical Framework Approach. This is composed of two phases: the **analysis** and the **planning** stage.

As part of the analysis stage, you shall prepare the following:

- Stakeholder analysis
- Problem analysis
- Objective analysis
- Strategy analysis

As part of the planning phase you will develop the Logical Framework Matrix itself, schedule your activities and create a budget plan.

It is somehow a simpler and deeper analysis on the basics of your business. The comprehensive analytical



phase can help you think about all aspects of a specific area. However, after the completion of the Logframe, you might need to go into more business details – this is the time when the Canvas tool can be very helpful.

✔ Customer focus

The difference between a successful and a struggling business is often down to one aspect: which business can satisfy their customers better. The best-performing organisations understand that being customer-focused requires a combination of attraction, engagement, satisfaction, and retention. Studies often show that business leaders do not know their customers well enough.

Another issue is that organisations often do not keep the promises made to their customers or even more worrying - they even fail to deliver promises made to their employees. Researchers found that in order to become more customer focused, there has to be a commitment from the people at the top of the organization.

How can you become customer-focused?

The customer focus should be initiated by asking yourself: "**How can I help my customer?**" which will make you put yourself in your customers' shoes and adopt a customer-focused mindset. You can also train your customer focus skills while you are in a situation of being the customer, and reflect by asking yourself: "How do the sellers or service providers are making me feel? Do they care about my needs, situation, priorities and desires? Or are they only interested in closing the deal? Did the service I was provided with and the attention I received make me feel better?"

Another very important practice is to adopt and demonstrate customer-oriented behaviour, which is different from switching to a customer-focused mindset. You can increase your understanding of this style of behaviour by reflecting once more on how you are being treated as a customer. How do the sellers / service providers act? What are they actually doing? And how are they doing it?

When you have sharpened enough both your mindset and your behavioural understanding, combine them! Focus on helping your customer and act in the way it is best for them. Be honest and sincere. And always keep your promises.

✔ Research, research, research

What it takes to write a great business plan is in-depth knowledge of your market, competition and your own abilities and strengths. You should dedicate approximately twice as much time on research and evaluation as on the actual act of writing your business plan.

What shall your research include? Conducting an industry analysis, a target market analysis and a competitive analysis.

When you are analysing the industry, you should assess the general environment in which you plan to op-



erate in. Look for statistics on the scale of the industry; sales and growth rate; is it expanding, contracting or holding steady? What are the current trends in the industry? Are there changes in the target market or in the technology it is using? You can search for information via various sources: government databases, industry databases and publications, trade association data, etc.

Analysing your target market will help you know if there are enough people in the market who are willing to purchase your product or service at the price you need to charge to make a profit. Of course, for making this analysis you need to know your potential customers very well.

The competitive analysis will give you an overview of the most important players in your industry. You might not compete with all of them, but it is important to know who is out there, who does what and how. You can study their advertising and promotional activities, campaigns and materials, the way they communicate and present themselves to the customers. You can surely identify what the good practices are, what you can learn from and what you could do even better. In addition, do not forget to look around to identify the suppliers of your competitors.

✓ Finding a cause for your business

Social responsibility is one of the key factors for building a successful business. In the business world sense, social responsibility is defined as corporate social responsibility (CSR) often related to large corporations which usually have a separate department that manages CSR activities. Still, this does not mean that micro and small businesses could not adopt such practices. Nowadays, it has become even more relevant as customers, investors and other important stakeholders are seeking not only the most profitable option for investment but also one that benefits the society as a whole. As an effect of this new trend, all new businesses are aiming at linking their venture to a social cause or a number of them. Adopting corporate social responsibility also means achieving sustainability of a business venture, therefore when you rewrite your business plan you should consider how much of your finances could be invested in following a social cause. Corporate social responsibility is frequently mistaken with philanthropy which literally means love of humanity and in other words, conducting private initiatives for the public good. Philanthropy attempts to address the root cause of a problem, similarly to the proverb, instead of giving people fish, it is teaching people how to fish. Corporate philanthropy (CP) is a more specialized term related to business and such philanthropy could include donations in the form of financial contributions along with other resources such as time, human resources, etc. Corporate philanthropic initiatives could also include following an entire philanthropic programme with management of different donations and resources offered (mainly practised in corporations). You, the entrepreneur, could decide whether the brand of your business will be credited publicly by the organisation receiving the donation. Philanthropy is essential in modern society and it is also very important



for businesses all around the world, especially in the current moral and climate crisis. Arguably, all profitable businesses are advised to set aside a part of their resources to serve a community or the common good.

Then what is the difference between corporate social responsibility and corporate philanthropy you might ask?

Corporate social responsibility is meant to be incorporated into the business model and practices in the company. It could be said that it encompasses corporate philanthropy as it has long-term goals and a programme that should involve the company directly in contributing to solving a selected problem or problems of the community. For example, if a company is manufacturing garments and using dye to colour the clothes, the company should be very careful when it disposes of the waste from these operations and initiate programmes in order to mitigate the effect on the environment and on the health of the society. If the firm does not follow such plan, the effects on its image could be quite negative. On the contrary, if a firm does not invest any time in corporate philanthropy, it will not affect so much how its customers and the business world view it. This decision would not have very negative consequences on the society.

Reasons your small business should be linked to a social cause:

To attract and maintain a client base

According to a study published in the International Journal of Environmental Research and Public Health³, corporate social responsibility and caring about the environment strengthens the relationship between the consumer and the retailer and the general attitude of the consumer towards the brand/business becomes more positive. These findings could lead to the conclusion that if consumers are faced with a choice between two companies offering similar services/products, they would choose the one that is more socially responsible. Consumers can even deem your services of higher quality and value and invest more money in your services/products. The commitment of your company to a social cause could transfer to the consumers as well. In other words, they could develop a similar commitment to your brand/business.

Your customers, without whom your business cannot exist, are your actual bosses. Meeting their needs is the key to running a successful business, so it is wise to already build up your business plan with knowing and understanding which of their needs you can serve and how. Customers can easily feel how a company treats them. They can detect how much you care about them or about a cause. The corporate social responsibility or philanthropy of your company should be more than just something to do because it is 'nice'. It should be a core mission in your efforts to grow your business and connect with your customers.

³ Ho, Ching-Wei. (2017). Does Practicing CSR Makes Consumers Like Your Shop More? Consumer-Retailer Love Mediates CSR and Behavioral Intentions. Int J Environ Res Public Health. 14(12): 1558. doi: 10.3390/ijerph14121558 Published online 2017 Dec 12. doi: 10.3390/ijerph14121558



✔ To make your employees feel valuable and recruit more talent

As the social cause attracts and maintains your consumer/client base, it has the same effect on your employees. According to a survey conducted by Deloitte, the "meaningful work that gives employees a sense of purpose" is amongst the dimensions of the simply irresistible organization that drives engagement.⁴ Giving a social dimension to your business could also easily attract new talented employees.

It can probably be stated that the vast majority of companies are in business to make money, but having a vision and duty that goes beyond the goal of profit can give your company a broader sense of purpose. When your company is built around a greater mission of benefiting society, you infuse that passion into all of your products, services but even into your employees and customers. This strive can manifest itself in the work of your team, and induce greater creativity, commitment and therefore, growth.

✔ To find a new opportunity for development

Building a more personal relationship with your customer base and employees through the social cause your company has adopted, can help you grow your business even further. For example, you can conduct a survey among your clients and employees to find out what they are passionate about and interested in. You can count on the fact that they would be more willing to share their opinion honestly since they are committed to the cause themselves. In this way, you can collect valuable insights on which direction to take your company to, be inspired and see new opportunities that were not considered before and therefore, start activities which could benefit not only the cause but also your venture.

All of these reasons could contribute for developing or recreating a business that encompasses a sustainable social cause. If you are hesitating which social, economic, environmental or other causes to support through your business, you might want to consult non-profit associations in your territory and get familiar with the context they work in and which problems they are trying to tackle. You could also dive into the literature on Sustainable Development Goals (SDGs) which identified 17 global goals and 169 targets, set by the UN General Assembly in 2015 to be reached by 2030. The Agenda 2030 calls on all private and public bodies to give their contribution to the achievement of these targets. You can choose to be the one to make a difference and commit your business to one or more targets. In the course of time you will see your investment return in monetary and other non-financial aspects and for sure, you will not regret it.

⁴ Deloitte Consulting LLP. (2016). Engaging the workforce/ Deloitte Employee Engagement Perspectives. Retrieved from: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-cons-engaging-the-workforce.pdf>



2.4. Tools for boosting business:

✓ Regular customer surveys

Once your business start to operate, remind yourself to ask your customers frequently through various channels and forms - why did they choose you and what do you offer that they value? You can be surprised that they might be attracted by something totally different than you thought.

Customer surveys are fundamental for a strong marketing campaign, for two reasons: firstly, it affirms what you stand for and your brand promise, and secondly, it creates a new brand promise.

Customer surveys should be carried out at minimum once or twice per year but you can also do it more often. The data that you collect will help you structure your next 12 months of running the business – both in product/service and in communication.

It's important to never assume you know information about your customers without asking them. You really need to question them everything you want to know: what they need and how you can give it to them. You can be even more appreciated if after the survey you provide feedback and thank them for their precious contribution.

It is also a great practice to ask your customers to give you a review or referrals. Once you have a few on your website or on your social media accounts, you will have established a greater trust because it is coming from others. This is how your reputation will also be further built.

✓ Invest in your team

In all the cases when you are not operating a sole proprietorship, you will work with a team. You can be sure that in order to build an engaged and highly-performing team, you will need to be a motivating leader. But the secret to create a proactive, productive and strong team is encouraging your colleagues to develop leadership skills themselves too. Studies show that the top drivers of employee engagement are strong leadership and development opportunities. All you need to do is present strong leadership and offer your employees the same opportunity.

Investing in the development of your team is also crucial in other areas. Organisations which invest in education and professional development of their staff can keep their personnel much more motivated and engaged. Henry Ford once said:

'The only thing worse than training your employees and having them leave is not training them and having them stay.'

There are great opportunities to learn and grow during professional meetings, conferences, trade events. Your employees can receive a lot of valuable input and feedback, inspiring them to grow further in the field. You do not need to send people very far for learning opportunities. You can also arrange in-house training



or job-shadowing. For example, you can give someone the opportunity to spend a day with a colleague learning from him/her. There is also an endless amount of online training available and maybe some of your employees would be interested to invest their time in following a course or programme of their choice at a pace they set themselves.

Organisations can also find many other ways to keep their employees happy. Some allow them to customize their workplaces. Work-from-home options or flexible hours are also very welcome. Some companies allow employees to spend 20% of their time engaging in projects they feel they are worth their time. Others even pay for your family vacation or give you paid leave for two months each summer in order to fight burn out. In case you do not know what you should offer, the best is to ask your employees directly.

Listening to your employees and involving them in strategic decisions will not only make them feel valuable but you will also get a lot of unexpected, fresh and creative ideas and new perspectives.

✔ Social media

There are numerous reasons how you can benefit from the use of social media. A few tips that can help you achieve them:

- Share what is trendy: if you post information that is relevant to your customer segment, you will reach them directly while your competitors will get one step further away from them;
- Use the proper language: on social media you need to use different types of communication and messages. Images, videos and infographics work wonders;
- Use paid ads: it will highly increase your followers, subscribers and an expanded base can be very important to run a successful social media campaign;
- Use automatization: proper social media management needs time and energy. It is highly recommended to get familiar with automation of certain processes such as posts, messages, updates.

2.5. Business checklist

When you have already failed in a business, you will surely want to double check your readiness to start all over. Whether it is a brand-new initiative or a revival of your previous business idea you now have experience that will help you apply a different perspective on planning. Below you will find a checklist that will help you consider your business idea in more detail. When checking the boxes think about your previous business attempt. Perhaps





you will identify new areas of improvement that you need to focus on before restarting your entrepreneurial adventure.

Table 4 Business checklist

Category	Yes	No	Comments
Your product/service			
Have you analyzed the market and the customer attitudes?			
Is there demand for your product/service?			
Is your product/service useful AND necessary?			
Budget			
Have you made detailed calculations of your investment?			
Do you have spare budget for unforeseen situations?			
Have you identified sources for financing?			
Team			
Do you have employees?			
Are your employees competent and qualified for their positions?			
Does your company mission correspond with the values of your employees?			
Do the career opportunities you offer correspond with your employees' expectations?			
Are your employees motivated?			
Competition			
Do you know your competition?			
Are you certain there is not too much competition in your sphere?			
Do you have large competitors?			
Are you certain your product/service is not identical to the product/service of your competitors?			
If you believe your product/service has unique advantage, will you have enough resources to promote it until it is recognized?			
Pricing			
When calculating the price of your product/service did you consider all expenses incurred for its production?			
Are you certain your price is not too high? (hence the risk of low sales)			



Are you certain your price is not too low? (hence the risk of little profit)			
Business model			
Do you have a clear business strategy?			
Have you prepared a detailed business plan?			
Have you considered all possible obstacles at every step of your business plan?			
Marketing			
Do you have enough advertising of your product/service?			
Do you have a clear marketing strategy?			
Have you identified your target group?			
Is your budget for marketing more than 10% of the whole investment?			
Clients			
Do you follow the attitudes of your clients?			
Are you aware that the attitudes and needs of the clients often change?			
Do you adapt your marketing strategies in accordance with these changes?			
Do you have mechanisms for receiving feedback from your clients?			
Timing			
Is it the right time for your product/service to be on the market?			
Are you certain you are not a little too early? (hence the risk of low demand)			
Are you certain you are not a little too late? (hence the risk of losing market share)			
Risks			
Have you identified your production risks? (resources, equipment, team, etc.)			
Have you identified your commercial risks?			
Have you identified your financial risks?			
Have you considered possible force-majeure risks? (fires, storms, floods, burglary, etc.)			
Have you developed a strategy for risk monitoring and risk mitigation?			

Tick "yes" only if you are certain that this is the answer. If you have any doubts, put them down in the column "comments". Consider every "no" you have ticked and think about what you can do to make it a "yes". Think of a "no" as an area of improvement and something that might have hindered you in your first business attempt.



2.6. Examples of good practices

✓ **Co-working spaces:** when starting or restarting a business it is always a good idea to be careful with your expenses. Especially if you have experienced the downfalls of disadvantageous long-term rentals. Nowadays many companies opt for hiring desks at co-working spaces since it is a way of optimizing expenses. The other benefits that these spaces provide for entrepreneurs include:

- **Better networking opportunities:** there are many entrepreneurs and companies working in these spaces. It is perfectly natural that while being there you will make some professional contacts. Co-working spaces encourage communities. You might also get the chance to find new clients and grow your income, talent and people to work with. Often various events are held at the premises of the co-working spaces – be it lectures, trainings or informal cocktails. There is also the casual chat near the coffee machine. These are all opportunities facilitating contacts and expanding your professional network. If networking was the weak point in your first business attempt, co-working spaces may help you work on this aspect and build confidence in your networking skills.
- **Less office expenditure:** when you pay for a working desk (desks), you get a fully equipped office while paying less than for a traditional office. Therefore, it is the best way to work in an office with minimum investment. What is more – you do not need to make all the expenses that come with setting up an office. For example, you can use the office facilities at the premises and be flexible with membership prices. This way you will save on utility bills as co-working spaces cover this expense themselves. Dealing with service providers or repairs is another matter you do not have to take care of. If something goes wrong at the co-working space, the responsibility to fix it, lies with the owner. Another plus is that you will receive a business address, which is very important to send and receive mail, thus gaining credibility to your business.
- **Flexibility:** co-working spaces offer different membership options and you can choose what works best for you and your business. It is possible to go month-to-month or daily. Members of co-working spaces also have the flexibility to set their own schedule and work when they prefer. It also works well in terms of working desks. You can start with hiring two desks and then expand to three or four as your business grows. It also works the other way round – if you have to let go some of your employees it is easy to reduce the number of working desks and cut your expenses accordingly.
- **Learning opportunities:** co-working spaces support regular community events designed and developed to facilitate their members in a way that they get to learn new skills. These shared office spaces help their members collaborate with other people and take advantage of formal or informal



learning opportunities at the premises. Very often people working in a shared office space become an inspiration for each other and mentor each other as they work their way to success.

- **Better opportunities to hire and be hired:** you may recognize your next employee in the person occupying your neighbouring desk. You may also attract clients, as you will have the chance to directly present your product or service to the community occupying the shared space.

✓ **Crowdfunding:** perhaps in your previous business attempt as an entrepreneur you focused your efforts on attracting one or two major investors. Sometimes it turns out to be a difficult task. Have you ever considered crowdfunding as an option? In its essence, it works the same way but instead of attracting one big investor, you try to attract a large number of small investors. According to the definition by Investopedia *"Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together, with the potential to increase entrepreneurship by expanding the pool of investors beyond the traditional circle of owners, relatives and venture capitalists"*.

Apart from their bigger fund-raising potential crowdfunding platforms can also be seen as facilitating other important aspects of the business:

- **Market research:** presenting your product or service in a crowdfunding campaign allows you to get quick, real-world feedback. The more potential customers view it and comment on it, the better idea you will have on their preferences. Be it a preference for a different colour, size or features, feedback will help you adapt your product to respond to the demands of the market. You can also offer a range of choices in your campaign and see what is most popular. The comments you get will help you quickly adjust the product/service to the customers and make more sales.
- **Raise your profile:** if your campaign is successful, it can do a lot for your popularity. You can gain free publicity, especially if newspapers, bloggers or social media spotlight your product/service. Being covered by media brings legitimacy to your offering which, in its turn, may result in more sales.
- **Attract investors:** sometimes a previous successful fundraising campaign is a direct way to attract larger investors on your side. Angel investors and venture capital investors may find potential in your business idea by following your campaign on a crowdfunding platform.



"Fail fast, fail often" or the good practice of tolerating failure

The above-mentioned good practices are valid for second-time entrepreneurs who may find them helpful in cutting off expenses and gaining funding. Is there, however, a good practice example that may change the perception of people, communities or even whole societies that still perceive failure as a weakness? When you are an entrepreneur struggling to put together a new business venture despite the loss of confidence, loss of motivation or loss of money you may have suffered in your previous business attempt, the last thing you need is the harsh judgement of people around you. Changing the perception of society (and especially negative perceptions) is a complex process that cannot be done overnight. Still, pointing out a good example when failure is embraced rather than condemned may be a step towards a more tolerant attitude.

Let us look at the Silicon Valley. What are the associations that come to your mind when you hear the name? Innovation. Rapid growth. Forward-thinking minds. Pioneers. Probably these are the most common ones. But how about risk taking, experimentation, failure, serial entrepreneurship? It is rooted in the mind-set of Silicon Valley entrepreneurs that there is no success without failure, that failure should be celebrated and that failure leads to innovation much more often than success does. Their mantra is "Fail fast, fail often" and this mind-set is the engine of the rapid growth and success of the region. According to Matthijs Rosman, a partner at RevelX and growth entrepreneur, this concept refers to the notion that "by constantly trying to achieve your goals, you are bound to make many mistakes, but at the same time, you will learn new skills and get fresh insights". Actually, the idea behind this perception is to try something (a product or a service), then receive feedback on it, adapt it and, if deemed a high level of uncertainty is at hand, leave it altogether and start something new.

In other words, there is a high level of tolerance towards failure, mainly because the mind-set of the community in the Silicon Valley is focused on the following positive features of failing:

- **Learning from experience:** you will not grow if you do not fail. Mistakes are a learning experience that shape you into a better version of an entrepreneur. Eventually it pays off.
- **Innovating through experimentation:** risk taking is the only way to innovation. Breakthroughs do not come by taking small steps but rather by making brave leaps.
- **Building perseverance:** your failures will teach you to get back up again and start all over. They make you more resilient on your way to success.
- **Adaptability:** adapting to changes in environment leads you to higher agility, boosting your capability to catch up and get ahead of the competition.
- **Risk tolerance:** the philosophy of fast failing not only enhances the risk awareness but also promotes risk tolerance – among entrepreneurs and society. Hence failure is not worn as stigma but as a badge of honour.



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Part 3

LOCAL RESOURCES AND REGULATIONS

Introduction

The business environment in each project partner country (Poland, Bulgaria, Malta, The Netherlands, Italy, Croatia) is specific due to the local resources, regulations, programmes, funds, dynamic networks and other initiatives available in the countries at hand. Interesting developments can be observed in the entrepreneurship spectrum within some of the European Union countries analysed but in all of them, a common conclusion can be derived: second-chance entrepreneurship is still a rather unfamiliar topic and an unexplored one. Thus, more concrete and specific measures, tools and instruments must be developed and adopted in order to stimulate and encourage unsuccessful entrepreneurs to act on a new venture. The current Guide is one step ahead towards a road paved with exciting yet challenging tracks that should be passed by restarters leading up to their final destination: SUCCESS. That is why an additional tool for aiding entrepreneurs re-establishing a business has been created along with the current guide – a pocket map guiding second-chance entrepreneurs' success (see in a separate attachment).

Here is a brief overview of what to expect when you find yourself setting up a new business in Poland, Bulgaria, Malta, The Netherlands, Italy, Croatia:



POLAND

The business climate in Poland regarding second-chance entrepreneurship is ever-changing. According to



the "Second chance composite index" proposed in "Bankruptcy and second chance for honest bankrupt Entrepreneurs" study, Ecorys for European Commission - DG Enterprise & Industry, 2014, Poland has been evaluated to an index of 1.8 which is quite a low score. However, important measures are introduced that can affect this number. For example, the New Chance Policy (NCP) programme was adopted by the Council of Ministers. The objective of the programme is to create a comprehensive system of support for entrepreneurs oriented at counteracting company bankruptcy by building and promoting early warning systems and out-of-court along with judicial forms of repair and restructuring. The programme also facilitates the re-start of business activity. Among the most important activities just introduced in Poland are the new bankruptcy and reorganization law and the Early Warning Poland project. The implementation of such measures engages not only public institutions but also NGOs and universities.



BULGARIA

In Bulgaria the business environment is very dynamic as plenty of investors are drawn to the country's flexible opportunities to start and run a firm. According to Small Business Act fact sheet 2016 Bulgaria has "one of the lowest proportions of people with business opportunities who fear potential failure". According to the same document Bulgaria scores slightly better than the average in EU on the indicators of degree of support for a second chance (Bulgaria – 84% and EU-average – 82%), fear of failure rate (Bulgaria 33.3%; EU-average – 40.7%). If the indicator of fear of failing is taken aside and connected with the rising numbers of newly registered firms and active firms in total in Bulgaria, 2016, it can be suggested that more people are starting up new firms because less people are afraid of failure. Public measures for second-chance entrepreneurs in the country are existent in national strategies, programmes and commercial law although more information is necessary about how these measures are actually being implemented.



NETHERLANDS

In The Netherlands, the business climate could pose a bit of a challenge but signs of improvement for commencing new ventures are observed. For example, there is an increase of registration of new companies as in 2015 there were 162 955 and in 2016 there were 166 820 newly registered firms. This trend shows a recovery from the last economic and financial crisis. The closure rate stays well behind, and the overall unemployment rate follows this trend. The most spectacular growing sectors are services and construction with a large percentage being individual entrepreneurs.



ITALY

The topic of second-chance entrepreneurship is highly relevant to the flourishing of the business climate in Italy. A national law based on the motto: "never desperate, you can Re-start" has been finally approved in October 2017 which is aimed at taking away the stigma of failure and creating a new path for entrepreneurs who have not been successful before. The number of closures of companies in Italy in 2017 was approximately 35 000 units which shows a positive trend in the business environment. Between January and June 2017, the closures were 15.6% less than within the same period in 2016 with a widespread improvement in all sectors and areas of the country. In addition, an interesting private initiative in Italy is of aid to second-chance entrepreneurs. It is called "telefono arancione" which is a telephone-based support service for entrepreneurs already failed or about to initiate a closure of the company.



MALTA

The Maltese business environment is one that has been marked by change and diversification. From a traditional business base Malta has expanded into bio-technology, pharmaceutical, healthcare, engineering, logistics, aviation, maritime, electronics, hospitality, ICT and software development, and financial services. The number of active companies seems to be increasing every year as at the end of 2015 there were 49 634 and in 2016 they amounted to 52 949. There are a number of local funds and programmes that although not specifically directed towards second-chance entrepreneurs may be in use for their re-starting.



CROATIA

The business climate in Croatia is developing in a positive direction as in 2014 there were a total of 104 116 active firms and in 2015 there were 106 221. There are different types of organisations providing support for entrepreneurs including second-chance entrepreneurs in Croatia such as: development agencies, chambers of commerce, business incubators, NGOs, etc. The Croatian Chamber of Commerce in particular helps entrepreneurs to sign up for business partners at national and international level providing business and entrepreneurial skills education and sources of funding. One of the Croatian development agencies is implementing a support program aimed at entrepreneurs who have difficulty managing their own business. The purpose is to prevent the market failure of prospective business ventures, as well as to alleviate negative perceptions often associated with business difficulties.



3.1. Country reports on the specific business environment in each country

3.1.1. Local resources and regulations

3.1.1.1. How many enterprises were successful?

The statistics and analysis provided below are based on different sources and indicators in each partner country. Thus, it is difficult to make an authentic comparison between the results but it would be more efficient to rather analyse the numbers separately.



POLAND

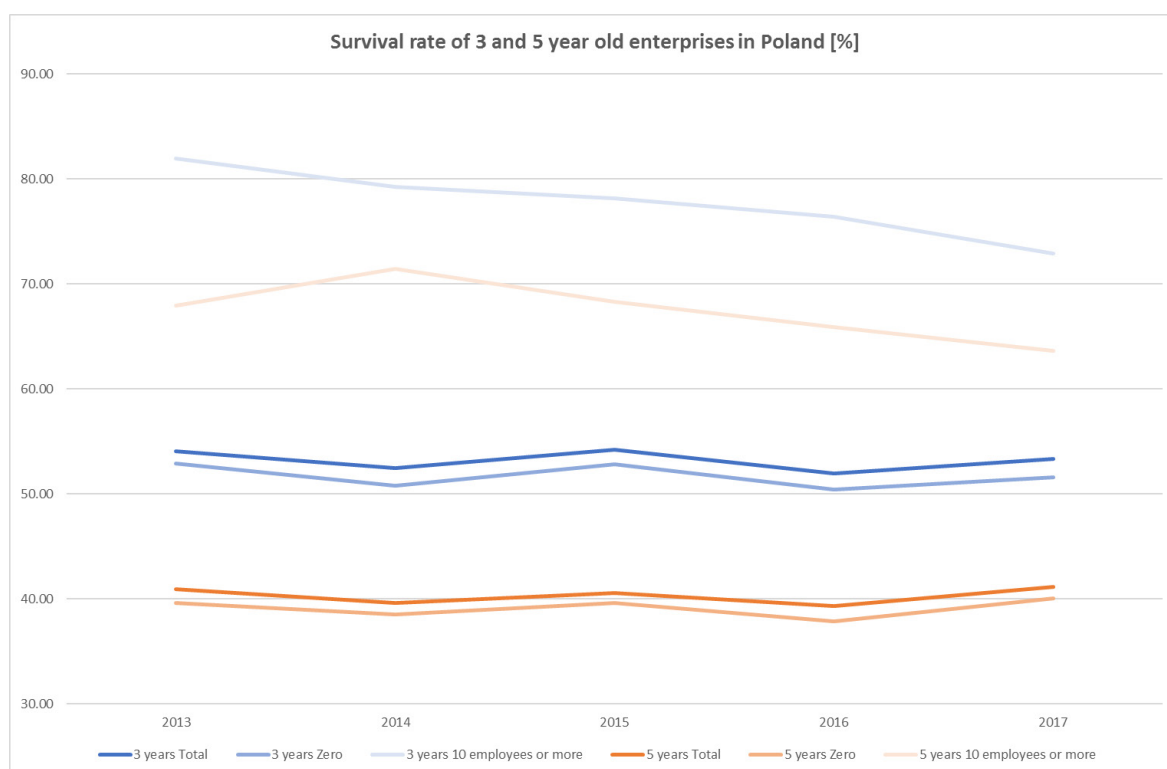


Figure 1 Survival rates of 3-year-old and 5-year-old enterprises in Poland (%). (2013 – 2017). Source: Eurostat, , <https://ec.europa.eu/eurostat/web/structural-business-statistics/entrepreneurship/indicators>

According to Eurostat data, the survival rate of all Polish enterprises in recent years has remained stable: about 55% exist still after 3 years and about 40% after 5 years. The indicators for the group of the smallest one-man companies look similar which means that the conditions for their development can be deemed relatively stable. However, another trend is shown by larger companies (at least 10 employees): in total they



survive more (60-80%) but in the last 5 years their survival rate decreased by about 10%. The data illustrated above shows that the same amount of enterprises persists to survive and there is no real increase observed. The indicators lead to the conclusion that the situation in Poland should change and with the help of the current guide more second-chance entrepreneurs could be motivated to re-establish a successful business venture. The local resources and initiatives available in Poland could be the driver of change.



BULGARIA

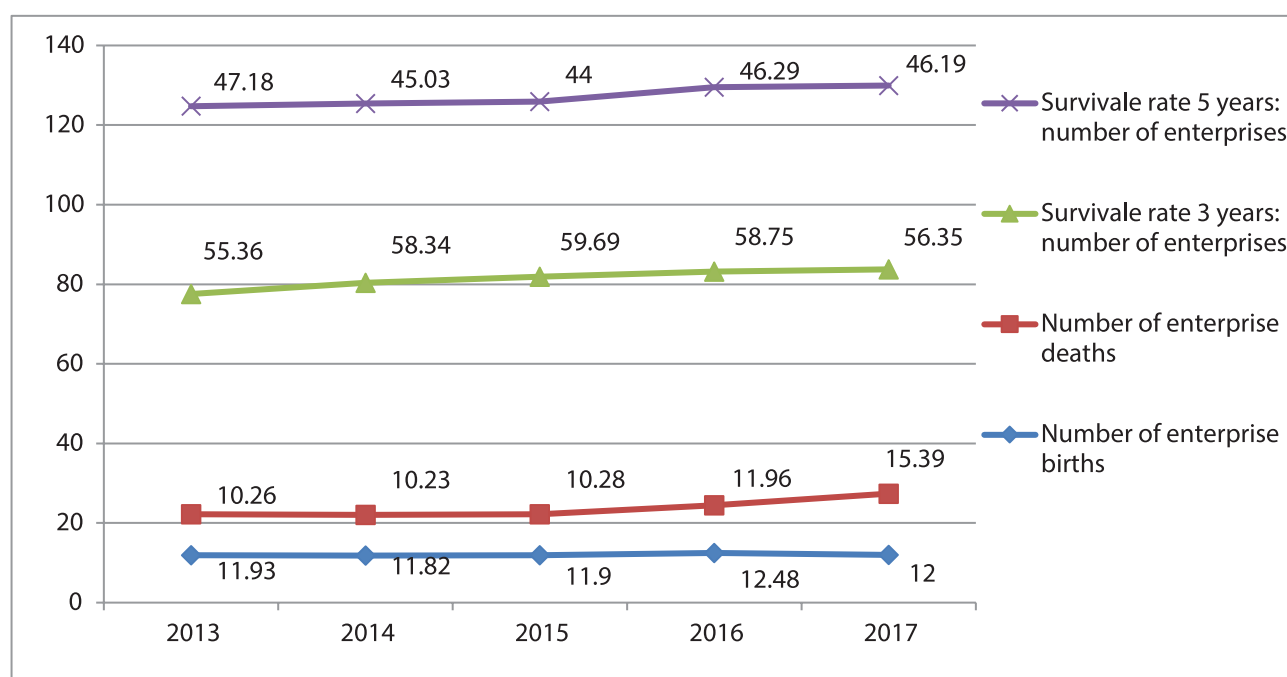


Figure 2 Business demography in Bulgaria 2013 – 2017 (%) Source: Eurostat, <https://ec.europa.eu/eurostat/web/structural-business-statistics/entrepreneurship/indicators>

As it is visible from the chart above, the number of enterprise births (measured by the number of enterprise births divided by the number of active enterprises) has been relatively stable throughout the period between 2013 - 2017 equalling approximately 12% per year. The number of enterprise deaths (measured by number of enterprise deaths divided by number of active enterprises) has been more unstable with the percentage drastically rising up from around 10% within the period of 2013 – 2015 to 11.96% in 2016 and 15.39% in 2017. The survival rates of 3-year-old enterprises and 5-year-old enterprises (measured by the number of enterprises in the reference period newly born enterprises in the first year and having survived divided by the number of births) within the 2013 – 2017 period slightly differ from each other. The 3-year-old enterprises have been increasingly surviving up to 2015 (from 33.36% to 59.69%) and while in 2016 there is a small decline (58.75%), in 2017 there is a sharp one when the survival rate has decreased to 56.35%. Simi-



lar tendencies are observed for micro and small enterprises but with a shorter decline in survival rates. The trend of survival of the 5-year-old firms is more stable throughout the five years illustrated above. There was a sharp decline in survival rates in 2015 (from 47.18% in 2013 to 44% in 2015) but an increase was observed in the following two years equalling to 46% of 5-year-old firms maintaining their existence. The results are indicating that less enterprises remain viable after the third year of their existence which could mean that entrepreneurs need long-term planning for the development of their business from the very start. More help in the form of different local boosters and funds could be used to aid them in keeping their firm profitable, especially to be introduced during the third year of their company's running to revitalize it.



THE NETHERLANDS

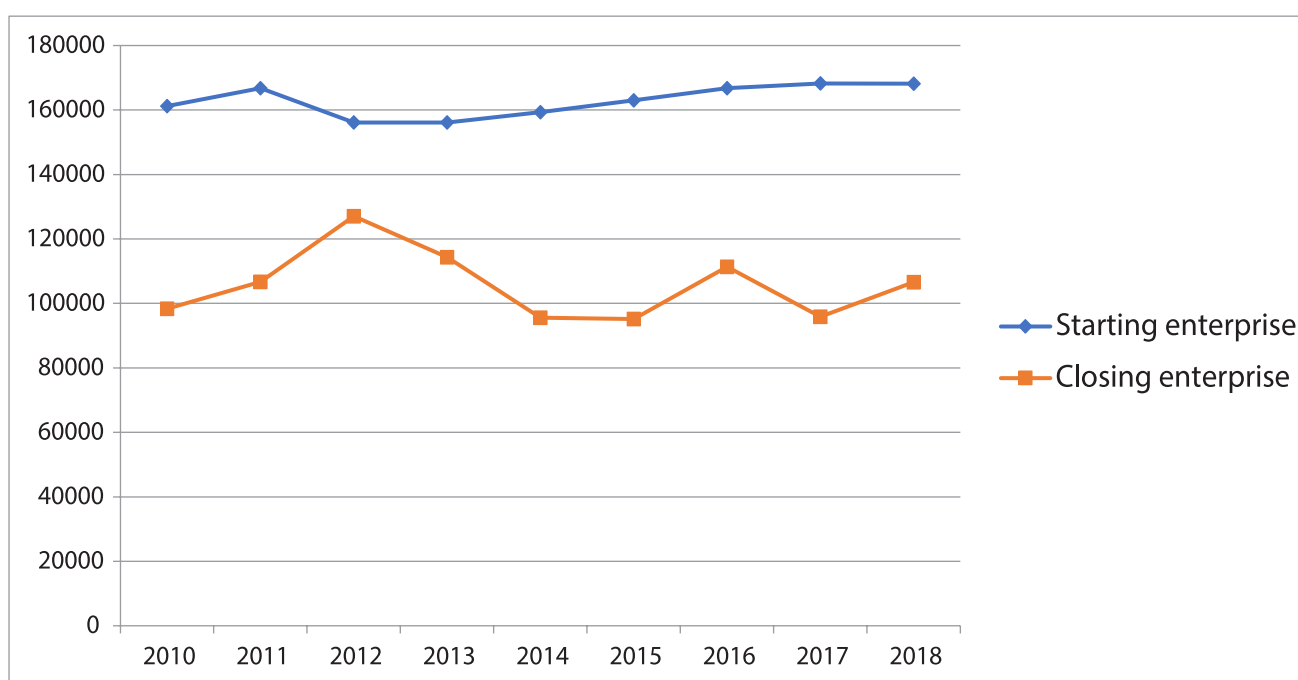


Figure 3 Starting and closing enterprises in The Netherlands 2010 - 2018. Source: www.cbs.nl

At the end of the 3rd quarter of 2019, there was a total of 1 792 145 registered enterprises in The Netherlands, which is an increase of 307 000 compared to the same quarter 3 years earlier, clearly showing signs of a high conjuncture. Yet a better indication on the state of the economy is to see how many of these companies are still there after a certain period of time, and also, about what size of businesses we are talking.

In all, the total volume of businesses in The Netherlands is increasing, as can be seen in Figure 3 and 4. Yet it is clear that the vast majority of this rise is due to the increase of single person businesses. This seems to be a clear trend in The Netherlands, where at the end of 2018 about 19% of the total working population was independent entrepreneur.

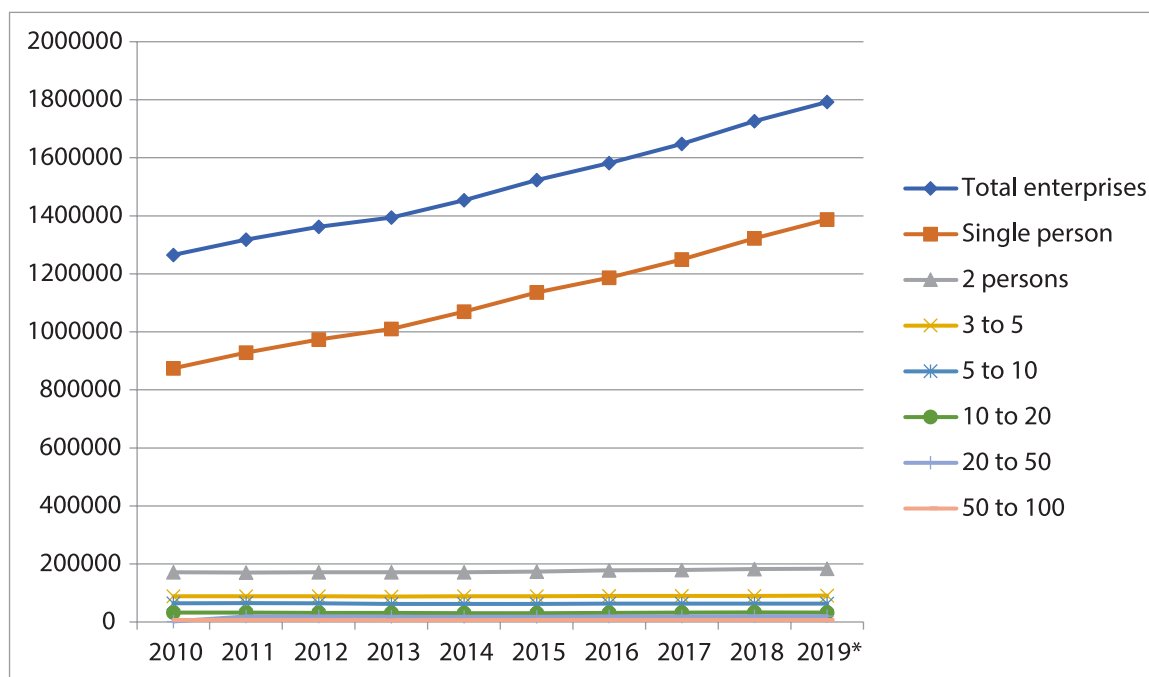


Figure 4 Tab. 2 Size of enterprises in The Netherlands 2010 - 2019. Source: www.cbs.nl *3rd quarter 2019

The life expectancy of newly established businesses can be seen in the table below. Regardless of the size of the business, it appears in researching the further data. The expectancy is that around 60% of newly established businesses will still be in operation after 5 years. These results are quite positive compared to the rest of the partner countries. The use of different resources, networks for cooperation and other help provided in the local territory would help maintaining this number and even increasing the successful survival rate of enterprises.

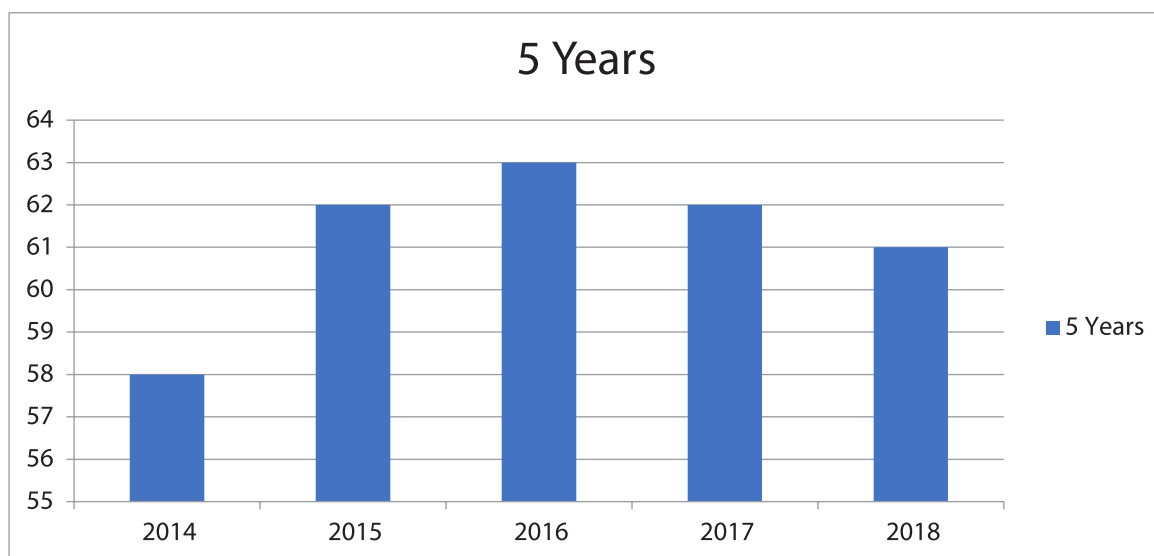
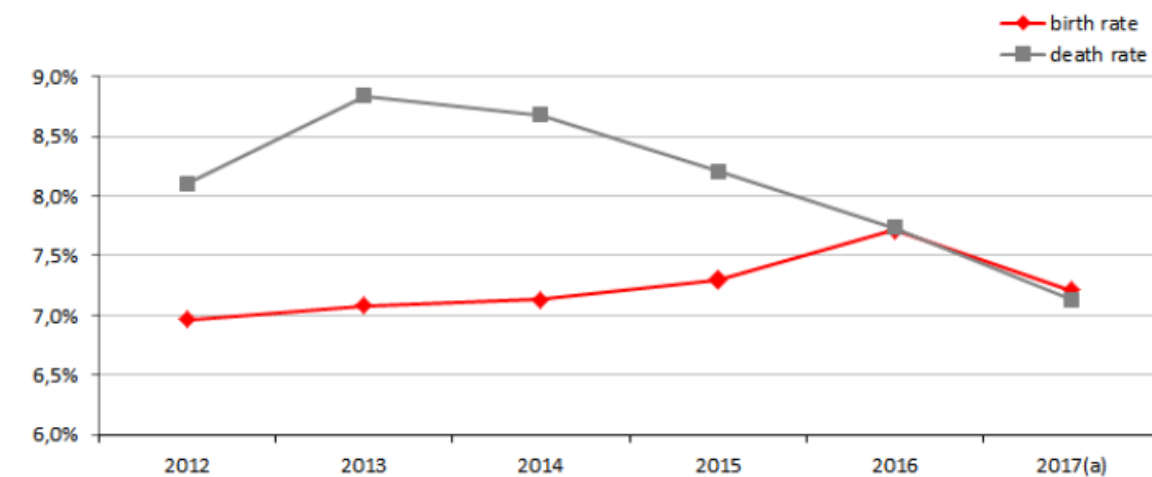


Figure 5 Life expectancy after 5 years of starting of enterprise in The Netherlands 2014 - 2018. Source: www.kvk.nl



ITALY



(a) death rate estimates for 2017

Figure 6 Birth and death rates in Italy, Years: 2012-2017, percentage. Source: ISTAT

In 2017, the number of real births was 276 890, 20 000 less than in 2016. After the positive trend recorded in the last 5 years, the birth rate has decreased and is equal to 7.2%, 0.5 percentage points less compared to the previous year. Death rate continued the trend of progressive reduction that began in 2014: in 2017, the estimated deaths are 273 818, with a death rate of 7.1% (equal to 0.6 percentage points less than in 2016). The dynamics of the two rates led to a slightly positive net turnover rate in 2017 (+0.1%), which changed the negative trend recorded from 2007 onwards. The tendencies observed in Italy show that even though less enterprises are ceasing to exist, the number of ones being established is also lower. Provided that entrepreneurs who once were not successful are equipped with adequate tools, the statistics could transform and set a real positive trend.



MALTA

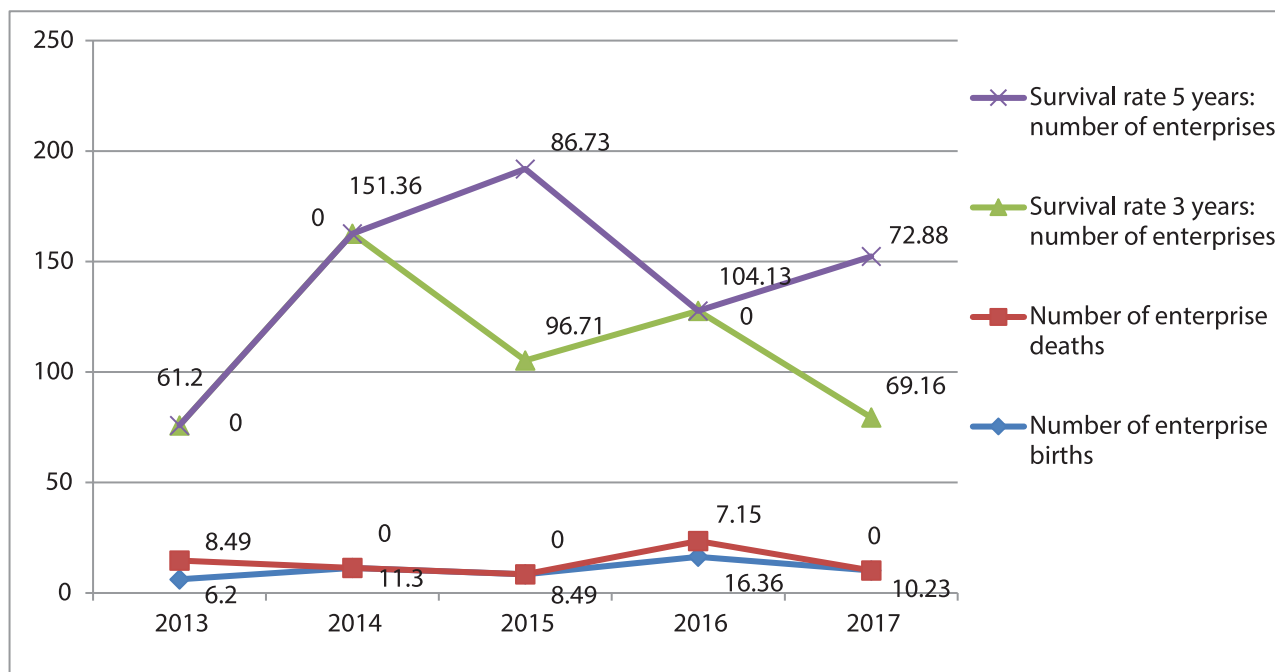


Figure 7 Business demography in Malta 2013 – 2017 (%) Source: Eurostat, <https://ec.europa.eu/eurostat/web/structural-business-statistics/entrepreneurship/indicators>

The data provided above could not really lead to drawing a conclusion about specific trends as in some of the years, information has remained confidential and that is why it is marked with "0". There is a substantial decline in the percentage of birth rates from 2016 (16.36%) to 2017 (10.23%) but since it cannot be compared with the enterprise death rates, it can only be concluded that there is a rather negative tendency in enterprises being established. The survival rate of 3-year-old enterprises is rather dynamic with a sharp decline in surviving from 104.13% in 2016 to 69.16% in 2017. The statistics for the survival rate of 5 years' enterprises are insufficient to draw a conclusion. The lack of data shows that research on entrepreneurship in Malta is undergoing and should be further expanded. More local support in the form of funding, networking and mentoring should promote entrepreneurial ventures and taking another chance on starting a business.



CROATIA

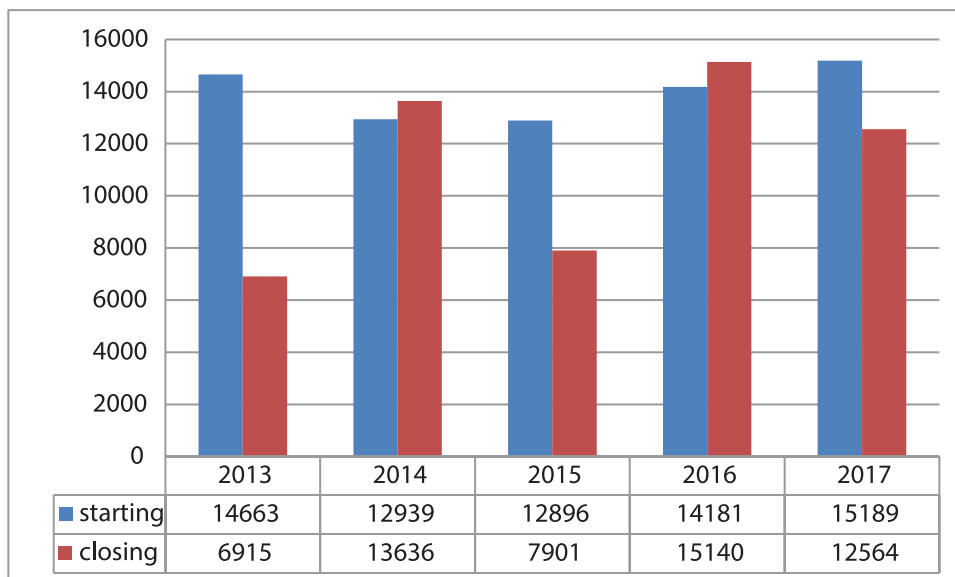


Figure 8 Starting and closing enterprises in Croatia 2013 – 2017 (number). Source: Bisnode, <http://www.poslovnih.hr/hrvatska/s-novih-15189-tvrtki-pao-rekord-iz-zlatne-2013-336073>

Economic growth in Croatia in 2017 is evident from the figures of start-ups running businesses. A total of 15 189 businesses entered the court register which presents a rise of 7.1% compared to 2016 and 3.6% more than the amount registered in the “golden” 2013 for Croatia. The positive news is that the number of start-up companies exceeds by 20% the number of those that have closed down (12 564). The number of enterprise deaths in recent years has increased after the Bankruptcy Law accelerated the automatic shutdown of companies that have been in lockdown for more than 120 days.

In terms of the company form, the simple “limited liability company” dominated with a share of almost 52% although the attractiveness of this relatively non-expensive way of starting a business is slowly declining. A total of 36 367 simple limited liability company businesses operated in Croatia in 2017, while a total of 234 967 business entities running commercial activities (with associations, parties, religious and other institutions 327 121) being registered, of which 150 687 were businesses and 84 280 were crafts. If statistics of crafts and independent activities were added to the abovementioned data, a total of 25 680 business entities were opened in 2017 and 20 829 were closed. The cited data shows that Croatia is swiftly transforming into a craft economy which is a trend observed in other European countries as well. Newly established businesses are dominated by service trades in IT and consulting. The leading sector for operation of companies was trade where 17.5% of new businesses were founded along with the hospitality, intellectual, construction and manufacturing sectors. In these five sectors, more than 62% of all companies were established but



most of them were also shut down (72%) (Source: <http://www.poslovni.hr/hrvatska/s-novih-15189-tvrtki-pao-rekord-iz-zlatne-2013-336073>)

✓ Tax Regimes

Nowadays, entrepreneurs are keen on moving a lot and restarting or founding new businesses or branches of their companies outside of their national countries or countries of residence. A major drive for starting a business abroad is the simplified and unburdening tax regimes. As one of the external evaluators of 2REVIVE project intellectual outputs pinpointed: "With the larger number of cross-border business transactions, it has become increasingly important to consider and assess tax effects." Since the national tax regimes are being constantly modified, if you wish to start a business in Poland, Bulgaria, Malta, Italy, The Netherlands, Croatia, be advised to regularly keep yourself updated with the latest changes in the tax regulations in each project partner country using the following links:



POLAND

- **Information on tax regimes in Poland:** <https://www.podatki.gov.pl/>



BULGARIA

- **Company/Corporate tax in Bulgaria with information on registering, keeping accounting records and preparing a company tax return:** https://europa.eu/youreurope/business/taxation/business-tax/company-tax-eu/bulgaria/index_en.htm
- **Corporate Income Tax Act:** <https://www.lex.bg/laws/ldoc/2135540562>
- **National Revenue Agency:** <https://nap.bg/page?id=327>
- **Point of single contact (PSC), Bulgaria:** <http://psc.egov.bg/psc-tax-scheme> & <https://mi.government.bg/bg/pages/point-of-single-contact-for-service-providers-50.html> - PSC is a portal for electronic administrative services established in each Member State of the EU to facilitate entrepreneurs wishing to start and do business in the field of services throughout the EU.
- **Practical guide to doing business in Europe:** https://europa.eu/youreurope/business/index_en.htm
- **Value Added Tax Law & regime:** <https://www.minfin.bg/en/790>
- **Income Taxes on Natural Persons Act in Bulgaria:** <https://www.lex.bg/laws/ldoc/2135538631>
- **Commercial register & Register of NGOs:** <https://www.registryagency.bg/bg/registri/targovskiregistar/>



THE NETHERLANDS

- **Starting any kind of business (tax authorities):** https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/zakelijk/ondernemen//onderneming_starten
- **Any business should first be founded at the Chamber of commerce:** <https://www.kvk.nl/inschrijven-en-wijzigen/inschrijven> (they then inform the tax authorities and they will then register a VAT number)
- **A site with all links to all registration/ tax/ VAT rules/ etc.:** <https://www.ikgastarten.nl/bedrijf-starten/internationaal/internationaal-zakendoen-wat-zijn-de-dos-en-donts>



ITALY

- **Ministry of Economy and Finance - Department of Finance:** www.finanze.gov.it
- **Revenue Agency:** www.agenziaentrate.gov.it



MALTA

- **Small Businesses:** <https://cfr.gov.mt/en/Small%20Businesses/Pages/SME-Registration.aspx>
- **Employers:** <https://cfr.gov.mt/en/Small%20Businesses/Pages/SME-Registration.aspx>
- **Corporate Tax:** <https://cfr.gov.mt/en/Corporate/Pages/Corporate-Tax.aspx>
- **International Taxation:** <https://cfr.gov.mt/en/inlandrevenue/itu/Pages/International-Taxation.aspx>
- **EU Tax and Customs:** https://ec.europa.eu/taxation_customs/business_en



CROATIA

- **Information on taxes, regulations and international taxation in Croatia by Ministry of Finance:** <https://www.porezna-uprava.hr/en/Pages/default.aspx>

3.1.1.2. Local resources and regulations for boosting second-chance entrepreneurship

✓ LOCAL FUNDS AND PROGRAMMES



POLAND

● Nowy Start (New Start)

Website: <https://www.parp.gov.pl/component/grants/grants/nowy-start>

How does it boost second-chance entrepreneurship? Call for the projects aimed at providing training and counselling to entrepreneurs (in total at least 1000 people) who have failed in the previous company and have restarted their business activity. The call's budget amounts to PLN 15 million and is financed by the European Social Fund under the POWER 2014-2020 programme. 24 projects have been submitted the evaluation of which will be completed by the end of 2019. After that, the implementation of selected projects for financing will start.

● Early Warning Poland project

Website: <https://www.parp.gov.pl/component/site/site/early-warning>

How does it boost second-chance entrepreneurship? The Early Warning project is implemented by PARP and the Family Businesses Foundation. It aims to support entrepreneurship and development of small and medium-sized enterprises. The most important task of Early Warning is to develop a system, which shall assist companies from all sectors in facing challenges, crisis management and taking advantage of the second chance in case of failure. The system is composed of a nation-wide network of consultants to whom entrepreneurs can turn for help in diagnosing the condition of the company and pointing out to them the possibilities of support, a nation-wide network of mentors, i.e. experienced entrepreneurs who will work pro bono with the entrepreneur, supporting him/her in the process of recovery from the crisis, offering his/her advice and experience and a network of advisors who are specialists in restructuring law.

● REBORN project

Website: <https://www.interregeurope.eu/reborn/>

How does it boost second-chance entrepreneurship? REBORN is an ongoing project that will offer EU regions the opportunity for policy learning and good practices' transfer in second-chance entrepreneurship as in Europe there are insufficient tools and knowledge to assist businesses when failure occurs, boosting the SMEs of key regional sectors, overcoming the bottlenecks that exist at present, etc. REBORN is the perfect tool to assist Lubelskie, Poland as one of the partners' regions to strengthen policies and regional development situation by implementing plans to support "restarters" through a better use of ERDF and other complementary funds aligning efforts with a shared goal. The rest of the regions that are directly targeted by the project are Liguria, Murcia, Wallonia and Central Hungary.

● Regional Operating Programmes / POWER

Website: <http://www.funduszeuropejskie.gov.pl/wyszukiwarka/osobafizyczna/#/3756=Osoba%20fizyczna>



How does it boost second-chance entrepreneurship? Under the Regional Operational Programmes and the POWER programme (financed by the European Social Fund), hundreds of projects are being implemented, addressed at people trying to start their own businesses, including restarters. Each project has a specific target group and form of support such as the development of an individual career path with a counsellor, tailored trainings, internships, grants to set up a business and mentor assistance. Second-chance entrepreneurs interested in that support may find a project that meets their needs.



BULGARIA

● LAUNCHub Ventures

Website: <https://www.launchub.vc/>

How does it boost second-chance entrepreneurship? The goal of LAUNCHub Ventures is to help entrepreneurs turn their own ideas and visions into successful companies. They provide not only financial backing, but also fundraising and networking guidance. LAUNCHub Ventures is a seed stage venture capital firm based in Sofia investing in early stage start-ups in Bulgaria and the wider South-eastern Europe region. Founded in 2012, the first LAUNCHub fund of 9M EUR was actively investing until the end of 2015 and has been deployed in pre-seed tickets up to 200K EUR. The former fund backed 62 start-ups which have attracted more than 20M EUR in follow-up funding. The second 18M EUR LAUNCHub Ventures fund expands into the seed space with investments in the range of 300K to 700K EUR, expandable up to 2M EUR per company. The previous financial history and overall performance of the second chance are taken into strong consideration when deciding on funding and boosting their potential.

● Eleven Ventures

Website: <https://www.11.me/>

How does it boost second-chance entrepreneurship? Eleven Ventures is a pre-seed and seed VC based in Sofia, Bulgaria with a focus on entrepreneurs from South Eastern Europe. The second fund of Eleven Ventures - the Founders Fund has its first closing at EUR 6 million. It is an entirely private investment fund sponsored by some of the most successful local tech entrepreneurs and executives. It is a leaner and meaner successor, building upon the great community of founders, mentors, and investors to become the preferred first-round investor for all aspiring entrepreneurs in South East Europe. It could promote second-chance entrepreneurship mainly through financial investments.

● Operational Programme "Innovation and competitiveness" 2014-2020

Website: <http://en.opic.bg/>

How does it boost second-chance entrepreneurship? The programme is outlining the support for the



Bulgarian business from the European structural and investment funds for the period 2014-2020. OPIC is focused at addressing the needs, overcoming the challenges and seizing the opportunities for development of the Bulgarian economy. The measures included in the programme aim to contribute complexly for the establishment of sustainable, long-term competitive advantages of Bulgarian enterprises and accelerate the transition to a knowledge-based economy. The support is focused on innovation, entrepreneurship, capacity growth of small and medium enterprises (SMEs), energy and resource efficiency of the businesses. There are different procedures initiated under the programme such as: "Promotion of entrepreneurship" which is suitable for restarting entrepreneurs; "Support for innovation development by start-ups" also suitable for entrepreneurs that were once not successful and wish to start a new business; Procedure under Community Local Development approach called "LAG Kotel, Sungurlare and Varbitsa - Increasing the competitiveness of SMEs in the LAG territory, by creating opportunities for local business, incl. through diversification and alternative activities" aimed also at companies that were just created so a second-chance entrepreneur could establish their business again using the support by the procedure.

● **Financing Innovative Start-ups Programme (FISP)**

Website: <https://ogf-sofia.com/en/>

How does it boost second-chance entrepreneurship? FISP has been launched by The Municipal Guarantee Fund for SMEs (MGFSME) and it is a new guarantee scheme added to the already successful General Guarantee Scheme. The FISP programme is a specialized guarantee scheme of MGFSME and was developed in implementation of the Innovative Strategy for Smart Specialization of Sofia. It is aimed at facilitating the access of entrepreneurs and their start-up innovative enterprises to financial resources in connection with the realization and development of their business projects. Thus, the programme is very suitable for entrepreneurs who wish to restart their business as their business should be created no more than 3 years from the request for warranty support. The MGFSME shares with the creditor bank a part of the credit risk, securing up to 50% of the principal of the loan and up to a maximum of BGN 30 000, regardless of the amount of the principal on the loan granted. The guarantee is ancillary collateral to the principal collateral under the loan accepted by the Bank. The maximum amount under which the MGFSME will issue guarantees under this financial instrument is BGN 600 000.



THE NETHERLANDS

● **Qredis Micrococredit**

Website: <https://qredits.nl/krediet/microkrediet>



How does it boost second-chance entrepreneurship? This is a government backed up programme to support starting (and restarting) entrepreneurs with a loan, especially at a time when regular financial institutions (e.g. banks) will not give a credit yet. The loan can go up to 50 000 Euro and can be combined with coaching (free of charge) on financial matters as well as regular business management (like finding clients). The organisation (Qredis) also offers also larger loans, up to 250 000 Euro from larger start-ups. Look for information on that scheme here: <https://qredits.nl/krediet/mkb-krediet>

In both cases, it is not a simple process of handing in a business and financial plan, and they reject or approve it. It is more of a collaborative process where you get guidance in taking the steps to do a more successful request for financing. Training and coaching in the earliest stages of an enterprise are thus, offered.

● Borgstelling MKB

Website: <https://www.rvo.nl/subsidies-regelingen/borgstelling-mkb-kredieten-bmkb/aanvraaginformatie-borgstelling-mkb-kredieten>

How does it boost second-chance entrepreneurship? The Borgstelling MKB programme (Guarantee programme SME) is a guarantee scheme, supported by Dutch government, where starting entrepreneurs can direct their financial institution (e.g. bank) to banks that provide loans, with support of such guarantee, can offer better conditions (e.g. lower provisions/ interest) to starting entrepreneurs for their financial needs. Entrepreneurs cannot apply to this guarantee themselves, yet request their financial institution to obtain it. As the total sum of all loans with a guarantee is limited on an yearly base, entrepreneurs should check this programme at the start of the year.

● Erasmus for Young Entrepreneurs

Website: <https://www.erasmus-entrepreneurs.eu>

How does it boost second-chance entrepreneurship? Erasmus for Young Entrepreneurs is a cross-border exchange programme that offers new and aspiring entrepreneurs the opportunity to learn from experienced entrepreneurs who run small businesses in one of the other cooperating countries. The exchange of experience takes place during a stay with the experienced entrepreneur which helps the new entrepreneur to acquire the skills needed to run a small business. The receiving entrepreneur benefits from new business perspectives and has the opportunity to work with foreign partners and learn about new markets. The programme is seen by most people as only open to starting entrepreneurs or those who wish to change their current business, but it is clearly also to be open for second-chance entrepreneurs. In The Netherlands, they will soon explicitly mention that on the programme's website!

● NL Groeit (NL Grows)

Website: www.nlgroeit.nl

How does it boost second-chance entrepreneurship? NL Groeit (NL Grows) is an initiative, supported



by e.g. the Ministry of Economic Affairs and Climate, the Chambers of Commerce, and it offers tools for planning a business, testing how ready you are to take the next step and much more. But what makes them special is that they have a network of about 80 entrepreneurs that are available as mentors, to help entrepreneurs including second-time entrepreneurs. Quite some of these 80 mentors have had their own experience with 'failing' and know best what comes along with dealing with such situations.



ITALY

● Smart&Smart Italia

Website: <http://www.smartstart.invitalia.it/site/smart/home.html>

How does it boost second-chance entrepreneurship? Smart&Smart Italia is a subsidised financing scheme for innovative start-ups based in Italy. The total endowment of the scheme amounts to €200 million, available until depletion of funds to innovative projects whose spending in investment goods and/or management costs are between € 100,000 and €1.5 million. The financing scheme will cover such spending programmes through zero-interest mortgages for 70% of their total amount. The coverage ratio rises to 80% when a majority of business associates and employees are women or under 35. Moreover, when the beneficiary is an innovative start-up based in the South of Italy, 20% of the funding is converted into an outright grant. Access to the measure is also open to individuals who are committed to establish a new innovative enterprise in the following 60 days. Start-ups younger than 12 months can also benefit from services of tutoring on technical and management issues which makes the scheme suitable for second-time entrepreneurs who are restarting their business or establishing a new one.

● Italia Startup Hub

Website: <http://italiastartuphub.mise.gov.it/>

How does it boost second-chance entrepreneurship? Italia Startup Hub is a programme extending the fast-track procedures of Italia Startup Visa to non-EU citizens that are already in possession of a regular residency permit (obtained, for example, for study reasons), who intend to stay in Italy beyond its expiry date to launch an innovative start-up. This programme allows the conversion of most types of residency permit into a "permit for self-employment in innovative start-up" without leaving the Italian territory and benefiting from the same simplified measures provided for the start-up visa. This makes The Hub useful to unsuccessful entrepreneurs including ones that tried to operate a business in another country as they can start fresh in Italy.

● Microcredit

Website: <https://microcredito.gov.it/finanziamenti.html>



How does it boost second-chance entrepreneurship? Microcredit is a financial instrument that aims to meet the financial inclusion needs of those who have difficulties accessing traditional credit. It is not simply a small loan, but an integrated offer of financial and non-financial services. What distinguishes micro-credit from ordinary credit is attention to the person, which translates into welcoming, listening and supporting beneficiaries from the pre-delivery phase to the post-delivery phase, as well as the particular attention paid to validity and to the sustainability of the project. The microcredit tool, in the form of "entrepreneurial microcredit", is aimed at all those who intend to start or strengthen a micro-enterprise or self-employment activity and/or who have difficulty accessing bank credit. Thus, it is a valuable tool for just starting and restarting entrepreneurs.

More specifically, the funding opportunities are available for:

- Self-employed workers who have registered a VAT number for no more than 5 years and with a maximum of five employees;
- Individual companies that have registered a VAT number for no more than 5 years and with a maximum of five employees;
- Company of persons, company of professionals, simplified limited liability companies and cooperative societies, holders of VAT no more than 5 years and with a maximum of 10 employees.

● Resto al Sud

Website: <https://www.restoalsud.it/>

How does it boost second-chance entrepreneurship? Resto al Sud is an incentive that supports the creation of new professional activities started in one of the 8 Southern regions of Italy. It offers a facility of up to 200 000 Euros for young professionals up to 45 years. The funding covers 100% of eligible expenses and consists of:

- non-repayable contribution equal to 35% of the total investment;
- bank financing equal to 65% of the total investment, guaranteed by the Guarantee Fund for SMEs. The interest on the loan is entirely covered by an interest subsidy.



MALTA

● Business First

Website: <https://businessfirst.com.mt/>

How does it boost second-chance entrepreneurship? The best place to start business in Malta is by contacting Business First - since there are experts there from all the relevant business support programmes and they can also assist on the best way to set up your new business. They can also advise you on the correct



legal format you want to operate under. This is one of the most important decisions you need to take at an early stage as it will determine how you will operate your business in the future. More information on all the legal types can be found at: <https://businessfirst.com.mt/en/planning/Pages/business-formation.aspx>

● **Business Advisory Service Scheme 2018-2020**

Website: <https://www.maltaenterprise.com/support/business-advisory-services>

How does it boost second-chance entrepreneurship? The Business Advisory Scheme is designed to support business undertakings operating in Malta access advisory services that suit their specific circumstances. The scheme is intended to help entrepreneurs, managers and business owners in formulating business strategies to ensure sustainability and growth. Beneficiaries will receive a Business Advisory Voucher (valid for 6 months) which can be used to pay for an advisor or consultant to assist in addressing specific difficulties or development initiatives within the business endeavour. The voucher having a monetary value may not exceed 500 euro with a minimum of 5 hours of advisory services. Any additional advisory will be supported through a fiscal benefit in the form of a tax credit calculated at 50% of the costs incurred by the beneficiary up to a maximum support of 2,000 euro. In this way, second-time entrepreneurs can be supported in running their new venture.

● **Investment Aid Tax Credits Scheme 2014 - 2020**

Website: <https://www.maltaenterprise.com/support/investment-aid-tax-credits-2014-2020>

How does it boost second-chance entrepreneurship? Investment Aid Tax Credits are intended to sustain the regional industrial and economic development of Malta. This measure facilitates initial investments by encouraging the setting up of new establishments and the expansion and development of existing businesses. Through these credits, the motivation of restarters could be significantly boosted.

● **Micro Invest**

Website: <https://www.maltaenterprise.com/support/micro-invest>

How does it boost second-chance entrepreneurship? The objective of this scheme is to encourage undertakings to invest in their business, innovate, expand, and implement compliance directives or to develop their operations. Such undertakings which may include self-employed persons will be supported through a tax credit representing a percentage of the eligible expenditure including wages of newly recruited employees. Through these measures, Micro Invest could provide sufficient support to new, experienced and second-time entrepreneurs.

● **B-Start**

Website: <https://www.maltaenterprise.com/support/business-start-bstart>

How does it boost second-chance entrepreneurship? This is a grant of up to 25,000 Euros that start-ups can use in the first 3 years of their lifetime. Since it is in the form of a grant, it can really be a form of financing



that gives a boost to second-chance entrepreneurs that might need that additional push in order to start again. Since this is a relatively new type of support, most probably the first time that the entrepreneurs opened a business, they would not have had such help, so this will be an added boost.



CROATIA

● Croatian Bank for Reconstruction and Development (HBOR)

Website: <https://www.hbor.hr/>

How does it boost second-chance entrepreneurship? Within the Croatian banking system, HBOR plays the role of a development and export bank established to finance the reconstruction and development of the Croatian economy. Loan programmes with low interest rates, long repayment periods and no fees are structured in 13 groups: Youth, Female and Start-Up Entrepreneurship, Private Sector Investment, Pre-Export Finance, Buyer Credit, Supplier Credit, Investment Loans for Rural Development, Financial Restructuring, Public Sector Investment, EU Projects, Working Capital, ESIF Growth and Expansion, ESIF Energy, Efficiency in Public Sector Buildings and ESIF Loans for Public Lighting. For second-chance entrepreneurs, if it is identified that they need help for closing failed business, such Financial Restructuring loan could be used for settling of existing obligations towards suppliers, financial institutions and other creditors (related entities excluded, except for the needs of customary and operating business, provided that the related entities are co-debtors of the borrower). To boost new businesses, other loan programmes can be used with the exemption of Youth, Female and Start-Up Entrepreneurship as second-chance entrepreneurs are not eligible users.

● European Structural and Investment Funds

Website: <https://strukturnifondovi.hr/>

How does it boost second-chance entrepreneurship? Following the <https://strukturnifondovi.hr/> website, you will discover a possibility to search for open competitions to find one that fits your area of interest. Using various filters, you can search by area, type of applicant, type of competition as well as other categories. Entrepreneurship programmes are available to all entrepreneurs, noting that each competition is unique, and the conditions of participation and eligibility must be read carefully.

● Erasmus For Young Entrepreneurs

Website: <https://www.erasmus-entrepreneurs.eu/index.php?lan=en>

How does it boost second-chance entrepreneurship? Erasmus for Young Entrepreneurs is a cross-border exchange programme that offers new and aspiring entrepreneurs the opportunity to learn from experienced entrepreneurs who run small businesses in one of the other cooperating countries. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepre-



neur to acquire the skills needed to run a small business. The receiving entrepreneur benefits from new business perspectives and has the opportunity to work with foreign partners and learn about new markets. There are 4 local contact points in Croatia that can help entrepreneurs to become a participant of the programme: <https://www.erasmus-entrepreneurs.eu/page.php?cid=5&pid=018&ctr=HR&country=Croatia>. The programme is open to starting entrepreneurs, to businesses running less than three years, and to second-chance entrepreneurs if they have no more than three years of experience in running a business.

● Active employment policy measures

Website: <http://mjere.hr/>

How does it boost second-chance entrepreneurship? The Ministry of Labour and Pension System and The Croatian Employment Service implement a series of active employment policy measures aimed at promoting employment, additional employee education and job retention. There are 9 active employment policy measures. For entrepreneurs, as well as second-chance entrepreneurs, the measures consist of financial help in opening a new business or support in co-financing further education for your employees or the employment of additional staff.

✓ LOCAL REGULATIONS



POLAND

● „Polityka Nowej Szansy (PNS)” - New Chance Policy (NCP) programme (<https://www.gov.pl/web/przedsiębiorczosc-technologie/polityka-nowej-szansy>)

NCP is a development programme adopted by the Council of Ministers on 22 July 2014. Its objective is to create a comprehensive system of support for entrepreneurs, oriented at counteracting company bankruptcy by building and promoting early warning systems and out-of-court and judicial forms of repair and restructuring, as well as facilitating the re-start of business activity for persons who have suffered business failure. This support is provided through advisory and training activities, coaching, mentoring, providing information and promotion aimed at counteracting stigmatization of these persons.

This objective will be implemented through the following direct actions:

- 1) prevention of crisis situations of undertakings (early warning systems);
- 2) reduction of the risk of liquidation of enterprises (out-of-court and judicial forms of repair and restructuring);
- 3) efficient liquidation of enterprises (judicial forms of restructuring and liquidation);
- 4) support for restarting economic activity - the so-called new start.

The NCP presents programme, institutional, organisational and legislative activities and it sets out a timetable for their implementation. Along with that it indicates the institutions responsible for the implementation of each of the actions specific to each of the targeted actions.



BULGARIA

- **National strategy for promotion of SMEs 2014 – 2020 and National Development Programme**
(<https://www.mi.government.bg/en/themes/national-strategy-for-small-and-medium-sized-enterprises-2014-2020-small-business-act-11-285.html> & <https://www.eufunds.bg/archive2018/archive/documents/1357828564.pdf>)

The National Strategy on SME Promotion 2014-2020, also called "Small Business Act" (SBA) is a political document with mid-term nature by which the Government of the Republic of Bulgaria has demonstrated its vision of government policy to support small and medium-sized enterprises in the country, harmonize their policies in this area with the policy of the EU.

The National Development Programme: Bulgaria 2020 (NDP BG2020) is the leading strategic and programming document detailing the objectives of the development policies of the country until 2020. The vision, objectives and priorities of NDP BG2020 are defined on the basis of a socio-economic analysis drawn up for this purpose as well as on the submissions received as result of the public discussions of each stage of the drafting of the document. The formulated objectives of the government policies will ensure the achievement of accelerated economic growth and raising the standard of living of the Bulgarian citizens in the medium and long term.

The following measures connected with second-time entrepreneurship are found in both of the abovementioned documents:

- appointment of a financial ombudsman in charge of fraud prevention and of facilitating businesses' access to credits;
- honest entrepreneurs to have the opportunity to address their obligations within max. 3 years;

- **Bulgarian Commercial Law (www.minfin.bg)**

The following measures affecting restarting entrepreneurs and entrepreneurs running business in distress were set in the Commercial Law:

- stabilisation of businesses before getting insolvent (draft proposal);
- allowing entrepreneurs to negotiate a restructuring of obligations and creating conditions for recovery (draft proposal);
- pre-court insolvency procedures for companies in economic and financial distress (draft proposal);



The aim of the listed measures is to help already existing and unsuccessful entrepreneurs to recover and overcome their economic and financial distress.



THE NETHERLANDS

● **Action Plan Ambitious Entrepreneurship (<https://www.rijksoverheid.nl/onderwerpen/regel-druk/regeldruk-bij-ondernemers>)**

Entrepreneurs need space to do business, to innovate and to experiment. Due to an excess of rules, entrepreneurs have less time and money left for this. This leads to unnecessary irritation, costs or obstacles. The government advocates a new approach to reduce the regulatory burden on entrepreneurs, giving them more room to innovate and experiment.

New approach to reduce the regulatory burden

The government wants to put entrepreneurs in a more central position and to work with them to find precisely those problems that cause the most nuisances in practice. The aim is not only to eliminate unnecessary costs, but above all to look at them:

- the feasibility of legislation and regulations;
- the way in which supervision and service provision are organised;
- how the government can better help entrepreneurs to make use of the room for experimentation in legislation and regulations. This will enable entrepreneurs to respond optimally to new social and technological developments.

With this new approach, the government wants to take further steps in the coming period to create more room for innovation and reduce the regulatory burden on entrepreneurs.

Ways of tackling the regulatory burden

Several ministries are tackling the regulatory burden on entrepreneurs. They do this in action programmes that set out clearly defined objectives for improving regulation and service provision. In addition to the specific and individual approach adopted by ministries, there are other instruments for tackling regulatory pressure.

Cooperation with the business sector

An entire business sector can be affected by too many rules. Think, for example, of sectors such as health care or the retail sector. Representatives from these sectors enter into discussions with various governments in order to solve the most important problems. This is known as the tailor-made approach.

Approach to regulatory pressure around important moments in the company's lifecycle

As with people, the life of a company consists of important life events. Think of starting a business, buying a

building or hiring staff. The government calls these "life events" and it wants to tackle the regulatory burden surrounding them.

Tackling the regulatory burden for innovation and investments

Regulatory pressure can hamper innovation and investment. If entrepreneurs feel inhibited, they can report this to the Room in Rules programme. This is a programme of the Ministries of Economic Affairs and Climate and Infrastructure and Public Works.

Advisory Committee on Better Regulation for Businesses

The Strategic Committee on Better Regulation for Businesses advises the government on cross-sectoral problems in existing regulations.

Involving individual SME entrepreneurs in new laws and regulations

Individual SME entrepreneurs can think about new laws or regulations at an early stage. When a new law or regulation is developed that can have a major impact on SMEs, there will be a panel of individual SME entrepreneurs. This is called the SME test.

Independent assessment of new laws and regulations

The Advisory Board for Regulatory Pressure Assessment (ATR) assesses whether new laws and regulations are suitable for tackling problems. It also assesses whether the new laws or regulations do not correctly create new problems. Via the link shown above, all measures can be assessed in detail. Following it, one can find out what policies are in place, which ones are upcoming, and what other opportunities there are.



● Italian Start-up Act

(http://italiastartupvisa.mise.gov.it/media/documents/Executive_Summary_Italy's_Startup_Act_02_03_2016.pdf)

Since late 2012, Italy has had in place a comprehensive policy strategy to promote the creation and the development of hi-tech companies, under the Decree-law 179/2012, the "Italian Start-up Act". The legislation in support of innovative start-ups does not apply to all newly established enterprises, but only to those that present a clear character of technological innovation. Besides this distinction, no industry-specific restriction has been made: the legislation is potentially applicable to companies operating in any economic sector, from digital to manufacturing, from trade to agriculture.

Definition of innovative start-up: any companies with shared capital (i.e. limited companies, "società di capitali"), including cooperatives, whose capital shares – or equivalent – are neither listed on a regulated market nor on a multilateral negotiation system. These enterprises must also comply with the following requirements:



- be newly incorporated or have been operational for less than 5 years (in any case, not before 18 December 2012);
- have their headquarters in Italy or in another EU country, but with at least a production site branch in Italy;
- have a yearly turnover lower than €5 million;
- do not distribute profits;
- have as exclusive or prevalent company object – as stated in the deeds of incorporation – the production, development and commercialisation of innovative goods or services of high technological value;
- are not the result of a merger, split-up or selling-off of a company or branch;
- the innovative character of the enterprises is identified by at least one of the following criteria:
 1. at least 15% of the company's expenses can be attributed to R&D activities;
 2. at least 1/3 of the total workforce are PhD students, the holders of a PhD or researchers; or, alternatively, 2/3 of the total workforce must hold a Master's degree;
 3. the enterprise is the holder, depositary or licensee of a registered patent (industrial property), or the owner and author of a registered software.



MALTA

● Companies Act – Chapter 386 of the Laws of Malta

(<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8853>)

Originally started in 1995 and amended on a regular basis, the Companies Act is the major act of law that regulates how companies in Malta operate. It includes ample details on what their rights and duties are, how companies can be formed and dissolved, and what they should do during their lifetime.

The Malta Financial Services Authority is the main governmental body with respect to companies, and it puts into practice all the requirements of this law. In fact, it is both the national registry of companies and also their regulator. Several types of companies can be formed in Malta – commercial partnerships, private limited liability companies and public companies. All differences between them are specified in this law and how they can be formed, merged, acquired and dissolved are given in minute detail. The law also states what annual returns and reports need to be generated and publicly filed by each type of companies. Failure to do so will incur penalties and even these are listed and explained in the document.



CROATIA

● The Entrepreneurship Development Strategy 2013-2020

(<http://www.europski-fondovi.eu/sites/default/files/dokumenti/Strategy-HR-Final.pdf>)

The Strategy is a direct response to a brief overview of conditions with the overall objective of increasing the competitiveness of small businesses in Croatia. The achievement of the general objective will be supported by measures addressing five strategic objectives:

1. IMPROVING ECONOMIC SUCCESS

This means improving the economic performance of small businesses in the manufacturing and service sectors by investing more in R&D, higher levels of innovation, growing exports and further developing business networks and connections.

2. IMPROVING THE APPROACH TO FINANCING

This means developing various financial opportunities for small business entities and closing the financial gap for small businesses.

3. PROMOTING ENTREPRENEURSHIP

This means supporting the establishment of new businesses, increasing the number of active companies and strengthening institutions that support entrepreneurs to contribute to a more balanced development of Croatian regions.

4. IMPROVING ENTREPRENEURIAL SKILLS

This means supporting the greater development of small business entities by strengthening their management, introducing and operating more highly qualified employees and supporting the lifelong learning of employees in small business entities.

5. IMPROVING BUSINESS ENVIRONMENT

This means upgrading the progress made by removing the remaining administrative burdens and facilitating business in Croatia.

3.2. Opportunities for dynamic networking



POLAND

● Creative Hub

Website: <http://creativehub.pl/>

What opportunities for interaction does it offer? It is an open hub franchise which has three locations



in Poland: Warsaw, Krakow and Łódź. You can receive coaching services and support for contacts, LinkedIn training and Moodle webinars.

● Cybersec

Website: <https://cybersechub.eu/>

What opportunities for interaction does it offer? It is a business accelerator for IT, micro enterprises opportunities in scouting possibilities, financing, business angels, cooperation, international requests, training and advisory. There are opportunities offered for start-ups or restarters.

● Aula Polska

Website: <https://aulapolska.pl/>

What opportunities for interaction does it offer? Aula Polska is a community offering regular meetings of the initiative. Meetings which are free to attend are held on average twice a month with 300-350 participants being gathered each time. The meetings are open to everyone and their aim is also to create an ecosystem conducive to innovation of companies and supporting active economic attitudes.



BULGARIA

● Entrepreneurs Night Out

Website: <https://entrepreneursnightout.org>

What opportunities for interaction does it offer? Entrepreneurs Night Out is a networking event in Sofia, Bulgaria, which aims to bring together a community of people dedicated to business and entrepreneurship in one place. On Monday night, Entrepreneurs Night Out brings together people from a diverse range of business activities, who gather in different venues to exchange experiences, ideas and contacts. There are no restrictions regarding gender, age, social status, career or occupation. All that is required is an interest in business or your personal development. The events are free of charge and are held on a monthly basis.

● My Education Club

Website: <https://myeducationclub.com/>

What opportunities for interaction does it offer? My Education Club is a platform that allows you to meet new people who can teach you or help you with something. The focus is on their skills and knowledge and not their CV like in LinkedIn. It is based on peer-to-peer learning. The platform is completely free for all users. You need to just register and based on the provided filters find your study buddy. People can teach either online through Skype, Zoom, etc. or you can even meet if staying in the same city. Register and state the skills you have and the new skills or knowledge, which you want to acquire. Then, through the filters, you



find a friend who has the knowledge/skill you are looking for and what he needs. Then you start teaching each other and exchange points as payment. Points are the internal payment currency that you can use to "pay" your study buddy for their teaching/skills.

● Evenings for Dreamers

Website: www.move.bg

What opportunities for interaction does it offer? Evenings for Dreamers is an initiative of MOVE.BG which provides the time and place to talk about the failures people encounter while making their great ideas happen. Because misfortunes make people stronger and teach them more than success itself. The evenings provide a platform to share the stories of people with a cause because the very process of bringing an idea with a social impact to life is just as important and as exciting as the result of it. Their motto is "Let's laugh at failure together so it wouldn't laugh back at us!".



THE NETHERLANDS

● Venture Café Rotterdam

Website: www.venturecaferotterdam.org

What opportunities for interaction does it offer? Even though the city of Rotterdam is in their name, they are open to anyone who wants to join their cafe and other events. They advertise themselves as an open global community of innovators, and they have a café to accelerate innovation within the (larger) regional ecosystem. The Venture Café Foundation offers also programming and connections that build relationships between students, start-ups, entrepreneurs, corporates, investors and other organisations. Their mission is to broaden, connect and support the innovation community through offering a freely accessible network with programming to help anyone with an idea to succeed. Entrepreneurs that want to re-start a business are very much welcomed to join their events.

● Fuckup Nights

Website: www.fuckupnights.com

What opportunities for interaction does it offer? Fuckup Nights is a global movement and event series that shares stories of professional failure. Each month, in events across the country, they get three to four people to get up in front of a room full of strangers to share their own professional fuckup. The stories of the business that crashes and burns, the partnership deal that goes sour, the product that has to be recalled, they tell them all.

These nights, which are held in Netherlands in the cities of Amersfoort, Amsterdam, Leeuwarden, Maastricht, Rotterdam, The Hague, Tilburg and Utrecht invite entrepreneurs to talk differently about failures, and



to see them as an integral part of being an entrepreneur. Apart from people standing up and talking openly about failures, they are also a social space to talk one-to-one on experiences and learning from them.



ITALY

● Contamination Labs

Website: <http://clabitalia.it/>

What opportunities for interaction does it offer? In collaboration with the Italian Ministry of Education, University and Research (MIUR), a pilot project for the creation of Contamination Labs in four universities in Southern Italy (Convergence Regions in EU Regional Policy) was launched in late 2013. Its aim is to offer university students a stimulating environment in which they can develop innovation projects with a business dimension. Contamination Labs are spaces that encourage students from different academic backgrounds to interact, while promoting entrepreneurship, innovation, an interdisciplinary perspective and new models of learning.

● FIDAPA Italy

Website: <http://www.fidapa.org/>

What opportunities for interaction does it offer? FIDAPA BPW Italy (Italian Federation of Women Arts Professions and Business) is an association made up of about 11,000 members in Italy and belongs to the IFBPW International Federation (International Federation of Business and Professional Women). It is divided into 300 Sections distributed throughout the national territory, grouped into 7 Districts. FIDAPA BPW Italy is an independent movement and it is non-profit. It pursues its objectives without distinction of ethnicity, language and religion. The Federation has the purpose of promoting, coordinating and supporting the initiatives of women operating in the fields of arts, professions and business, independently or in collaboration with other bodies, associations and other subjects.



MALTA

● Association of General Traders and Retailers (GRTU)

Website: <http://www.grtu.org.mt/>

What opportunities for interaction does it offer? GRTU is an association of over 7,000 independent private businesses, which offers support and organises networking events for its members.

● Business Network International (BNI)

Website: <http://maltabni.com/en-GB/index>; <https://www.facebook.com/MaltaBNI/>



What opportunities for interaction does it offer? This is the Maltese branch of one of the oldest and largest business networks in the world with various groups known as “chapters”. Its members enjoy unparalleled business growth. BNI provides a positive, supportive, and structured environment for the development and exchange of quality business referrals. Weekly networking breakfasts are organized where the members may network and support each other.



CROATIA

● BOND

Website: <https://bond-hrvatska.hr/>

What opportunities for interaction does it offer? The BOND Network is a platform for the overall development of the capacity and quality of service of entrepreneurial support institutions, which provides entrepreneurs with a unified approach to business knowledge, skills, partners, information and services relevant to starting and developing a business. In this way, BOND also positions itself as a strategic partner for policy makers and entrepreneurship development measures in Croatia. BOND Network also encourages standardization, specialization and further development of entrepreneurial support institutions within the Network within which entrepreneurs will be able to use the various specialized resources needed for their growth and development.

● DanubeChance2.0 - Embracing failure to facilitate second-chance entrepreneurship in the Danube region project

Website: <http://www.interreg-danube.eu/approved-projects/danubechance2-0>

What opportunities for interaction does it offer? DanubeChance2.0 project delivers innovative policy designs and provides formerly bankrupt entrepreneurs with a second chance in the Danube region. DanubeChance2.0 aims to facilitate improved policy learning between policy makers and government agencies; research institutes and universities; financially distressed enterprises currently involved in insolvency procedures, or entrepreneurs who have already gone bankrupt but are ready for a fresh re-start; business accelerators and the public. Specific objectives of the project are promoting restructuring measures, awareness-raising of second-chance entrepreneurial opportunities and enabling a supporting ecosystem for honest restarters. DanubeChance2.0 started on 01.07.2018 and will finish on 30.06.2021.

The project will provide a path for more legitimate entrepreneurs whose first businesses have failed to re-enter the market through delivering 130 hours of “blended” learning experiences at the „Trial and Error Re-Design Transnational Academy”, and the launch of the first “Business Re-Structuring Initiative” which will provide business acceleration support for approximately 60 legitimate entrepreneurs whose first projects failed.



3.3. Links to find more information



POLAND

- **A link to a YouTube video** (<https://www.youtube.com/watch?v=YjzcGTolwVY>) – It is about a project on second chance in 2014 that was very successful and had a lot of promotion, press and good results.
- **A European project granted in 2019: "Giving a chance"** (<http://fundacja-cat.pl/eip>) - It is related to 2REVIVE project in the sense that it helps discovering and developing the best features of the recipients, discovering and strengthening the resources given to them and their development potential. It is a project for youngsters who want to learn and seize new possibilities in Europe.
- **Expats second chance business life** (<http://www.intentionalexpats.com/>) - It is a pilot project from a private network called "Internations" that provides contacts and business opportunities.
- **World Bank Programme** (https://siteresources.worldbank.org/INTGILD/Resources/WBInsolvencyOfNaturalPersonsReport_01_11_13.pdf) - It is a past programme that funded the best ideas/ business plans only from people that proved they had experienced a bankruptcy.
- **Polish-American Freedom Foundation** (<https://en.pafw.pl/program/development-of-local-communities/sector-3-0/>) - Its goal is to broaden the knowledge and skills of non-governmental organizations' employees, particularly from small local communities, micro and small companies that did not succeed; providing them with an effective use of such technologies in their everyday work.



BULGARIA

- **Ministry of Economy** (<https://mi.government.bg/en/>) - The main mission of ME is to develop and implement a transparent economic policy that protects the national and public interest and is based on the European principles. ME is working to create a competitive low-carbon economy, which will guarantee growth and development of Bulgaria. Other important tasks of ME are the promotion and acceleration of investments, innovations and competitiveness. Second-chance entrepreneurs and other interested parties may contact ME on a regular basis in order to find out what initiatives they are planning to run and if there are any new relevant opportunities for business owners.
- **The Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA)** (<https://www.>



- sme.government.bg/en/**) - BSMEPA is an administrative structure with the Minister of Economy, which implements the state policy for promoting entrepreneurship, development and internationalization of SMEs. BSMEPA's main goal in the field of internationalization is providing support to Bulgarian enterprises for their stable development, successful integration into the European and world economy and expanding their presence on target markets.
- **National Agency for Vocational Education and Training (NAVET) (<https://www.navet.government.bg/en/>)** – The strategic goal of NAVET is the realisation of national and European priorities related to the improvement of the access to and the quality of the vocational education and training in compliance with the needs of the labour market and the requirements of the economy in the context of lifelong learning. Second-chance entrepreneurs and other interested parties could get in touch with NAVET in order to participate in trainings which can improve their professional qualifications, etc.
 - **Entrepreneurial, Innovative & Digital Bulgaria project (<https://innovation.besco.bg/>)** – Following the link, you will find a list of innovative Bulgarian companies & organizations compiled by Ministry of Economy and BESCO. Some of these companies are global leaders in their own category, some are fresh startups. They could empower your business ideas so do not hesitate to contact them!
 - **"Succeed with us" campaign (<https://www.predpriemach.com/>)** – A campaign in the field of ICT technologies, internet marketing and web design in Bulgaria. Its mission is on one hand, to unite the experienced entrepreneurs in the ICT sector in order for them to exchange knowledge and on the other hand, to transfer that knowledge to novice entrepreneurs, ones that do not have specific education in the sphere and entrepreneurs who are searching for solutions to their problems. The forum at the website is specifically designated to give advantage to honest entrepreneurs.
 - **Bulgarian Entrepreneurship Center**
(<https://www.plovdiv.bg/en/%D0%B1%D1%8A%D0%BB%D0%B3%D0%B0%D1%80%D1%81%D0%BA%D0%B8-%D1%86%D0%B5%D0%BD%D1%82%D1%8A%D1%80-%D0%B7%D0%B0-%D0%BF%D1%80%D0%B5%D0%B4%D0%BF%D1%80%D0%B8%D0%B5%D0%BC%D0%B0%D1%87%D0%B5%D1%81%D1%82%D0%B2/>) – It is an organization which connects mentors from the Silicone valley, US and the Bulgarian IT industry for coaching BG start-ups with potential for growth. A restarting entrepreneur in that specific field can contact it to be involved in a mentoring programme.
 - **Center for Entrepreneurship and Management Development - Bulgaria Foundation (CEED Bulgaria) (<http://ceed-bulgaria.org/>)** – Its main activity is to enlist successful entrepreneurs to mentor those looking to grow their businesses. Second-chance entrepreneurs can seek contacts



with successful entrepreneurs from CEED in order to exchange ideas and be guided to establish a stable foundation for their business.

- **DynamiX Lab** (<http://www.dynamixlab.com>) – The focus of this training agency is to create positive transformation on personal, team and organizational levels which will lead to unlocking and tapping into hidden potentials leading to achieving peak performance.
- **Uspelite.bg** (<https://uspelite.bg/>) – A website which is focused on positive news, initiatives and happenings in Bulgaria. It has a "Business" section in which news about upcoming entrepreneurial gatherings, programmes supporting entrepreneurs, interviews with successful entrepreneurs and their hardships are often published. Second-chance entrepreneurs can find practical information about their business ideas and plenty of inspiration. The website also features a lot of news on social causes and their realization in Bulgaria.



THE NETHERLANDS

- **A one-stop shop for entrepreneurs** (<https://ondernemersplein.kvk.nl>) – This one-stop shop is aimed at entrepreneurs no matter if they have started a business, re-started, wish to end, etc. It is a site with the most in-depth information with anything to do with entrepreneurial life. It is managed by the Dutch Chamber of Commerce, and kept up-to-date on a daily basis.
- **Netherlands Enterprise Agency** (<https://www.rvo.nl/financiering-voor-ondernemers>) – A site provided by the Ministry (Netherlands Enterprise Agency) with a complete overview of all sorts of financial support programmes (grants, loans, bursaries, etc.) for entrepreneurs. The information is also very relevant for those who are interested in running a business (or parts of it) internationally. The website is also available in English.
- **Regional development centre:** (<https://www.kvk.nl/regionale-ontwikkelingsmaatschappijen-rom>) – A list of all Regional Development Centres, for the support of entrepreneurs. A good place to find regional support (including regional financial support).
- **IkGaStarten** (<https://www.ikgastarten.nl>) – A site built and supported by the Rabobank, with many practical tips, tools and places for direct consultation.



ITALY

- **Contributi Regione** (<https://www.contributiregione.it>) - The most visited site in Italy on European Financing and Business Incentives. Following the link, second-chance entrepreneurs, start-ups and already experienced business owners can find more information about support for growing their business ideas and nurturing them to success.
- **Fondo di garanzia** (<https://www.fondidigaranzia.it/>) – Fondo di garanzia is a public guarantee fund that facilitates access to credit for SMEs and professionals. It is managed by the Ministry of Economic Development.
- **Ministry of Economic Development** (<http://mise.gov.it>) – The Italian Ministry of Economic Development is focused on different initiatives including new innovative companies (start-ups). A dedicated framework is in place for them including support towards administrative simplification, the labour market, tax breaks and bankruptcy law. A large part of these measures are also extended to innovative SMEs, that is, to all small and medium-sized enterprises operating in the field of technological innovation, regardless of the date of incorporation or the corporate purpose.
- **National Innovation Fund** (<https://www.mise.gov.it/index.php/en/news/en/202-news-english/2039363-the-national-innovation-fund-unveiled>) - The National Innovation Fund was established under initiative of Minister Di Maio and has a starting budget of €1 billion, set out in the Budget Law 2019, and will be managed by Cassa Depositi e Prestiti (Deposits and Loans Fund), through a coordinated control room aiming at unifying and multiplying public and private resources dedicated to the strategic topic of innovation.



MALTA

- **Malta Enterprise Support Measures and Other Services** (<https://www.maltaenterprise.com/support>) – These support measures include incentives for enterprises demonstrating commitment towards growth, an increase in added value and employment. Enterprises engaged in manufacturing, ICT development activities, call centers, healthcare, pharmaceuticals, biotechnology, aviation and maritime services, education and training, logistics and more may benefit from these incentives: <https://www.maltaenterprise.com/support>
- **Kordin Business Incubation Centre (KBIC)** (<https://businessfirst.com.mt/en/starting/Pages/START-UP-SUPPORT--FACILITIES.aspx>) – KBIC is a mixed technology-oriented style incubator managed by the Malta Enterprise to support SMEs. KBIC provides a cost-effective business environ-



ment, a professional image with managerial expertise geared to the needs of small businesses.

- **TAKEOFF Business Incubator** (<https://www.um.edu.mt/cebi/takeoff>) - TAKEOFF is part of CEBI (the Centre for Entrepreneurship and Business Incubation) and is located on the Enterprise CAMPUS at the University of Malta. It provides a working environment for anyone with a new business and enables the founders to achieve their full potential. TAKEOFF does not have a focus simply on 'Start-up' but rather on Sustainability and Success. It provides services (facilities and support) for up to 60 individuals and 30 businesses over a three-year period of membership.
- **Business Groups, Associations and Networking for Expats in Malta** (<https://www.expatriatebriefing.com/country/malta/employment-and-business/business-groups-associations-and-networking-for-expats-in-malta.html#>) - Professional networking is at the core of business culture in Malta. There are numerous groups, clubs, associations and other professional networks. Typically, you will have to sign up to become a member of such a network and pay an annual membership fee. In return, you will get access to networking events, publications, online resources and consultation services. More details about the various opportunities may be found by following the link above.



CROATIA

- **International development centre – European projects accelerator – Informo** (<https://idc.informo.hr>) – The International development centre is the initiator of sustainable development projects encouraging large-scale positive change. The Centre's aim is working towards territorial, professional, business and personal development through education, information, networking, collaboration and design. The Centre is open to all stakeholders in development projects at the local, regional, European and international level. The users of the Centre are potential, beginning and experienced entrepreneurs; unemployed people, especially vulnerable groups (young people, women, people with special needs, etc.); youngsters; local communities; civil, private and public sector employees; decision-makers.
- **Business centres Croatia** (<https://www.aurora.hr/business-center>) - Croatia has more than 100 business centres, which offer organized expert and advisory help to entrepreneurs on regional and local levels. Their aim is to promote entrepreneurship, give information about available funding and other incentive measures; help in the preparation of business plans; educate entrepreneurs and cooperate with local governments in the implementation of various incentive measures.
- **Business incubators Croatia** (<https://www.aurora.hr/business-center>) - Business incubators Croatia (a list of over 30 incubators) is focused on supporting particular entrepreneurs who are just



starting their business. Incubators can perform most of the tasks as well as entrepreneurial centres, but incubators with professional support offer entrepreneurs the use of business spaces under very favourable conditions (without lease or with reduced rent) for a limited number of years. Often, they offer mentoring and informal education.

- **HAMAG-BICRO (<https://hamagbicro.hr/>)** - HAMAG-BICRO is the Croatian Agency for SMEs, Innovation and Investments established by the Government of the Republic of Croatia with the purpose of enhancing SME development and promoting investment and innovation. The Agency is an independent institution under the supervision of the Ministry of Entrepreneurship and Crafts focusing on projects that are potentially economically viable, financial instruments support investment through loans, guarantees with the ability to combine with interest rate subsidies, equity and quasi-equity financing instruments.
- **Ministry of Entrepreneurship and Crafts (<https://www.mingo.hr/>)** - The Ministry offers advice, information on how to become an entrepreneur and what you need to start a business. In addition, on their website you can find information on local, national and European calls and tenders for entrepreneurs.
- **Croatian Chamber of Economy (<https://digitalnakomora.hr/>)** - The Digital Chamber is a Communication platform developed by Croatian Chamber of Economy and made for businesses, public administration and citizens. It offers seven e-services through its application: e-public authority, e-learning, e-legislation, e-fairs and promotion, e-financing, e-members, e-economic information.

3.4. Conclusion



POLAND

Polish market is a very dynamic place. Statistics show that there is a big difference from the last 10 years and especially compared to the period before Poland entered the European Union in 2004. All changed mainly due to the European Funds. Poland was and still is one of the biggest beneficiaries in the European Union. 60% of start-ups mainly failed after 1/2 years due to the fact that new ideas of businesses were too similar and only the most viable were realized and survived in the long-term on the market. Companies that were supported during the first period of awarding EU grants and failed after or went bankrupt could get more financial aid also within the second term of EU grants in Poland and restart their business. In this case, they were set to prove how sustainable they are, etc. Incubators, creative hubs and public trainings also provide



for a highly competitive and thriving business environment that promotes second chances. All these new forms of networking of businesses and individuals created a community in Poland which produces new viable business ventures.



BULGARIA

According to SBA fact sheet 2018, Bulgaria remains one of the best performing EU countries with regards to "second chance" with a score above EU average. The trend of fear of failure is also considered positive as from 25% in 2016, it has fallen to 20.9% in 2017. However, no new significant measures have been introduced in order to make progress on second chance in the country since 2016. In addition, the country has its weakest scores in the areas of entrepreneurship, 'responsive administration', environment and skills & innovation. However, according to European Innovation Scoreboard 2019, employment, fast-growing enterprises of innovative sectors, Design applications, and Trademark applications, are performing high above the EU average. The average annual GDP growth, the turnover share of SMEs, and enterprise births are also positioned above the EU average.

In a nutshell, the environment for developing and relaunching a business in Bulgaria is promising. There are working measures set in for restarters (honest entrepreneurs) who have not been successful and have gone bankrupt to be back on their feet quickly. Along with that, based on the Doing Business 2019 annual report of the World Bank, Bulgaria is ranked at the 59th place out of 190 for the ease of doing business which includes rating areas such as starting a business, dealing with construction permits, getting electricity, registering property, getting credit, etc. Moreover, in the last 10 years Bulgaria has created a reputation of one of the leading IT hubs in Europe and more and more multi-national organisations have built their operational and development centres there. Even though, still persistent and more continuous efforts are needed in the country to promote entrepreneurship and develop innovations, with its strategic location and stable growth of economy and demography, Bulgaria affirms its position as an attractive space for starting afresh and developing a business at a pace of your choosing with plenty of opportunities to pursue in order to grow, receive financial aid, networking support & mentoring service.



THE NETHERLANDS

In The Netherlands there are quite some support programmes and policies for starting entrepreneurs, yet not specifically for second-chance entrepreneurs. Yes, most mention second chance entrepreneurs in be-



tween the lines, but not as a specific target group. As a person starting again, this might be bothersome, as you are not a starter and want specific information/ support, beyond the obvious.

When it comes to policies of the central government, second-chance entrepreneurs are explicitly mentioned. Not so much in the support with business planning (information, coaching, etc) but in making sure entrepreneurs can start with a clean slate easier (e.g. cancelling of debts).

With the rise of single person businesses, which can be noticed at the beginning of this chapter, one can wonder if and how all these new entrepreneurs do so voluntary, when workplaces are becoming more and more flexible. Motivation, key in starting and running an enterprise, might be affected when one is pushed into entrepreneurial life, with all its consequences in case of 'failure'.

With the lack of initiatives from e.g. the governmental agencies and the chambers of commerce, specifically for second-chance entrepreneurs, for now, people can join various informal networks to talk and learn differently after a first business attempt. Yet it is hoping for some clearer and formal recognition for second-chance entrepreneurs, especially when failing is to be seen as a normal part of entrepreneurial life!



ITALY

Based on the evaluation of Entrepreneurial Framework Conditions in 2017 and 2018 (GEM), data shows that there have been improvements regarding the possibilities for Entrepreneurial Finance. However, the rate of R&D Transfer has decreased. Other factors do not show significant difference in the two year's reports. It is also very visible that in 2018 not even one single factor received higher points than 3, on a scale of 1-5.



Figure 9 Source: Global Entrepreneurship Monitor (Explanation: Yellow – Italy 2017, Red – Italy 2018. 1: Highly insufficient; 5: Highly sufficient)



Italy's entrepreneurial environment ranking is 79th out of 180 countries, concerning 'economic freedom'. Although Italy's history does not have a shortage of world-famous entrepreneurs, business-wise Italy cannot compare with other major European countries. The studies identify that the main obstacles and weak points of the system are the inefficient government bureaucracy, unfavourable tax rates and regulations, restrictive labour regulations along with difficult access to financing. Apparently, the national cultural mindset is also characterised by strong risk avoidance. There is no geographical density of start-ups yet. However, currently, starting from the North of Italy, a growing number of hubs are creating the space for a stronger entrepreneurial presence and strengthening the start-up culture of the country.



MALTA

The Maltese economy is currently registering a boom with a fifth consecutive year where there has been growth in the country. This is positive on one hand, however on the other, one still notes that there is quite some social stigma associated with failure in business, and in general, people tend to prefer to prolong and slowly dissolve a business, rather than declare bankruptcy and start afresh.

The start-up ecosystem is much more vibrant today when compared to 10 or 20 years ago. There are many more support networks and even grants / financial support than ever before, although the landscape is still dominated by very traditional banks that have a seriously risk averse attitude to business and would rarely if ever give unsecured loans. There is also a lack of business angels and venture capitalists, and many of the local budding entrepreneurs turn to foreign investors to try and get some seed money.

Overall, however, the picture is positive and there is hope that with the great influx of foreigners in Malta, some of the attitudes are starting to change. This is a long process and will take another decade or so in order to finally have a more 'welcoming' environment to second-chance entrepreneurs.



CROATIA

According to three world-renowned surveys, Croatia is ranked at the following places:

- Doing business 2018: Croatia ranked in 51st place out of 190,
- Global Competitiveness Report 2017-2018: Croatia is ranked in 74th place out of 137,
- Global Innovation Index 2017 Cornell University: Croatia is ranked in 41st place out of 127

According to Analysis of the Croatian Chamber of Economy on business barriers and proposals for improving the business climate, the three biggest business barriers in the country are: legal certainty (frequent



changes in regulations, non-compliance of laws and regulations, too short period for adapting to new regulations), judiciary (lengthy procedures) and tax obligations (uneven interpretation of tax regulations by the competent authorities, the amount of tax liabilities, frequent changes in tax regulations, communication with the competent tax authorities).

Croatia has a relatively well-developed system of business support, but further improvements in the form of tax burden relief, regulatory compliance and additional financial support are certainly needed. Specific support programmes focused on second-chance entrepreneurs in Croatia have not been developed and statistics on second-chance entrepreneurship have not been kept. Through a system of entrepreneurial incubators, NGOs and other supporting institutions, using various grants intended for entrepreneurs in general and in networking and education, the second-time entrepreneurs can return to entrepreneurial waters and be competitive on the market, with two additional advantages - previous experience and entrepreneurial wisdom they have already gained!





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** The links and resources provided by all partners in Part 3. Local resources and regulations, "Local resources and regulations for boosting second-chance entrepreneurship" sections, "Local funds and programmes" & "Local regulations" subsections; "Opportunities for dynamic networking" section; "Links to find more information" section are not listed separately within the Bibliography as you can find and follow them directly from Part 3. Local resources and regulations.*



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