

Hi! I'm Thomas and I'm gonna be your trainer in this course.



Welcome to Chapter 1!

GLOBAL ENTREPRENEURSHIP MINDSET



 WINGS

wINGS - "Internationalization serious Game for Start-ups and entrepreneurs", is an EU wide training about essential aspects of the internationalization process.

The wINGS course consists of 6 chapters: Global entrepreneurship mindset, Core competences of entrepreneurship, Management of uncertainty, Intercultural communication, Marketing skills and Business skills.

Throughout our Serious Virtual Game, you will be involved in real-life situations of entrepreneurship and you will acquire the set of competences that will prepare you for a successful internationalization adventure.

wINGS has been created by an association of six organisations specialized in both education and entrepreneurship. If you want to obtain more information about the wINGS project, do not hesitate to contact us on

<https://wings.erasmus.site>



**This is what we will talk
about in this chapter**

**LEARNING
OUTCOMES**

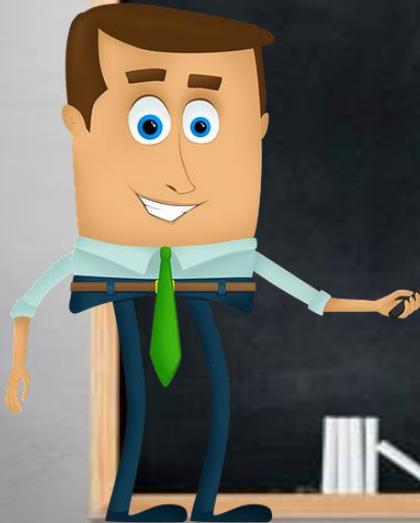
1. Strategic thinking
2. Business planning
3. Leadership
4. Mission, Vision & Values
5. Motivation to grow
business internationally
6. Practical Activities
7. Game Scenario



Skills and competences pursued

After this chapter
you will be able to:

- Understand what strategic thinking is and how to develop it
- Be aware of the importance of business planning
- Know the parts in which a business plan is shaped
- Develop leadership characteristics
- Differentiate the different types of leadership
- Establish the mission, vision and values of your business
- Understand how businesses grow internationally and the whole process until it gets finally international
- Compare the benefits of internationalization with its risks



1. Strategic thinking



Strategic thinking sets a business goal, analyzes the resources it has to achieve it and organizes them to achieve the goal.

DEFINITION

Strategic thinking determines the company's future perspective while laying the basis on which all planning decisions will be made. It focuses on the processes that lead to the development of the company's mission, vision, principles and values, and strategies. In other words, strategic thinking is that which is capable of anticipating the effect of actions, a long-term vision, creative and oriented to the achievement of specific objectives.





Chess is an example of strategic thinking in the daily life.

Strategic thinking is not something theoretical, but is learned and strengthened with practice.

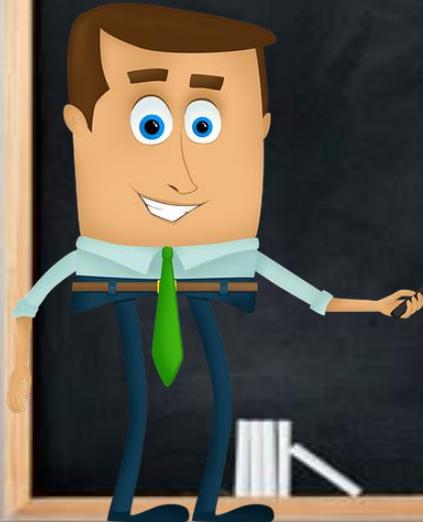


You think strategically when you meet these characteristics:

- **To know where you want to go.** There must be a clearly defined objective or purpose. Otherwise, any strategy is meaningless.
- **To know where we stand.** It is necessary to have the ability to define what the current situation is and how distant the goal is.
- **To know how to define the path to follow.** It is the central point of the strategy. It implies designing how to get to what we are proposing.
- **To know how to self-evaluate and correct.** Strategic thinking demands flexibility to constantly monitor what is being done and to be able to redefine the course.



Strategic thinking is influenced by many skills. However, there are three which are key:



1. **Ability to discard predictive models.** One cannot adopt a model of action and cling to it stubbornly. Strategy is constantly being renewed. Therefore, you have to be open-minded to direct, redirect constantly and deal with uncertainty.
2. **Ability to ask questions.** In strategic thinking, questions are far more important than answers. If the question can be defined, more than half of the way has already been covered.
3. **Identify key points.** It is necessary to learn how to separate the determinant from the random. Knowing what the decisive factors are is fundamental. This makes it possible to follow up more precisely and redirect actions towards those aspects when necessary.



How to develop strategic thinking

- To examine the processes and activities that are developed in the company with the objective of making the pertinent modifications for greater efficiency.
- It is important to have a global vision of the company and not to focus on a specific area.
- Pay attention to what is happening in the market or to those factors that may interfere with the development of our activity.
- Collect all the data about your company and the sector and learn to read them. Predictions need to be made to anticipate the future, but as long as they are realistic.
- In addition, the development of this strategic thinking implemented as a methodology in many organizations is progressively acquired as the business plans are made.



Watch out!

STRATEGIC THINKING VS. STRATEGIC PLANNING

Strategic thinking is not the same as "strategic planning". The first is an intellectual skill that is channeled. The second is the application of that skill to a particular aspect or situation.



2. Business planning



The business plan consists of a document that presents both the value of the company and its differential value in a business opportunity.

DEFINITION

A business plan is a document that describes and explains a business to be carried out, as well as different aspects related to it, such as its objectives, the strategies to be used to achieve those objectives, the production process, the required investment and the expected profitability.



Why is it important to make a business plan?

There are three main reasons to do a business plan:



1. **It allows to know the viability and profitability of a business** before starting it, and thus, for example, save time and money in case the business is not viable or profitable.
2. **It serves as a guide to start a business** and then operate it during the first few months of life.
3. **Obtaining funding**, since a business plan allows us to demonstrate to third parties the viability and attractiveness of a business and, therefore, helps us achieve it.



STEPS FOR A BUSINESS PLAN

This plan develops each area of the company while setting out the strategies needed to achieve the objective. However, it is advisable to pay attention to the different areas and develop each of the steps that a business plan needs.

1. **Executive Summary:** In this part of the business plan we must establish the needs of our company, both in terms of capital and financing as well as material and human resources, and the objectives we want to achieve: market, customers, sales, profits, potential ... Therefore, although it should go first, it is advisable to complete it at the end, when we have analyzed and completed the rest of the business plan.
2. **Business description:** It should include from the description of what we do, of our products or services, to the current context of the sector, including future forecasts.



3. **Market research:** we must include the target market and analyze other businesses within the industry to know in what we stand out and in what we differ. As well as the market strategies that we will need to carry out to reach our target audience.
4. **Competitor analysis:** to identify the strengths and weaknesses of our main competitors in order to develop advantageous strategies for our business and to detect weaknesses that may become an obstacle to overcome.
5. **Sales and marketing strategies:** defining promotional actions will be key to increase the impact of our product scope and reach potential customers. If we want to sell they must know us. To do this, it will be necessary to translate all these decisions into a marketing plan to achieve the objectives set.



We need a Business Plan when we are...

Creating a new company

Expanding our business

Looking for investors



A Business Plan has to be:

- **Suggestive.** Both in the exterior design (neat cover, quality paper, attractive design...) and in the interior (summary, body and annexes).
- **Tempting.** Written in a way that encourages the reader to assess the possibilities of entering the business.
- **Ingenious and dynamic.** You have to be creative, but with moderation.
- **Precise and explicit.** You must carry useful information. Important information shouldn't be missing.



3. Leadership



Managers, who are ultimately responsible for organizations achieving the success they seek, must have the ability to carry out business leadership that is capable of detecting failures and seeking solutions.

What is business leadership and why is it important?

Leadership is defined as "**the set of managerial or managerial skills that an individual has to influence the way people or a group of people are, making that team work enthusiastically to achieve goals and objectives.**" That is why leadership today is one of the most demanding competencies for managers and it is interesting to know that leadership strategies do not work from one day to the next but that they involve work and effort in the long term and is configured with the passage of time. Experience is a key element in the training of good business leaders.



What are management skills?

Managerial skills are the skills and knowledge that every leader must have in order to contribute efficiently to the development of the company, the effort of his team and the need for constant improvement. This type of skills are divided into two types:

- **Hard skills** or technical skills, as its name indicates, are based on knowledge and professional experience in specific functions or internal processes of a company.
- **Soft skills** or leadership skills are more transversal aptitudes that will make a leader more or less successful. They are those more related to verbal and non-verbal communication, charisma, ability to negotiate and persuade. These are the ones that make up the different leadership styles that exist.



CHARACTERISTICS OF LEADERSHIP

- Good communication skills
- Good ability to motivate the team
- Charisma
- Enthusiasm
- Resolution Capability
- Organization and capacity to manage resources
- Vision of the future
- Ability to negotiate
- Creativity
- Discipline
- Active listening
- Honesty
- Strategy
- Ability to make decisions
- Good image

However, depending on the company, they will give more importance to some characteristics or skills than to others.



Types of leadership

Charismatic leadership → This type of business leadership has strong communication skills and gives off the enthusiasm, excitement and desire that every project needs.

Autocratic leadership → Means having something like absolute power within the group and in relation to the project. It is a very restrictive business leadership, which does not make a difference and does not usually work very well when we are in front of work teams where the members have a high qualification.

Democratic leadership → Although the leader is still the one who has the last word or decision, the opinion of all team members is taken into account and this generates motivation in employees, thus increasing their profitability and productivity.



Leadership "Laissez-faire" or "let do, let pass" → Without neglecting the control and monitoring of the members of the project, the leader transfers to the employees the responsibility and the capacity to make decisions freely and independently.

Natural leadership → This type of leadership appears innate and is observed in those people who, in one way or another, employees have as a guide, as an example to follow.

Transformational leadership → Surely it is one of the most complete leaderships that exist. It is democratic if we talk about decision making, understands autonomy as a key factor in the professional development of workers, controls that everything is carried out correctly and in relation to the strategy, goals and objectives set by the organization and exudes naturalness, honesty, trust and charisma, fundamental qualities in a leader.



4. *Vision, motivation & values*



They have a very important role, as they are the strategic, organizational and psychological factors of your business strategy in the long term.

What are the mission, vision and values of a business?

The first step to take in your company is to define, in a very clear way, what is your mission, your vision and your values.

These three concepts are always united with a single purpose: make you reach your goal.

It is important that your company has defined the mission, vision and values in written and public form, so that all members of your company will know perfectly:

- Who they are
- Who they want to be in the future
- The values they rely on to achieve it



The **MISSION** of your company is the reason why you created it.

- Why did you create your company?
- What is the rationale of your company?

The mission is the path that your company will follow to make its vision a reality, that is, the mission places you in your present and the vision will project you to your future.

Examples:

- *Ikea*: To offer a wide range of well-designed, functional home decoration products at prices so low that most people can buy them.
- *Coca cola*: Refresh the world, inspire moments of optimism and happiness, creating value by making a difference.



The **VISION** is your vision of the future, the image you have of your company in the long term. With it you describe where you are going.

- What will your company become in the future?
- Where do you see your company in a few years?

The vision has to be realistic but also ambitious and dreamy, its function is to guide and motivate your entire team.

Examples:

- *Ikea*: To improve the daily lives of many people.
- *Coca Cola*: It needs to achieve maximum sustainability, quality and growth in different areas: people, partners, planet, profit, productivity and beverages.



The **VALUES** of a company consist of establishing the priorities, principles, limits and ethical and moral criteria that will govern your day-to-day work. They are a set of principles that regulate your company's code of conduct and determine what you are willing to do and what you are not willing to do to achieve your objectives.

Examples:

- *Ikea*: Humility and will, leading by example, daring to be different, unity and enthusiasm, cost awareness, a permanent desire to renew and accept and delegate responsibilities.
- *Coca Cola*: Leadership, collaboration, integrity, accountability, passion, diversity and quality.



*5. Motivation to grow business
internationally*



Internationalization of the business

It is the process by which a company carries out part of its activities in a country other than its own.

- It is a long-term process, which is not static. It does not consist of a single step at a specific moment, but evolves in different stages.
- It has an important influence on the activity of the business organisation. The exit to the outside has as consequence a series of changes in the operation, structure and in the way of operating the business.
- It implies the development of tasks outside the home country of the company. Internationalization means going beyond borders and doing a series of activities of different types, such as buying materials, investing, acquiring products, in other different markets.



Phases of the internationalization process

1. **Occasional export.** The company exports production sporadically because it has received orders from abroad, usually without having searched for them. The company usually uses local intermediaries and has no control over marketing varieties in the foreign market
1. **Experimental export.** The companies decide to start the process of internationalization looking for markets, without depending on occasional orders. The company sells its products or services to importers in the foreign market they want to address, but without controlling the final sale price.

While export consists of selling products or services outside your country either punctually or on a regular basis, internationalization is a broader, long-term process that involves direct participation in other countries.



1. **Regular export.** Companies already have a stable group of clients and usually operate with agents in different markets. In addition, they tend to create export departments and open contact offices in the foreign market, controlling marketing and pricing variables.
1. **Establishment of sales subsidiaries.** Companies consolidate an export market. This step represents a great investment in material and human resources. In addition, companies assume commercial functions previously developed by third parties.
1. **Establishment of production subsidiaries.** It is the final stage of internationalization, or in other words, the beginning of the multinational company. Companies usually take this step when there is a potential market; tariffs or other restrictions that make it difficult to export; when the local government offers incentives to invest in the country; or when there are productive resources in the foreign country that make the investment profitable, such as low labor costs.



Benefits of internationalization

Increase in the company's turnover: By targeting other markets, the portfolio of customers will grow, helping to increase sales.

Economy of scale: as there is an increase in demand, production will also grow, which will mean a decrease in the unit cost of the article created.

Risk diversification: It reduces its dependence on the domestic market.

New business opportunities: Needs vary from country to country. Therefore, a declining product can satisfy the needs of another market and focus on a new stage of growth.

Brand reputation: Internationalization will give the company a better corporate image in the world.



Risks of internationalization

Complicated process: it is not easy to make the leap abroad, so it is advisable to rely on professionals.

Lack of previous knowledge: before entering another country, it is necessary to know a series of key elements such as the ways of working, the procedures and taxes that a business must support.

Cultural and language differences must be taken into account. It is possible that some products that succeed in one market may not have the same acceptance in other territories.

Distances can be a problem when it comes to distributing a product, as well as making transport more expensive.



PRACTICAL ACTIVITIES



1. Identify if the following statements are true or false:

Strategic thinking determines the company's future perspective while laying the basis on which all planning decisions will be made.

When we are making a business plan, it is advisable to complete the executive summary at the beginning since it is its first part.

Soft skills are based on knowledge and professional experience in specific functions of a company.

The mission of a business is the image you have of your company in the long term.

Although they might be related, internationalisation and exports are different ways of approaching foreign markets.



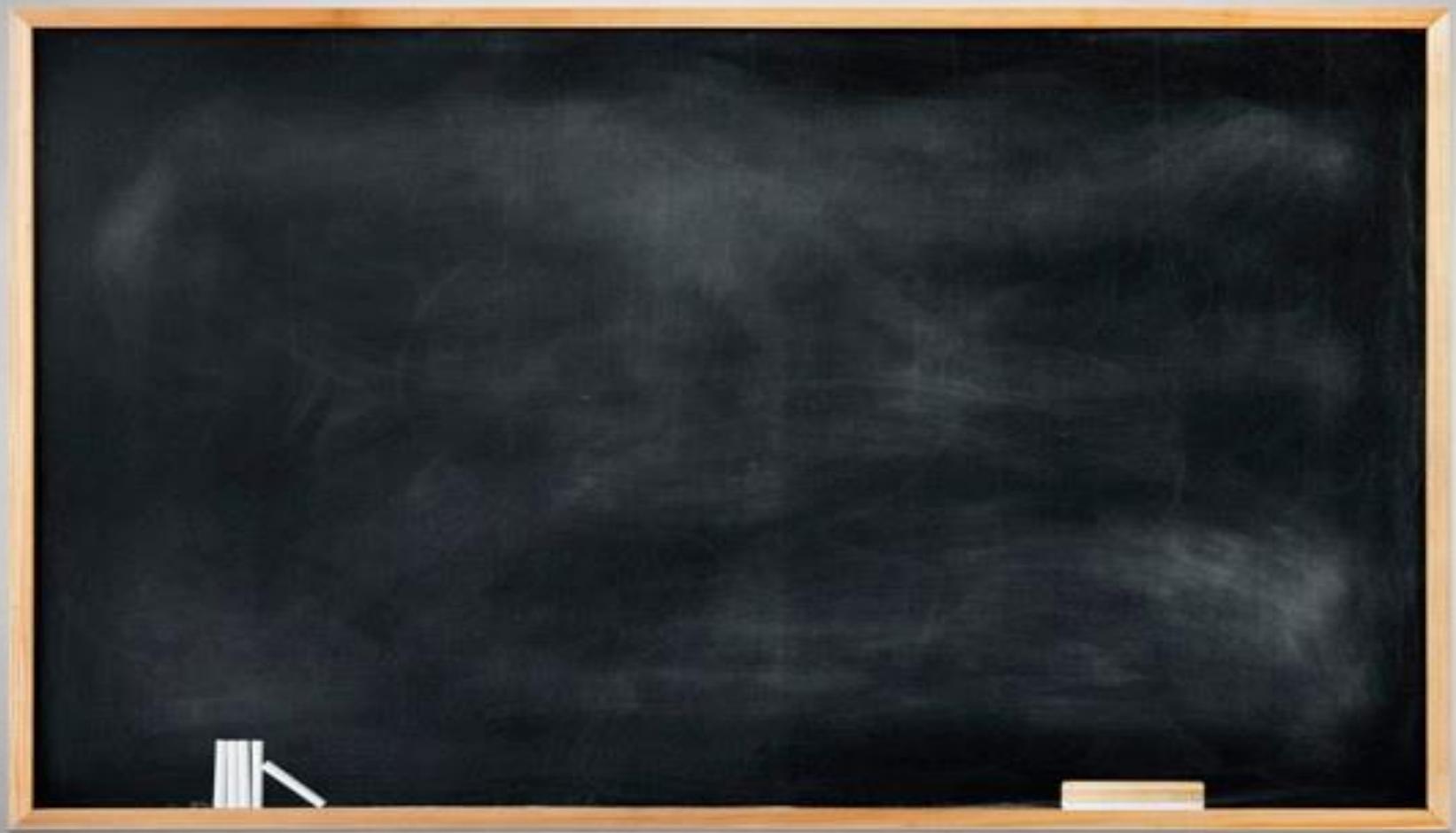
2. Complete the following sentences:

- a) _____ is not something theoretical, but is learned and strengthened with practice.
- a) The _____ allows to know the viability and profitability of a business before starting it.
- a) Although the leader is still the one who has the last word or decision, the opinion of all team members is taken into account in the _____.
- a) The first step to take in your company is to define, in a very clear way, what is your _____.
- a) In the _____ internationalization stage, companies already have a stable group of clients.



DESCRIPTION OF A GAME SCENARIO





External Resources

- <https://www.kuhnel.es/blog/pensamiento-estrategico-caracteristicas-y-beneficios-para-la-gestion-empresarial>
- <https://lamenteesmaravillosa.com/pensamiento-estrategico-caracteristicas-y-ejercicios-para-fomentarlo/>
- <https://www.emprendepyme.net/plan-de-negocio>
- <https://www.crecenegocios.com/plan-de-negocios/#b>
- <https://fococonsultores.es/liderazgo-empresarial-guia-practica-para-desarrollar-las-habilidades-directivas/>
- <https://anatrenza.com/mision-vision-y-valores-de-una-empresa-definicion-y-ejemplos/>
- <https://www.emprendepyme.net/que-es-la-internacionalizacion-de-las-empresas.html>
- <https://www.eaeprogramas.es/internacionalizacion/cinco-etapas-de-la-internacionalizacion>

