

## NEW ENTREPRENEUR PREPARATION KIT

### Introduction

This document is prepared as resource material for new entrepreneurs. It contains key steps, important details for every step, and references to important program documents regulating and guiding the participation in the Erasmus for Young Entrepreneurs (EYE).

What is Erasmus for Young Entrepreneurs?

- EU funded exchange programme for entrepreneurs residing in the 39 participating countries,
- 1-6 months exchanges for new entrepreneur (NE) with experienced entrepreneur (HE) abroad,
- Opportunity to exchange knowledge, business ideas, contacts and experiences,
- Financial support is provided by the programme for the stay abroad.

### New Entrepreneur (NE) – definition and benefits from participation in the EYE

New entrepreneur definition:

- Would-be entrepreneurs who are firmly planning to start their own business, based on a concrete project reflected in a substantiated business plan and new entrepreneurs who have been running their own business for less than 3 years (cumulative) at the time of application;
- Permanent resident in one of the participating countries. (Permanent residence' is defined as: (1) The place where the company of the applicant is registered, if the applicant has a registered company; (2) If a company has several establishments in different EU Member States or other participating countries, the entrepreneur should choose one of the countries as permanent residence; (3) The place where the applicant has spent 183 days or more in the course of the last 12 months, if the applicant does not have a registered company. Participating countries include: EU Member States, the Former Yugoslav Republic of Macedonia, Iceland, Montenegro and Turkey, Albania, Serbia, Bosnia and Herzegovina, Moldova and Armenia, as well as the corresponding EU outermost regions and Overseas Countries and Territories (OCTs).



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## Benefits for New Entrepreneurs:

- Up to six months learning abroad with a successful and experienced entrepreneur in another participating country, in order to gain the relevant start-up and SME management knowledge in various areas (e.g. financial and operational management, development of innovative products and services, sales and marketing practices, and effective planning);
- Refinement of business ideas/plans;
- Unique opportunity to improve their entrepreneurial experience through work on practical, concrete projects;
- Broadening network of contacts and becoming part of a dynamic pan-European business network of successful entrepreneurs;
- Gaining knowledge about foreign markets and facilitate access to them;
- Development of potential new cross-border business opportunities and partnerships;
- Gaining insights into a different cultural and organizational setting/workplace and understanding how a company operates in another participating country;
- Possibility of finding out about:
  - European commercial law and the single European market,
  - European standardization,
  - European support for SMEs.
- Improvement of language skills (secondary benefit);
- Participation in Alumni Network.

## Host Entrepreneur (HE) – definition and benefits from participation in the EYE

Host entrepreneurs are successful and experienced entrepreneurs fulfilling the following criteria: are successful and experienced (more than 3 years (cumulative) of activity is considered as a minimum for an HE) and run a micro, small or medium-sized enterprise in one of the participating countries according to the EU definition of an SME ([http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en)) as owners or members of the Board (not employees) in any sector. HEs must also have their 'permanent residence' in an EU Member State or in any of the other participating countries to participate in the programme.



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## Benefits for Host Entrepreneurs:

- Work with a serious, committed and motivated NE who will contribute to their business development through innovative ideas and views;
- Gain knowledge about the NE's domestic markets — including business contacts — and opportunities to internationalize their business;
- Interact with HEs from other participating countries and become part of a dynamic pan-European business network of successful entrepreneurs;
- Improve growth potential of their company and opportunity to establish a new business partnership directly with an NE from another country;
- Increase visibility and prestige of the company through press coverage (i.e. press articles, interviews, etc.);
- Benefit from assistance provided by professional Intermediary Organizations (IOs) in the search for a potential business partner and the support of the relationship with NE;
- Access new skills and innovative knowledge provided by NE that an SME often does not have capacity to develop;
- Improvement of language skills;
- Participation in Alumni Network.

## Steps for participation in EYE for New Entrepreneurs

**Step 1:** Online application starting with the registration form is available on the programme website [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu) under the section “Apply now”, NEs can also find Registration Guide-New entrepreneurs on the website.

To register and apply, NE needs to prepare materials for online registration/application. After entering data required on the web page, NE should provide the following:

- Motivation - a clear and precise entrepreneurial motivation, including selection of country NE wants to go to, based on their business idea, where the motivation should demonstrate: real commitment of NE to invest in a learning experience; clearly identifiable commitment towards being an entrepreneur; clear and well defined learning needs; willingness to contribute to the development of the HE's business and to make available your skills and competences; dynamism, seriousness, creativity and initiative;



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- CV – where EU format and English language are preferred but not mandatory, it should be clear, concise, complete and up-to-date and include a summary of NE’s educational & vocational background, competencies/skills and work experience, country of permanent residence, entrepreneurial experience, and time spent in destination country, if any);
- Business plan – clear and detailed, in line with business idea, containing at least: a description of the product or service offered; a market analysis including a definition of the target market and a competitor analysis; and a financial plan including estimated expenses and income in the following 2 years and a break-even analysis. NE is requested to submit a full business plan and a summary:
  - The full business plan is a confidential document that can only be read by the chosen NE’s IO, Support Office (SO) and European Commission (EC), and therefore NE may want to sign a non-disclosure agreement (NDA) or a similar confidentiality agreement with the IO. It can be submitted in an official language of the EU or the language of one of the other participating countries that selected IO understands.
  - The summary of the business plan, in no more than 2000 characters, must be submitted in any EU official language; however, English is strongly preferable as it will be available to all accepted users of the online catalogue. NEs are invited to formulate the summary in a way that avoids misuse and potential damage to themselves.

After submitting the above listed materials, the process includes phone/skype or in-person interview with IO, where IO checks if NE can explain the idea and business plan, and if motivation in the application is in line with explanations provided during the interview.

As mentioned, NE needs also to select an IO active in NE’s country of “permanent residence”. The chosen IO is responsible for recruiting, establishing contacts between NE and preferred HE and for helping NE to prepare the exchange. IO will act as guide and contact throughout the entire process, and NE can, always, in case of any explanation needed, contact the IO as the first instance in providing support to NEs. The list of IOs is available on the programme website [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu) under the section “Your local contact point”.



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Application requires EU Login account to complete the process, detailed instructions are in the Guide. IT user's manual is available in "Help" section of the online database to help using the tool.

## Step 2. Matching

Searching and matching is the process whereby information submitted by an NE in the catalogue is compared to information provided by an HE (and vice-versa) in order to find the closest possible match for an exchange. Therefore, in applying process, NE needs to specify the business sector of their future or recently started company, as well as up to 4 additional sectors NE is interested in that best correspond to the nature of their future or current business. NE should indicate preferred countries for the stay abroad (NE cannot do the exchange in their country of residence). Direct search in the online catalogue using the following available search criteria: sector (primary and secondary), country (of origin and target), languages (mother tongue and other working languages) and duration of exchange is the way to find prospective HEs. Also, the IT tool proposes possible matches as well as a proactive IO.

## Step 3. Contracting and preparation

Once matching between NE and HE, having their permanent residence in two different Participating Countries, is identified, a Commitment needs to be prepared, an instrument to implement an exchange, measure its success and provide protection against abuse, i.e. a basis for the cooperation between the 2 entrepreneurs over the period of stay, with support from IO as needed. The Commitment establishes the objective(s) of the exchange - individual objectives of the NE and the HE for the specific collaboration, how the entrepreneurial collaboration will take place - the activity plan that outlines the tasks and responsibilities of each of the entrepreneurs (weekly or monthly breakdown) and the specific (tangible) expected outcomes for each of the entrepreneurs, the responsibilities, the duration of the stay and the planned start and end dates. The Commitment should be specific to the relationship and avoid general statements (such as the objective of 'improving managerial skills' or outcomes such as 'better knowledge of how to run a business'). The IO responsible for an NE (NIO) is the one formally in charge of drafting the Commitment but the text should be done in collaboration with all parties involved, including the two entrepreneurs and the counterpart IO. Where possible, LIOs should also be advised to comment on the Commitment before it has been uploaded in order to avoid having the text sent back to Draft at a later stage.



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It is important to keep in mind that the length of stay is minimum 1 month and maximum 6 months, and if split each slot should be for a minimum of 1 week and must be completed within 12 months. Dates of stay should be within the duration of the NIO's activity. Drafting and signing of the EYE Commitment is done through the IT Management Tool and no signed paper copy is needed.

Before going abroad, NEs should participate in a pre-departure induction course which will include information on the mobility scheme and important EU related business subjects, such as the internal market and remaining barriers to buying and selling across borders that they may encounter, European law issues (particularly regarding business and contract law) and support services, including the European Enterprise Network (EEN) and SOLVIT. Training should contain at least the following:

- Financial rules
- NEs should be informed about the financial assistance (lump sums), possibilities for an extension of the exchange based on a written amendment (not applicable in the cases when the match is already 6 months), and the reimbursement procedure. A lump sum is defined as a global amount deemed to cover expenses, such as travel, accommodation and subsistence linked with travel and stay abroad. This amount is paid without any further justification of costs incurred (i.e. NEs do not have to provide proof for their expenses or justify the amount spent). However, NIOs should gather sufficient evidence that the relationship has taken place abroad (e.g. rent contract, boarding passes, letter from HE).
- The financial agreement between IO and NE must be explained and signed. The NIO should make an advance payment to the NE being the equivalent of 1 month of the financial assistance foreseen prior to the start of the stay. Further advance payments should be made at least on a monthly basis allowing the NEs to cover their expenses during the stay. The balance of maximum 1 month equivalent should be paid within 30 days of submission of the corresponding feedback questionnaires by both entrepreneurs, NE and HE, and of the evidence that the exchange has taken place.
- Programme rules
  - NEs should be informed that they can request an extension of their exchange (subject to conditions detailed in point 3.2.1 of the Quality Manual).
  - They should be informed about the complaint procedure.
  - They should be informed about the reporting procedure.



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- They should be informed on what would happen in case of failed or early termination of the stay abroad (see point Quality Manual 3.3.2.3 "Reimbursement of expenditure").
- They should be informed of their responsibilities during the exchange.
- They should be informed about the HE's responsibilities during the exchange.
- They should be provided with a welcome pack which will include practical information about the host country, accommodation, contact details of the HIO, SO, insurance, etc.
- They should be encouraged to send their success story and participate in Alumni Network.
- NEs can only participate once.

Also, NEs must arrange a suitable accident and health insurance (or a comprehensive travel insurance) that will cover them during their exchange abroad, as the programme cannot provide any assistance in the case of accident or sickness.

#### Step 4. Stay abroad

The stay abroad may last from 1-6 months, where IO host to NE provides support, and includes reporting. Right at the beginning of the stay, the HIO should via a meeting or phone call contact the NE to introduce him/her to the organization, the staff in charge of the relationship and the support services available to him/her during the stay. Before or upon arrival the NE should receive a «Welcome Pack» prepared by the HIO, which should include information about the host country (cultural information) and also on how to address practical questions (housing, transport, insurance, etc.), which contains:

- Information about host country, region and city;
- Information about HIO and available support services;
- Map of city/region;
- Accommodation;
- Administrative steps required before and after leaving country;
- Health insurance;
- Accident insurance;
- Transport;
- Useful telephone numbers;
- Internet access;
- Financial provisions;



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- Emergencies (police, hospital(s), card stop, etc.);
- Useful addresses (post offices, tourist information office, doctors, language training centres);
- Books, booklets, leaflets etc.;
- Web pages.

Responsibilities of NE during stay abroad include:

- Comply with the compulsory rules and regulations the HE is subject to;
- Respect the code of conduct and confidentiality rules of the HE;
- Communicate with IOS about any problem or changes regarding the placement;
- Comply with all arrangements negotiated for his/her stay to achieve stated objectives, in particular, execute agreed planned activities and do his/her best to make the stay a success (a certain flexibility and willingness to adapt may be necessary due to cultural differences);
- Submit a report in the specified format at the end of the stay.

NEs activities during the exchange may include:

- Market research and developing new business opportunities;
- Project development, innovation and R&D;
- Taking a fresh look at existing business operations;
- Understanding SME finance;
- Branding, sales and marketing of company;
- Work on concrete projects in one or more of the above-mentioned areas;
- Shadowing the HE.

For information, responsibilities of HE during the exchange

- Comply with all arrangements negotiated for the stay in order to achieve the stated objectives, in particular, execute agreed planned activities, stimulate improvement of the NE's project and do her/his best to make the stay a success (a certain flexibility and willingness to adapt may be necessary due to cultural differences);
- Agree with the NE about tasks and responsibilities that match her/his knowledge, skills, competences and objectives and ensure that appropriate equipment and support are available and that the NE's work/learning objectives are achieved;
- Foster the NE's understanding of entrepreneurship and how to start-up a business;
- Provide practical support, if required;



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- Submit the online feedback questionnaire at the end of stay, HEs who do not fulfil this requirement cannot be allowed to host again (otherwise, HE can participate more than once but they are not allowed to host more than one new entrepreneur at a time).

In the phase of closing a match, NEs need to:

- Cooperate with HIO to establish the actual dates for the exchange with the two entrepreneurs and the NIO before inserting them in the IT tool,
- Both entrepreneurs need to fill in the online feedback questionnaires,
- NIO should ensure that the match was successful and once it has collected all the necessary proof for the exchange, the final payment to the NE should be made.

*Material is prepared on basis of materials used during the training held in Brussels in February 2020 and materials available on program web page. In case of any discrepancy, materials from the EYE web page prevail.*



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