



Financial and Forecasting Models for Entrepreneurs - INVEST

Newsletter 2 - June 2017



Welcome to the INVEST project

The INVEST project kicked off nine months ago and is underway !

INVEST “Financial and forecasting models for entrepreneurs” has been awarded €299,897 under the Strategic Partnerships for Vocational Education and Training umbrella.

The micro, small and medium enterprises are seen as crucial foundations to the EU economy, and this funding will allow us to initiate critical learning activities for entrepreneurs to develop financial capability in relation to their business management. Once the proposed activities are complete, SMEs and micro enterprises in Europe and will be positioned to benefit from it.

This EU-allocated funding will help support the development of a training model and tools to support micro enterprises and entrepreneurs, especially those pertaining to generation Y, to make responsible economic, financial and investment choices.



**Co-funded by the
Erasmus+ Programme
of the European Union**

An update

The consortium partners of the INVEST Financial and forecasting models for entrepreneur's project recently met to report on the progress, discuss the survey results and the development of the INVEST WISE training course. The meeting held on the 18th and 19th May, was hosted in Naples, Italy by partner Eurocrea. INVEST project seeks to support the development of a training model and tools for micro enterprises and entrepreneurs, with focus on those pertaining to generation Y, to make responsible economic, financial and investment choices. The project is funded under the Erasmus+ Strategic Partnerships for Vocational Education and Training (through the Maltese National Agency).

All partners represent the different aspects addressed by the project: The applicant, Mediterranean Bank Network (Malta) and Association EFFEBI (Italy), are organisations specific to the financial services sector .Eurocrea Merchant (Italy) and IDEC (Greece) are organisations related the educational sector; Bridging to the Future (United Kingdom),Inqubator Leeuwarden (The Netherlands) and Malta Business Bureau offer different consultancy perspectives to business and entrepreneurs .

Young micro-entrepreneurs will be invited to take part in the "INVEST WISELY" course, and benefit of a flexible, but also customized, training model dealing with financial literacy issues in accordance with their specific needs to guide them how to make good choices with regard not only to their business but also to their personal finance.



Our 2nd meeting was held in Naples and hosted by Partner Eurocrea.



Interview with Duncan Chamberlain, Founder and Managing Director

Bridging to the Future is a partner in the INVEST project.

Perhaps it's the term itself that is not user friendly or engaging? Perhaps it is the connotations of theoretical practices rather than the realities of starting and leading a new business? Whatever the reason, it is clear that 'financial literacy' tends to be neglected by many micro-businesses and start-ups and yet there is strong evidence to show how crucial it is to business success.

To add to the seriousness of the 'financial literacy gap', there is also a lack of credible, accessible and practical support, coaching and education within and outside of the European Union.....and it is this gap which has fundamental and concerning implications for EU economic revival. CEO Duncan Chamberlain, an investor in start-ups in the UK and Europe looks at the issue, and some solutions.

The lack of such financial literacy support to start-ups and micro-businesses is all the more surprising given that financial literacy has a bigger influence on the resilience of a start-up than sector, age or the entrepreneur's motive. Statistically, the drop-out probability of an average start-up project reduces by a third through good financial knowledge alone (KFW Research, 2015).

The correlation between financial literacy and start-up resilience is clear: start-ups with better financial knowledge were more likely to succeed. In a study of start-ups by KFW Research in Germany, start-ups with good financial knowledge had a drop-out rate of 12%, but with poor financial knowledge, it was 21% (KFW Research, 2015). Indeed, specific financial literacy is more decisive in the success of a start-up than the general level of professional education.

Despite this, access to credible, practical and relevant training and support is poor and even when programmes are available, the participation rates can be surprisingly low eg KFW showed that less than a third of new entrepreneurs took part in training programmes before or at the start of self employment. So, there might be not only a lack of appropriate programmes but also a lack of awareness of them or a lack of appreciation of their significance or a lack of confidence in what is being offered.

Intuit published a study of small business owners, indicating that 40% of small business owners say they are financially illiterate – yet 81 percent handle their business' finances themselves (<https://www.business.com/articles/financial-literacy-for-small-businesses/>).

Smaller businesses in the Small Office/Home Office (SOHO) category are very dependent on the skills and knowledge of their owners. Unlike larger companies, which can afford to buy in expertise, SOHOs need to try to cover all aspects of business from marketing, to operations, to sales to finance. SOHOs, often with no or little, financial experience and training, need to be financially literate in order to plan cash flow, make tax returns, calculate prices, and other such key actions. Thus practical, relevant and accessible support and training programmes which specifically are aimed at start-ups and micro-businesses would seem to be needed, especially with the increase in self-employment across so much of the EU.

Read more articles by Duncan Chamberlain on <http://www.bridgingtothefuture.co.uk/blog.aspx>

About Duncan

Duncan is the inspiration and spirit behind Bridging to the Future. His experience encompasses working for multinationals (including Whitbread), SMEs, social enterprises and as an entrepreneur. He has also worked as a senior leader in high performing schools and for an A Level examination board. His drive and passion to support others on their business journey is rooted in a business philosophy which is based on nurturing, supporting and unleashing potential, and the systems and methods he has developed are based on his own learning curve, the benefit of a wide network and an intellectual curiosity. Duncan believes in a 'small core model' with optimal levels of delegation and empowerment.



Upcoming events

What is happening Europewide

- Valletta, Malta - EuroNanoForum 2017 21 - 23 June 2017, <http://euronanoforum2017.eu>
- Msida, Malta , Workshop series 22nd June 2017 <http://www.mazars.com.mt/Home/News/Events/Made-simple-by-Mazars-Workshop-series>

- Rome ,Italy, Networking 15th June 2017 <https://www.picampus.it/pi-networking-with-vito-lomele-invitation-request/>
- Greek Manpower Organisation Financing Programme “Entrepreneurship, focusing on innovation”. The programme is expected to start on July 2017 and it will provide 10000 euros to 7000 unemployed under 35 years old in order to start their own business.
- London, FinTech Week London, July 7th -July 14th 2017 , <https://www.fintechweek.com>
- [eBiz2017 “The World Meets Your Start Up” 7-day Summer School](#), organized by University of the Aegean, Department of Information & Communication Systems Engineering, 18-24/7/2017, Syros, Greece
- London, CFO Rising Europe Summit, Sept 12 - Sept 13 2017 <https://theinnovationenterprise.com/summits/cfo-rising-europe-summit-london-2017>
- Singularity University Italy Summit (27-28/09/2017, Milan) (https://singularityitalysummit.com/?to_language=it&gclid=CjwKEAjwgtTJBRDRmd6ZtLrGyxwSJAA7Fy-hOLubRWSoiB9Mn02HjsH7JgMpBDyqh-AZPnc2x2BiFxoCeOLw_wcB)
- Birmingham, Entrepreneurial Spark Hub Tour, Oct 05 2017 <https://www.entrepreneurial-spark.com/entrepreneuring/events/birmingham-hub-tour-october-2017/>
- ScaleIT (17-18/10/2017, Milan) (<http://scaleit.biz/>) More upcoming events related to Start Ups can be found on the site <http://startup-calendar.com/>





Any ideas? Any suggestions ? Do drop us an email at info@investproject.eu
We look forward to hear from you

INVEST Project Partners



MBN
Mediterranean Bank Network





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