



Volume XXI 2018

ISSUE no.1

MBNA Publishing House Constanta 2018



## Scientific Bulletin of Naval Academy

SBNA PAPER • **OPEN ACCESS**

### **Actual challenges: selecting an own business field, creating and implementing the business plan using European funds**

To cite this article: [Corina Ana BORCOȘI](#), *Scientific Bulletin of Naval Academy*, Vol. XXI 2018, pg. 434-439.

Available online at [www.anmb.ro](http://www.anmb.ro)

ISSN: 2392-8956; ISSN-L: 1454-864X

doi: 10.21279/1454-864X-18-I1-066

SBNA© 2018. This work is licensed under the CC BY-NC-SA 4.0 License

# Actual challenges: selecting an own business field, creating and implementing the business plan using European funds

**Corina Ana BORCOȘI**

Researcher PhD, “Constantin Brâncuși” University of Târgu Jiu  
corina\_ana@hotmail.com

**Abstract.** Small businesses have become increasingly important in our society, being considered providers of employment opportunities but also key elements for the well-being of local and regional communities. There are presented in the paper: the advantages of building a business using European funds, but also the structure of a business plan. The paper also presents a case study: a Business Plan in services field.

## 1. Introduction

To build a business, you need to have a business idea that suits you, you like, which you can know well and which you can develop in the next few years. To know your business area, you need to know first: what you know how to do, what you like to do, what you can do with pleasure (for example: I like to take photos and edit them).

It's important to start with what you know. Then think about the future and what you would like to do in the future. Do you think what passions you are, what do you want in the long term (for example, if you like to make and edit photos, would you like to be a professional photographer in the future?)

Before you can determine the exact future of your business, you need to determine the areas of activity that are constantly growing and which of your passions will bring you money in the future. It is necessary for some selected areas to establish competition (at local and regional level) with concrete information on turnover, number of employees, clients, their economic evolution in recent years. If the idea of a business is not well known at national level, it is necessary to know the business at the international level, what are competitive advantages.

For selected domains, the client segments to whom they are addressed will study and the growth potential in the future. It is important not to choose areas that you do not know and that you have not analyzed before.

Having your own business is a good idea, it's important to work for you, but it is even more important to analyze your potential very well because the firm you just opened does not fail in a few months.

There are a few variants of situations where you may be in search of the business domain that you can create and develop. So:

- ✓ you are a specialist in a field, want to continue in that area, but it is not an area that will bring you important revenue in the future, it is just a passion for you to pursue in the future;

- ✓ you have no practical knowledge in the field, but you are passionate about that area, it is a growing field, but a business in this field will be difficult to implement due to the lack of experience; however, having other qualities, you could offset the lack of experience;
- ✓ you have knowledge in the field, but you are not passionate about that area, although that field is growing financially - the situation becomes complicated.

Which business is better? There is a need for a profound analysis to choose the field of future business, especially as one of two businesses is said to fail because the entrepreneur has lost interest, motivation and passion for the business.

Business should happily combine the answer to three key questions: "What I know how to do?", "What would I like to do in the future?", "What will make money for me?"

## 2. Using European Funds

European non-reimbursable funds should provide us with investments in various areas, investments we would otherwise not allow from national funds. However, non-reimbursable European funds also have costs for the national budget. Such costs can be found in the following categories: pre-financing, co-financing, budget receivables and financial corrections [2].

In Figure 2.1. The degree of absorption of the European Funds by Romania and the European Union is presented.

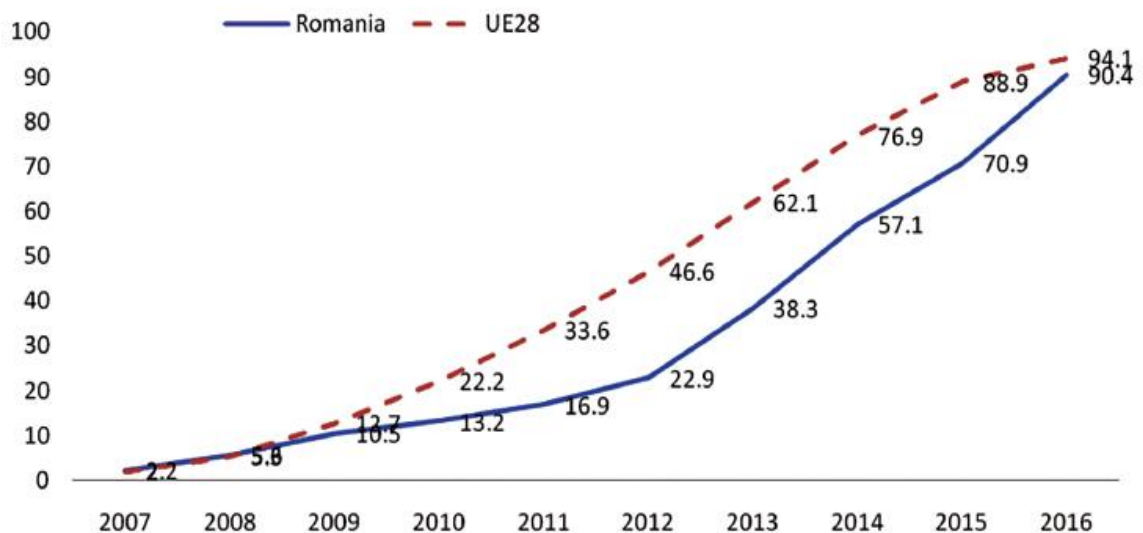


Fig. 2.1. Absorption rate: Romania vs. EU average

Source: Academic Society of Romania, Annual Analysis and Forecasting Report - Romania 2017, p. 32

One of the nationally funded programs and non-reimbursable European Funds is the Human Capital Operational Program (POCU), Priority Axis 3: Jobs for All, Applicant's Guide - Specific Conditions, Romania Start Up Plus, 2016.

In line with the POCU 2014-2020, activities aimed at encouraging entrepreneurship and self-employment by supporting the establishment of non-agricultural enterprises in the urban area are considered eligible. The Entrepreneurship Scheme comprises three stages [1]:

- entrepreneurial training;
- implementing business plans funded by non-reimbursable funds;
- a program to monitor the functioning and development of funded businesses.

The entrepreneur scheme manager sets the methodology for selecting business plans, with the criteria and selection mode presented. The selection process will be transparent and objective, and will comply with the provisions of the de Minimis scheme, the Specific Guidelines and the applicable legislation. The methodology includes the aspects considered by the applicant as essential to ensure the full fulfillment of the assumed indicators. Business plans submitted to the selection process will include at least the following elements [1]:

- a) description of the business and the strategy for implementing the business plan (objectives, activities, results, indicators);
- b) SWOT analysis of the business;
- c) organizational chart and human resources policy;
- d) description of the products / services / works that are the object of the business;
- e) analysis of the market and competition;
- f) marketing strategy;
- g) financial projections on the business.

Next, the importance of developing a business plan will be highlighted and a business plan for services will be presented.

### **3. The need of students for entrepreneurial knowledge**

The questioning of 100 students from Târgu-Jiu, Gorj County, which answered a questionnaire with 10 business questions, reveals the need for entrepreneurial education, guidance in accessing non-reimbursable funds. The most relevant questions of the questionnaire are:

- *Do you want to open your own business?* 70% responded affirmatively. Among the business ideas that our students have had, we mention:
  - ✓ IT services - 25%;
  - ✓ Auto repair shop - 15%;
  - ✓ Car wash - 10%;
  - ✓ Fast food - 8%;
  - ✓ Pastry - 8%;
  - ✓ Online store - 7%;
  - ✓ Hairdressing - 6%;
  - ✓ Tailoring - 5%;
  - ✓ Meditation (teaching) on different disciplines that are studied in school, after school - 8%.
- *What are the sources of financing for your business?* 80% of respondents would like to access non-reimbursable funds but have too little knowledge of funding conditions, developing a business plan etc.
- *Have you been doing business using grants?* 10% of the students said they had run business using non-reimbursable funding.

## 4. Creating and implementing a business plan

### 4.1. The business plan and its importance

A business plan can be compared to a "story with illustrations" describing when the action takes place, which are the main "characters" and what is "action." Tables and figures are "story illustrations". "The Story" will end with forecasts of 3-5 years, not with the formula "and have lived happily ever after." The more real, the more well-documented the story, the more credible, and for those who read it, it's good to be "attractive," to sell your business concept. All aspects of the business should be carefully considered with answers to the questions that may arise. If you are cautious, you will travel along the same roads as others, or you will have your own way. [4].

The role of the business plan is not only to demonstrate that the business is worth financing but also to guide the entrepreneur from the first year of operating the business. Its implementation means control and adaptation based on real evolution. This control exercised throughout the business will concern all elements of the economic entity (inventories, production costs, quality control, sales, payments made, etc.).

The business plan is a written document describing the nature of the business, the target market, the benefits the business will have over the competitors, as well as the resources and skills available to the business owners. It is necessary to carefully analyze the products / services offered, the competition, the necessary financial resources and other operational details.

At the same time, the business plan is a working tool we use to start and run a business that requires material, financial and human resources. Through it, the experience and achievements of the past are exploited in order to design the future through the most appropriate methods of estimation and approximation.

In order to start a business - and which is often the most difficult stage - it is necessary to design a business plan. His elaboration takes time and effort, depending on the nature of the business and the amount of information available. But no matter how difficult it would seem to be a business plan, it is a necessity for any business start.

### 4.2. Short description –

Business plan for a service business - Center of learning for students

#### *a) description of the business plan and strategy for the implementation of the business plan (objectives, activities, results, indicators)*

The Center of learning is a modern and viable alternative, coming in addition to school, that covers the entire range of profiles and disciplines as well as modules appropriate for age or level of training.

Courses are dedicated to those who want to prepare for different exams (national tests, baccalaureate, admission to college, but also for any other disciplines).

The purpose of the Center of Learning for Students is to increase the number of well-trained people in key areas for the labor market.

The Center's activities are providing support in deepening disciplines that the students have to sustain the exams.

The result is: better prepared students.

The relevant indicator is increasing the number of high school graduates with a baccalaureate diploma, increasing the number of students in faculties, increasing the number of graduates with a solid theoretical background.

*b) SWOT analysis of the business*

- ✓ Strengths - Such an Education Center is complementary to any education system, whether public or private
- ✓ Weaknesses - recruitment and evaluation of meditation staff at the Center will be difficult.
- ✓ Opportunities - you can work with young, dedicated teachers, eager to make a name, to remark.
- ✓ Threats - We do not forget that lessons are provided for a fee, which limits the access of students to these services.

*c) organizational chart and human resources policy*

Staff recruitment and evaluation is the most difficult thing to do. It will start with 14 employees and 8 different disciplines. Their average age is about 30 years old. Most of them have between 3 and 5 years of experience. We chose to work with young teachers as well as with older teachers. All teachers are our employees, part of them full-time and the other part-time, according to the Center's schedule.

*d) description of the products / services / works that are the subject of the business*

Most students prepare for mathematics and Romanian. The few students are preparing for subjects such as sociology, history or geography. Students ask for meditation on the specific disciplines of the faculty they follow.

*e) analysis of the market and competition*

The target group is represented by students. Competition is home meditations.

*f) marketing strategy*

An active promotion of the Center and a correlation of its offer with the needs identified on the market are desirable.

*g) financial projections on the business*

The prices for meditations (lessons) will be related to the costs of the Center and the financial possibilities of the target groups.

## **5. Conclusions**

Building a business starts from a business idea that suits you, to enjoy working on its implementation, to be able to know it well and to develop in the future.

Financing business plans, implementing business plans can also be done with non-reimbursable financial support through the European Funds, subject to certain conditions imposed by the administrators of the funding schemes.

The paper is based on the need for information, identified among students, regarding the access to European non-reimbursable funds, their willingness to open their own business, especially in the sphere of services.

The brief presentation of a business plan model will help make it easier to build a business plan that also has a successful implementation.

For the elaboration of this paper, a number of 100 students were questioned, who answered questions like:

- Do you want to open your own business?
- What business idea do you have?
- What are the funding sources of the business you would like to open?
- Do you know the structure of a Business Plan?

More than half of the students surveyed want to open their own business, especially in the services sector, using grants, but they do not know enough about what it means to be an entrepreneur, how to draw up a business plan or how to access it effectively a grant.

## References

- [1] Human Capital Operational Program, Priority Axis 3: Jobs for All, Applicant's Guide - Specific Conditions, Romania Start Up Plus, 2016
- [2] \*\*\* Academic Society of Romania, Annual Analysis and Forecasting Report - Romania 2017
- [3] Nicolescu, O. (coordinator) - Managerial Systems, Methods and Techniques of the Organization, Economic Publishing House, 2000, pp. 117 - 130
- [4] "National multiannual program for the period 2005-2008 for the development of entrepreneurial culture among women managers in the SME sector" implemented by the National Agency for Small and Medium Enterprises and Cooperation - ANIMMC - A Successful Business Plan
- [5] <http://epochtimes-romania.com/news/idei-de-afaceri-pentru-studenti---230075>
- [6] <https://www.wall-street.ro/tag/idei-de-afaceri.html>
- [7] <http://www.meditatiitop.ro/>