CULTURAL ENTREPRENEURSHIP

MODEL WITH LESSONS LEARNED TO APPLY
The Central American Education and Cultural Coordination, as part of the Central American Cultural integration Project, funded by the government of the Republic of Taiwan, is proud to present this Manual on Cultural Entrepreneurship, in the Caribbean Cultural Corridor, which has been developed as the result of workshops carried out in Belize, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic.

This manual captures the shared experiences of artisans, painters, musicians, folk dance groups, independent dancers, hotel, hostel and room owners, among others, that carry out activities within the cultural and creative industries that favor local development and the consolidation and pacification of cultural projects in the Caribbean Coast.

Additionally, it collects experiences that contribute to the formulation and execution of business ideas. Therefore, this manual is a tool to promote cultural entrepreneurship and the development of creative industries.

Furthermore, we want to thank Mrs. Martha Videa, who was in charge of executing the workshops and the drafting of this manual, and also the technical teams from the Ministries, Directorates and Departments of culture that contributed with CECC/SICA in technical and logistic aspects.

Carlos Lépez Jiménez
General Secretary of the CECC/SICA
INTRODUCTION

The strengthening of the actors in the different disciplines of cultural and creative industries is a process of empowerment, knowledge and appreciation of cultural expressions, that allows consolidating micro, small and medium enterprises in the cultural sector as an economic growth opportunity and wellbeing for all.

It is for this reason that are promoted spaces of collective learning where cultural entrepreneurs in the cultural corridor of the Caribbean in Central America and Dominican Republic, shared their know-how in a multicultural and inclusive environment, where through music, poetry, song, exhibition of their artworks, we witnessed the cultural richness of each country, the challenges they face in their day-to-day.

The target audience that attended training workshops on Cultural Entrepreneurship in each of the seven countries of the Cultural Corridor of the Caribbean was noted for being multidisciplinary, creating project models of a social and ethnic nature, rescuing folk traditions that have their origin in the music, dance, theater, poetry, etc.

Through its artistic expressions are intended to consolidate a business model in addition to being sustainable, preserving their cultural identity adapting the proposals to globalization through the use of new technologies to reach new audiences; demonstrating that culture has no borders.

Confident in their work as a life project, their ventures are the best option for the implementation of their own projects.

More than a training process, it was an accompaniment process where novel and innovative proposals were developed, based on the idea that is the essence of any project.

This manual is the result of this process of shared learning, where are offered answers to the questions raised in each country on topics ranging from marketing a product including what constitutes copyright, also if ideas are protected, what are the costs, how can I better appreciate my product, what can I do to register my business, among many others.

The target audiences were like their own creations, diverse, multicultural; that is why this manual is written in simple, accessible language, so it can be turned into a tool of shared knowledge.

This manual has the recognition of the Central America Educational and Cultural Coordination to the different ethnic groups who shared their invaluable worldview, have all been part of this process with enthusiasm, motivation and a great positive spirit.

With all our respect, this manual is for you, Cultural Entrepreneurs in Central America and Dominican Republic.

OBJECTIVES OF THIS MANUAL

To facilitate tools for knowledge and learning to the cultural entrepreneurs within the different disciplines of cultural and creative industries.

To provide the tools and skills necessary to design, plan, develop and implement micro-enterprises of cultural character in local spaces, municipal corporations and organizations and cultural institutions.

To extend and complement the knowledge of cultural entrepreneurs on issues regarding of strengthening entrepreneurial skills management tools that enhance their cultural enterprises and their relations with the environment.
Cultural and creative industries are those that are based on creativity, talent and individual abilities. They have the potential for creating wealth and employment through development of intellectual property.

What is cultural entrepreneurship?

Cultural entrepreneurship is an appropriation activity of symbolic and intangible values of a society to create different ways of representation embodied in cultural goods and services, through economic processes based on risk, creativity and innovation, which together should allow the consolidation of a business idea, business or organization.

Characteristics (entrepreneurs)

- Risk tolerance, will, need for recognition, creativity, sensitivity, social commitment.

Employment characteristics

- Self-employment, itinerant, temporal (seasonal), barter, project management.

Cultural & Creative Based companies

The sector of cultural and creative industries currently plays a growing role in the productive economy of the countries of the region; for this reason the economy and culture occupy an important place nowadays.

There is in the present a sustainable global trend in the emergence of cultural and creative industries. Their organizational models and other factors, such as creativity, are crucial to make them profitable and sustainable enterprises, and it is noted that differ from traditional organizational models.

There is a entrepreneur potential in professionals -understood by professional the person who knows its craft and runs it with full knowledge and making it a way of life- working in cultural and creative industries (industrial designers, artists, publishers, graphic designers, musicians, writers, journalists, artisans, costume, etc.) lacking a business mentality, understood from the training, allowing them to enhance their creative talents.

Therefore, it is necessary that people with the skills to transmit cultural knowledge, will be provided with a mechanism that allows them to enter the economy as agents of change: this mechanism are the cultural and creative businesses. This leads us to reflect on the importance of training these people strengthen their creative potential and their ability to behave as economic actors.

In summary it can be said that talent by itself is insufficient in the context of cultural and creative businesses, because it needs the administrative category and the realization of the creative act; but the creative act and the administration could not work without the talent.

So, it is not talent per se, but the talent is understood as raw material for a company, which requires the integration of several elements to be processed and create value.

Consist of four specific components: (I) are based on individual talent, (II) belong to tertiary sector of the economy exploiting intellectual property, (III) are related to a business process, and (IV) have a market.

BELICE

A country represented by the extraordinary fusion of the Mayan, African descent and Creole. Complying a melting pot of races, languages and customs the generation and exploitation of intellectual property. They are usually constituted by an individual with a particular talent to make it a commercial product and are independent entrepreneurs, recognized in their community.
THE OUTLINE OF THE CULTURAL & CREATIVE ENTERPRISE

It is essential the identification of business opportunities through differentiation of a traditional entrepreneurship and cultural entrepreneurship.
MODEL OF CULTURAL ENTREPRENEURSHIP

1. It has a public which generates a social impact by promoting behavioral changes in the community. An example are the carnival dances were originated in the people who wanted to express either joy or dissatisfaction, through song, dance and characters created by popular imagery that survive today.

2. It has a market and target audience interested in purchasing this product, the cultural entrepreneur finds a niche where his artistic creation is accepted, also happen a social phenomenon in which the public are empowered of this proposal making it own, and validating as a cultural product. Examples are the nostalgia products such as the artisan chocolate, woven handicraft, etc. They convey a sense of belonging and identity of their land and their roots.

3. There is a management model where the entrepreneur has become aware of the steps to be followed to manage their cultural activities, knowing that besides being an artist is an entrepreneur who must manage their finances through records of his work as entrepreneur regardless of whether micro, small and medium. Meets the importance of implementing marketing strategies to not scatter his efforts, oriented in one direction. Knows that to endure over time and be sustainable must be informed of what is happening around him in order to innovate its designs and proposals to enable it to be inserted into the market dynamics today.

4. Develops and perfects his way to do business planning from the target audience for which will develop its product or service, to set aside resources to achieve its objective, and how to strengthen his proposal in order to be more competitive without sacrificing quality, generating added value to his idea.

DEFINING CREATIVITY AND THE CREATIVE ASPECTS

“The creative industries are those that are based on creativity, talent and individual abilities. They have the potential for creating wealth and employment through development of intellectual property”.


- Creativity as a main element of its production
- The generation and communication of symbolic meanings and that holds in their final products some form of intellectual property.

ELEMENTS OF CREATIVITY MANAGEMENT

- Improvisation
- Infomality
- Flexibility
- Commitment
- Collaboration
Features of the creative person

- Flexibility
- Originality
- Openness to new ideas
- Open mind to new of interests
- Curiosity
- Enthusiasm
- Energy
- Vivid imagination
- Persistence
- Comfort with change
- Ability to work hard
- Ability to show commitment
- Freedom of thought
- Risk Taking
- Enjoy the flow of ideas
- Ability to make innovative combinations
- Desire to improve things
- Ability to see things from more than one perspective
- Open mind to new ideas
- Desire to take the initiative
- Ability to generate many options

Creative Product Features

“Creativity is simply the ability to produce something new” originality, usability, usefulness and functionality
Novelty, effectiveness, taste, acceptance by the context
True creativity, must serve to solve a problem, it has to adapt itself to a given situation and to be related to reality.

Factors against creativity

Lack of motivation - fear of taking risks - lack of knowledge of what is being done in the field we want to venture -

How to be more creative? (the person)

Flexibility: to rapidly detect when something is not working and implement a solution
Curiosity: To see the world in a different way, emphasizing the extraordinary and leaving in the background the ordinary.
Positive Attitude: The more negative is our attitude, the more problems we will have to reconcile ourselves with our own creativity.
Motivation and determination: Creative people are very quick to individuals in their way of speaking and acting that put all their energy on what they do.
Courage: creative people are driven by the thrill of the ideas they encounter without fear of the obstacles that may stand in the way.

The main characteristics that define a creative company are:

Opening and reorientation capacity. Opening is the ability of a company to collect internal and external momentum and fully intend to explore new ways. And reorientation is the ability to observe environmental changes as opportunities and risks.
Originality and creating capacity It is the ability of a company to generate a steady stream of ideas which, besides being unique (original), are useful and achievable.
Flexibility and transformation capacity. Flexibility is the ability of a company to find financial and human resources to implement new ideas. Transformation capacity refers to the virtue of a company to adapt its structures and processes to the requirements that demand these new ideas, whether new products, services, processes, policies or strategies.
Creative Reputation. It is achieved through unique and innovative products and services are precisely what attract customers.

How to be more creative? (the company)

The company strives to present itself as a supplier of highly creative services, offering solutions to customer needs.
Takes on new challenges and learn from those experiences Promotes a steady flow of new ideas

GUATEMALA

A magical land where they combine in perfect harmony, the Maya worldview and modernity, offering endless alternatives of cultural products and services with respect for their identity and roots.
Creativity without innovation is like a dream. Without creativity, innovation can not exist.
Reflection:
The world in which we live in is very different from what we knew 20 years ago. Who has not yet realized the importance of being attentive to the changes that occur and will happen in our environment and focus on creating new products and services that differentiate us from the competition and prevent us from being gobbled up by ever lower prices must not blame to the world crisis, banking, or its employees, or China, neither politicians.

Creativity Styles
We can find the style...:

Transformer: How can we improve what was done before?
Visionary: How can we realistically imagine the long-term solution?
Experimental: What ideas can be combine and test?
Explorer: How can we test our hypotheses and break paradigms?

“All individuals are creative” Creativity derives from the Latin “creare”; which means: to create from scratch.

There are 3 types of creative people:

Troubleshooter: The person trying to solve a problem creatively
Artist: which creates an artwork where this implicit his soul and creativity, example: a painting, a song, a sculpture, a stage, etc.
In everyday life: they are creative at work, home, anywhere.

We must be attentive to the BARRIERS OF CREATIVITY: that may be present in the family, social, political, religious environment, to name a few ones.

Observations on the creative process
The creativity manager and creative people
Innovate it does not mean to squander, but to use resources wisely to create new products and services that ensure the existence of the company. The great challenge for any company should consist, therefore, to find a balance between efficiency and innovation.

NICARAGUA
Country where everyone has a bit of a poet; Cradle of different cultures result of migration of Europeans occurred during transit route or gold rush in North America between 1848 and 1855. Resulting is an impressive fusion of races that survive nowadays, mainly in northern and the Caribbean.
NAUTILUS
SERVICIOS TURISTICOS
CULTURAL ENTREPRENEURSHIP / MODEL WITH LESSONS LEARNED TO APPLY

THE IDEA AS AN OPPORTUNITY AND IDENTITY

Process of cultural entrepreneur = Development of the idea

It is very important to separate two elements that define the entrepreneur in particular:

The first one is the entrepreneur as a person who has all the features of someone looking for the opportunity, is inspired, puts love on what he does, among many other features;

And the second one is related to the process and the opportunity to venture that the entrepreneur is able to visualize and operate in its territory.

The common area where join together the entrepreneur and the venture is the territory populated by the community that works fostering the entrepreneurial to define and giving social value and utility to the process, in relation to transform knowledge into tangible and intangible cultural expressions through serving as a vehicle to connect the community to the needs of the territory (projects, products or services of culture).

Finding Business Opportunities

The entrepreneur with its desire of change sees the opportunity in the territory to do something through cultural expressions but must to add the use of social technologies to work with the community, allowing the community to raise awareness and ownership of the subject.

When the cultural social entrepreneur is working for example with graffiti, urban dance or traditional music, is working with cultural expressions that allow him to generate a communication route more easily and directly with the community, without the need to use complex languages to create and interact.

One of the greatest difficulties which should work out the cultural social entrepreneurs is the perception of society that sees culture as an ornament, as a product, and not as a proper expression of society to be developed to achieve a better world.

There are two types of cultural entrepreneurs. The first one is an entrepreneur focus on Creative and Cultural Industries, with a more productive approach and market. Produces goods and services related to culture but within the parameters of utility and profitability, as its interest is also to make a living; here we are music producers, film, publishing, magazines, etc. Not necessarily to generate direct Social Capital.

The second ones are cultural social entrepreneurs with a trend towards more social production. They are closer to the community and are more focused on the creative side with other collective groups. The motivation is not based on the production of cultural goods and services for the market, but the generation of social capital. Here we are community radio, nonviolence music festivals, etc.
Marketing of a Product / Creative service

Specific objectives

Identify how can be described a product or service to be offered on the market

Reflect on the importance of market research before starting a business, and during the development of this, to be able to react to changes and needs.

Define the best way to serve customers according to their needs, to make sales and keep their loyalty

This chapter will explain what the market is, how to research and how entrepreneurs can apply it as a way to plan their business activities.

To start it is important to consider the concept of the 4 Ps, which constitute the most widely used classification for structuring tools or variables of marketing mix.

Para comenzar es importante tener en cuenta el concepto de los 4 Ps, que se constituyen en la clasificación más utilizada para estructurar las herramientas o variables de la mezcla de mercadeo.

The 4 Ps are: Product, Price, Place (distribution) and Promotion

What is Product?

It is the set of tangible and intangible attributes that the company offers to the target market.

A product can be a tangible product (p. Ex.: an oven), or intangible (p. Ex.: a service training), an idea (p. ex.: the proposal for a music festival), a person (p. ex.: a writer) or place (p. ex.: an experiential tourism area).

The product has, its own mix of variables:

- Variety
- Quality
- Design
- Features
- Brand (trademark)
- Package
- Services
- Guarantees

What is the price?

It is understood as the amount of money customers have to pay for a particular product or service.

The price is the only variable in the marketing mix that generates revenue for the company; the remaining variables are generated expenditures or money output.

The variables are:

- List price or sell at the market
- Discounts
- Complements
- Payment Period
- Credit terms

What is the place?

Is the position or distribution, includes all those activities of the company that puts the product to the target market.

The variables are:

- Distribution Channels
- Coverage
- Selection
- Locations
- Stocktaking
- Transport
- Logistics

What is promotion?

It is a series of activities whose purpose is to inform, persuade and remind the features, advantages and benefits of the product.

The variables are as follows:

- Advertising
- Customized sale
- Sales Promotion
- Public Relations
- Telemarketing
- Propaganda

Entrepreneurs who want to start a business, or strengthen their company, should know how to properly describe its product or service (or the kind of products or services), which will be part of their supply in the market, descriptifying on demand. Knowing where will be safe, at what price and how to reach customers who are interested in their products or services.

To describe the product or service offered on the market, it is necessary to answer the following questions such as:

- What specific customer’s need solves?
- What problem solves the good or service?
- How do you ensure that this product works to what was designed and produced, in response to market demand?
- What are the associated services that complement the product?
- What customer segment has been designed product or service?
- What is the innovation of the product / service?
- To what point is the product unique?
- How we will be preserve and protect the exclusivity in the market?

To determine the specific market we can ask ourselves the following key questions:

- How big is the market where we want to place our product?
- What are our prospects?
- Why do potential clients require our product?
- How we will reach our potential clients or how we are reaching existing customers?
- What competitors exist today?
- What differentiate us from our competitors?
- How to achieve that potential customers realize they need the product we want to place on the market?
- How to ensure the loyalty of existing customers regarding our products?

Define the best way to serve customers according to their needs, to make sales and keep their loyalty.

Determine whether the business that we make correspond to our expectations and capabilities.

The market situation: the current status and possible developments or trends.

- The geographic market: areas or specific spots where we plan to offer the product.
- The potential customer profile: future consumers of the product to be placed on the market.

To define the market (specific) that we plan to serve is necessary to follow the following steps:

1. Set the size of the market. For example, about 3 million people.
2. Define the types of clients in this market: for example, women who consume high fashion products with natural fibers.
3. Determine whether the consumer and buyer is the same person and define how to reach the final consumer.

Marketing of a Product

What is the market?

The market is the place where meet the demand (the customers) and supply (the products or services); for the transaction of goods and services at a certain price.

We are accustomed to call the market at a specific site (a building, a fair etc.), however the market is everywhere where people regularly exchange goods or services for money.

Example the market of nostalgia products, the market for cell phones, and the weave market, etc. It refers to the product as a whole and consumers of these products may be at local, national and international level.

What is the specific market?

Also called target market is the market segment to which a particular product is directed.

It is usually defined in terms of age, gender or socioeconomic variables.

To determine the specific market we can ask ourselves the following key questions:

- How big is the market where we want to place our product?
- What are the geographic characteristics?
- Which type of market we want to place on the market?
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Importance of market definition, especially customers

Determine the size of the market and the real possibilities of growth are essential.

It is mandatory to define:

- Target market: the specific market that aims to satisfy.
- The market situation: the current status and possible developments or trends.
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Marketing research will also give us an idea about the amount of money and resources we will need to start the business and allow us to determine whether the business that we make correspond to our expectations and capabilities.

Indeed, it is very important to have a certain level of compatibility between us and the company that will manage.

Republica Dominicana

A country rich with cultural expressions, ranging from atabal music, carnival, living statues, the characters fusion of African descent culture and the people heirs of Spanish culture.
To summarize, the key questions that need to be made are:

- What specific unmet needs are in the market?
- Who are our potential customers?
- Why potential customers need our product or service?
- How big is the market place where we intend to provide our products or our services?
- How do we reach our potential customers?
- What is the paying capacity of our customers?
- Who are our competitors and where are they?
- What sets us apart from the competition?
- How to achieve that potential customers realize they need the product or service we want to place on the market?
- How to make prospective clients become an unfelt need on an explicit demand for our product or service?

**QUESTIONS**

The customer

The success of a company depends largely on what their customers buy: they are the main protagonists and are the most important factor in the life of a business.

Es por que todos los esfuerzos deben estar orientados hacia el cliente y cómo satisfacerlo. De nada sirve que el producto o servicio sea de buena calidad, tenga un precio competitivo o esté bien presentado, si no existen compradores.

Si la empresa no satisface las necesidades y deseos de sus clientes, tendrá una existencia muy corta.

Your customer:

- It is the most important person in your business.
- Does not depend on us, but we are the producers, who depend on them.
- The customer is buying a product or service and not doing us a favor.
- It is a human being with feelings and emotions, and not just a number.
- The customer is the most important factor of our business and not a stranger.
- Is a person who brings its needs and desires: our mission is to satisfy them.
- It is the lifeblood of this business and any other.

The ability to ask

You need to listen what the customer says but what it does not say for itself.

Many times clients have difficulty expressing their needs; our responsibility is to help them do so far.

Digging: How would you like it?; asking open and general questions or closed and specific questions. NOTE: open questions are those that its response goes beyond a “yes” or “no”; and closed questions are those that your answer is a simple “yes” or “no”.

Why improve my customer service?

How to do it?

With whom?

Can bring advantages or disadvantages those changes?

What looks to get the client when buys?

- A reasonable price
- An adequate quality for what he pays
- A friendly and personalized service
- A good service delivery
- A convenient time to go shopping or request service, even on a holiday or weekend.
- Certain geographic proximity
- Possibility of buying on credit
- A reasonable range of product offerings and services.
- A local comfortable, clean, accessible.

Why businesses lose customers?

According to a study customers gone away because:

- 1% die
- 3% moved its residence
- 5% make other friends
- 9% competition prices are lower
- 14% the quality of products/services is bad
- 68% the quality of the attention from the owners, vendors, supervisors, managers, telephone operators, secretaries, distributors, collectors, porters, etc., to customers is bad

The ability to listen

We must learn to really listen the facts and feelings, because people express both.

For example: “The craft that I bought broke on the trip and missed the opportunity to give it to my European friend, I do not think to buy it again.”

Open and general questions serve to:

Establishing priorities
Define problems
Understand orders
Get more Information about

Closed or specific questions serve to:

Clarify what has been said
Check the type of order
Summarize a conversation

The customer is our reason for being entrepreneurs!

Knowing the customer

Every entrepreneur should answer questions such as:

- Why improve my customer service?
- How to do it?
- With whom?
- Can bring advantages or disadvantages those changes?

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General Objective

- To determine the direct and indirect costs and profits of their individual, association or community enterprises

Specific objectives

- To consider the factors that determines the cost of production, marketing and administration.
- To identify the stages of the production process of a product.
- To determine the selling price of their products.

What are the costs?

All economic activity has costs. The costs are the value of all goods and efforts need to be invested to produce and sell a particular product or service. The condition for a company to be successful and to survive along period will be able to achieve profit and not losses.

What is the production process?

To produce a product or to provide a service requires a transformation sequence that starts with the entry of the raw material and continues with a series of transformations to convert the raw material and the inputs required into the final given product.

The transformation sequence depends on the equipment, machinery, facilities and personnel to be employed. This sequence of transformations is called production process.

The production process consists, then, of all operations performed to transform raw materials into the final product, with the technical features required by the customer.

In the process of classification of costs, it is also important to distinguish between:

Costs involved in production.

- Direct costs: are those costs that are directly related to the products or services produced or sold, as well as in its final form and those that are involved during the elaboration process.
- Indirect Costs: also called 'overhead' are those costs that are not directly involved in the production of goods or services such as: rent, telephone, depreciation, interest rates, electricity, etc.

Definition of the sales price

For a business idea to be considered successful, it is necessary to enable earn more money than the one spent and get surpluses that will may invest for the development of the company.

This can be achieved by taking the following decisions:
- Deleting or changing products.
- This means to stop producing certain products that are not very profitable or emphasize the efforts on other products that allow to the business to reach higher profits.
- Outsourcing some parts of the production process, for example, if our costs are higher than those of other companies for its grade of their expertise.
- Outsourcing some parts of the production process, for example, if our costs are higher than those of other companies for its grade of their expertise.

What are the important things to consider when setting a price?

- Total costs.
- Price of competitors.
- Position of customers (how much they are willing to pay for the product, what is their purchasing capacity).
- Influence of season or time of year (e.g. lower cheese prices in the rainy season).
- Obtaining a reasonable profit.

### Honduras

It is a country symbol in relation to the integration of youth in artistic disciplines and rescue of popular traditions originating the Maya, Mestizo and Afro-descendants cultures.

### Panama

A country with many faces, from the merger of different races, would be very complex to define one by one. Therefore we can say Panama is as diverse as its people and colors that identify them.
## Differences Between the Three Types of Plans

<table>
<thead>
<tr>
<th>Strategic plan</th>
<th>Business Plan</th>
<th>Action Plan</th>
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<tbody>
<tr>
<td><strong>Strategic tool</strong></td>
<td><strong>Tactical instrument</strong></td>
<td><strong>Action instrument</strong></td>
</tr>
<tr>
<td>Determines the policy of alliances in terms of objectives.</td>
<td>The forms of organization and forms of cooperation and struggle in the market that allow direct the operations of the company.</td>
<td>Is selected and acts on some fields or areas for immediate results. It can be an application or specific intervention in one or two areas of the business.</td>
</tr>
<tr>
<td>It focuses on the vision, mission, goals and long term plans to achieve the objectives.</td>
<td>Resolves on issues of the period, how to organize their forces and how to finance them. The business plan serves on the field of operations and tactics. Changes faster than the strategic plan.</td>
<td>Looks to resolve bottlenecks seize opportunities, select the steps to take into action immediately. It can change from one moment to another.</td>
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Investors, banks or aid agencies are only willing to support projects with a business plan well prepared.
Making a Business Plan

General objectives
- To develop your own business plan.
- To determine how you will implement your business plan.

Specific objectives
- Identify the essential elements of the structure of a business plan.
- Recognize the importance of the participation of members of the company / production unit in developing the business plan.

The business plan is a tool that helps you to organize ideas and detail what you want to do no matter if it is to start a business or to make improvements in the company. It also allows assessing risks before making an investment.

Undertaken without a business plan can be a leap into the abyss.

The business plan, structure, meaning, methodology, context and environment

The business plan is a guide to action, an indispensable tool to develop competitive and highly profitable companies; business viability is assessed.

There is often confusion about the kind of planning that corresponds to each specific situation, for that reason it is necessary to make a briefly differentiation between the different types of plans.

The importance of a business plan

The business plan:
- It forces people who are creating the company, or trying to improve it and re-launch it, to analyze their business idea systematically, which provide a greater degree of certainty on the scope of the desired target.
- Displays the existing knowledge gaps and help to address them effectively into a structured way.
- Ensures to make decisions on a solid foundation.
- Serves as a main communication tool for the different people involved in the project.
- It raises the list of resources that will be needed and, thus, allows knowing the resources that people will need to acquire.

Context and environment

The key success factors of a business plan are closely linked to the internal value chain of the business. The value chain is how the system responds to the environment. These factors are classified as:

- Key Success Factors in the environment.
- Key Success Factors in the system.

Key Success Factors in the environment:
- The business effectively responds to an unmet need.
- The business plan will be able to distinguish whether this unmet need is for a perceived demand (explicit) or a demand implied (implicit).
- That this unmet need remains in the future.
- There is a growing market.
- That it is a sector or subsector attractive.
- That the entry and exit barriers that may exist, are worthy of consideration by the plan.
- The business plan must knows to identify and analyze the threats that arise in the environment from current competitors, potential substitutes and threats arising from the customers themselves and suppliers, current and potential.
- The business plan must be capable of identifying external value chains leaders in product and has been strategically associated with them or that is able to create a new chain, demonstrating a high probability of success.
- To a greater or lesser degree, must be recognized in the plan to be involved in a context: the economy, the society, policy and the environment.
- The business plan promotes social responsibility.

Key success factors of the business plan to act on the system:
- It is able to satisfy demanding customers.
- That allows negotiating with difficult suppliers.
- It possesses a center effective leadership and management.
- To anticipate the facts and innovate.
- To modernize, adapt and adjust to the changes, if necessary.
- To invest in the development and loyalty of its human resources.
- To promote development with identity, incorporating the values of indigenous cultures in their management.

Basic structure of the business plan

The basic structure for formulating and to start writing the business plan is as follows:

- Executive Summary
- Introduction of the business plan
- Company Background
- Description of the business plan:
  - Nature of the business plan or origin
  - The specific market
  - Specific plan production / service
  - Type of organization required to deal with the changes involved the execution of the business plan
  - Economic and financial aspects of the plan
  - Key business success factors.

Draft of a business plan adaptable to different types of businesses

- Executive Summary
  - Mission and Vision of the company or organization
  - Concept of business or company
  - Competitive advantages and value proposition
  - Summary of required investments
  - Projected sales or social impact
  - Conclusions and evaluation
  - Presentation of the entrepreneurial team
  - The business idea
  - The description of the product or service, pointing out its advantages over other existing and characteristics of its innovation.
  - The team and the organization
  - The presentation of the team work with the allocation of roles and responsibilities within the company
  - Market Analysis
  - Sector Analysis
  - Analysis of the target market
  - Analysis of the competitors
  - Marketing strategies
  - Distribution Strategies
  - Pricing Strategies
  - Promotion Strategies
  - Service Strategies
  - SWOT analysis (weaknesses, opportunities, strengths and threats)
  - Implementation schedule
  - Economic and Financial Plan
  - Social, economic, environmental and regional impact of the company or business idea.
A-1 Frequently asked questions about copyright

What is copyright?

It is the protection that the state grants to the creator of all literary or artistic work from the moment of its creation and for a specific time. The fundamental principle that composes it is based on the protection of intellectual work against improper use of creations.

What are related rights?

These are rights that are closely related to copyright as developed and produced by the original work. Its purpose is to protect the legal interests of the people who contribute to making works available to the public, such as:

* The performers
* Producers of sound recordings
* Broadcasters

What are the artworks protected by copyright?

Copyright law protects all intellectual creation that meets the requirement of originality - artwork on the literary or artistic domain, whatever the way or form of expression, capable of being disclosed or reproduced by any means or process known or by known.

It is necessary to register the artwork to be protected?

The copyright protects the work by the mere fact of its creation without compliance with any formality, so that all registration system has only a declaratory and not constitutive of rights.

That is, once the idea has been expressed through a book, a painting, a drawing, a song an audiovisual work, etc., will be protected by copyright. Registration or any other formality only constitutes an important means of testing and advertising to defend copyright, but does not grant rights.

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What is meant by author?

A natural person is a fictitious person that can exercise such rights and obligations. The law allows to be created, by the will of its members, including a different person, able to perform all transactions of traders. These may be of a commercial nature when contemplating in its objective commercial activities or supportive nature when its purposes are not profitable.

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Examples of some of the artworks that are protected by copyright:

1. Artworks expressed in written books, pamphlets and any other kind of work expressed in letters or signs;
2. Oral artworks: lectures, addresses, sermons and other works of the same nature;
3. Musical artworks: compositions with or without lyrics;
4. Drama and dramatic-musical artworks;
5. Choreographic artworks and pantomimes;
6. Cinematographic artworks to which are expressed by a process analogous as is the video or DVD, nowadays called “audiovisual works”;
7. The fine arts works: including drawings, paintings, sculptures, engravings and lithographs;
8. Architectural works;
9. Photographic works and those expressed by a process analogous to photography;
10. The works of applied art;
11. Illustrations, maps, sketch, plans and three-dimensional artworks relative to geography, topography, architecture or science;
12. Computer programs;
13. Anthologies or compilations of various works and databases, which by the selection or arrangement of their contents constitute personal creations.

A-2 Formalization

What are the alternatives to register my activity?

1. A natural person

When the business (commercial activity) is inscribed under by the owner name and is committed the entire personal and family assets as security for the obligations undertaken in the development of the activity of the company.

2. As a legal person

A legal person is a fictitious person that can exercise such rights and obligations. The law allows to be created, by the will of its members, including a different person, able to perform all transactions of traders. These may be of a commercial nature when contemplating in its objective commercial activities or supportive nature when its purposes are not profitable.

Process for starting a business

To implement the decision to start a business, it is important to consider and analyze the different stages in the logical process required for the launch of a new business initiative. This process includes both internal and external aspects, considering the following:

Internal Process

- Company Profile: identifying personal characteristics, profile and business potential. Preparation of the improvement plan for the business skills and life project
- Definition of the idea: identification, evaluation and definition of the business idea.
- Business Plan: definition of the business and product. Evaluation of markets, production techniques and financial economic evaluation
- Starting in: definition of its location; availability of premises; adequacy of facilities; acquisition and installation of equipment, materials, etc.; developing a media plan; establishing contacts with potential customers; operation and start.

External process

- Business environment: identification of institutions supporting entrepreneurship, as well as technical and financial support. To be aware of the rules of the game at local, national and international level; social responsibility
- Constitution and formalization: trade procedures (Chambers of Commerce); tax procedures (Treasury department and Customs, local administration); opera-
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