

# STARTING UP

## An Introduction to Entrepreneurship and Small Business

### INTRODUCTION

Entrepreneurship is when an individual or team can identify an issue or a need in the market and have an idea as to how to supply a solution. In the start-up phase of such a speculative venture, not only does a concept have to be analysed and developed into a product or a service-based business. Furthermore, teams need to be built to support the development and the monetization of the idea as well as developing the necessary support systems and infrastructures required for the service or product to become functioning and viable.

Entrepreneurs often have a question such as 'if a UK size 10 fits me from one brand why is the same size in another brand too big or too small?' Often businesses and products emerge from questions such as these which identify a consumer need or societal trend. The Israeli company My Size ID present an interesting case study for addressing this very question in their development of a unique sensor-based measurement technology that captures and calculates our vital statistics in different ways through the use of smartphone technology (MYSIZEID 2020). The company has created a fashion-tech app called 'MySizeID', which can match a consumer's size with a brand's specifications to enable the customer to buy the best fitting size for them from each brand. The patented technology thus reduces the need for consumers to return poorly fitting clothes to online retailers whilst at the same time diminishes the number of returns a company receives. This innovation therefore represents an entrepreneurial response to a need that exists for both consumer and retailer i.e. to reduce the number of returns from online purchases.

Yet, how entrepreneurs begin to address such questions, or furthermore, interrogate how a proposed solution could represent a great opportunity for entrepreneurship is another issue.

### UNIT OUTLINE

In this unit, students are required to engage with societal trends, identify issues and provide solutions. By the end of the unit students should aim to produce a plan for a business start-up concept that could follow on from the creative output they generated in the Identifying Fashion-Tech Opportunities unit, i.e. a fashion-tech product, service or business proposition. Therefore, the outcome of one unit becomes the input and starting point for another – the units Identifying Fashion-Tech Opportunities and Entrepreneurship and Small Business – Start Up: An Introduction are thus closely interlinked with the former ideally a pre-requisite to the latter.

When working in entrepreneurship and small businesses the difference between the 'start up' phase as described above in the 'MySizeID' solution 'An idea was born' (MYSIZEID, 2020), and the early stages of building the business are separate but not always clearly defined. This unit focusses primarily on the start-up phase and what entrepreneurship might look like. It will suggest tools which are

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useful in testing ideas in the early stages of building a business. Case study analysis is the starting point of this unit, by understanding what is successful and why, students can develop innovative and successful responses to societal trends before and as they occur and apply these to their own business start-up ideas.

In the growing field of fashion-tech entrepreneurs are conscious that new ways of communicating and working with business partners or customers are required so feel free to really stretch the imagination. The aim of the unit is for students to undertake analysis of an existing fashion-tech opportunity – a business model, service, process or product (see crowd funding case studies and websites suggested for the second session [below]). Then assess whether that business proposition is likely to succeed or fail. This will require a detailed examination of the more conventional methods of starting a business together with an awareness of how approaches might differ for the fashion-tech landscape, and what skills or technologies might be required to underpin innovation in this field.

This unit requires the students, working in teams, to launch a crowd funding project which should evidence an understanding of innovation. The team will require a wide range of abilities from ideation to planning and implementation. They also need to recognise the importance of teamwork and that successful projects come from strong team collaboration. The students will need to be able to critically evaluate team skills and dynamics identifying strengths and possible skill gaps.

As an educator, you will need to ensure support is provided to facilitate self and peer reflection within the team context. The unit is proposed as 1) a one-day activity or 2) a series of 1.5-hour sessions run over 6 consecutive weeks to integrate with a wider curriculum, that could be used to identify such an opportunity or predicted need.

### INDICATIVE CONTENT AND TEACHING AND LEARNING METHODS

This unit is taught through a combination of lectures, seminars and collaborative team workshops, presentations and case study analysis.

Suggested lecture topics to include:

- Technical innovation case study seminar
- Briefings on business tools such as SWOT-TOWS and PESTEL

Proposed Activities:

- Analyse a case study, what can we learn from other technology innovation stories? Using the iPod/iTunes case study (Burrows, P. et al 2004 [see: Identifying Fashion-Tech Opportunities unit]), critically evaluate the importance of combining and extending existing technologies in

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innovation. How did Steve Jobs acquire the knowledge of film and music industry catalogue? How did he make the jump from offering just hardware in the form of an MP3 player to changing the way music was accessed and bought? How is this way of thinking transferable to fashion-tech? Will the fashion-tech platform 'MySizeID' (2020) change the way we consume fashion in the same way Apple and iTunes revolutionised the music industry?

- Question what does a successful business proposition look like? Using links to the Crowdfunding business proposals in the resources analyse the successful and the unsuccessful – what differentiates them? Is it the product alone or the amount of research communicated in the pitch? Assess two crowdfunding pitches, the first a conventional fashion project, the second a fashion tech business proposition using the Babson Rocket Pitch Evaluation (Heidi, M, et al 2014 pp 170-172) either as a whole class activity or in the teams.

### ADDITIONAL TUTOR'S NOTES

The students working in teams of 4 or 5 and are tasked with:

- Understanding what differentiates a successful business pitch from an unsuccessful one.
- Researching in depth what fashion-tech innovation might look like.
- Scoping the scale of a business proposition, is it too large or too small?
- Writing a crowd funding pitch.
- Crowd Funding Project application, real or simulated.

See: Teacher's Toolkit, Tool 1 > 'Lectures', Tool 2 > 'Workshops', Tool 3 > 'Interdisciplinary group work' and Tool 9 > 'Self-directed learning (available at <https://www.e4ft.eu>) for further support.

If the students have already completed the 'Identifying Fashion-tech Opportunities' unit then they have an 'Idea', the 'Knowledge of Customers' in some depth and possibly some information towards a 'Marketing Strategy'.

Starting a new venture – stages of delivery:

1. The first stage is perhaps the longest and can be split into shorter sessions. The purpose of the 'Start Up Radial' (see: Figure 1) is to test the team knowledge of the idea, how much do they know about the six aspects highlighted in the model?. Starting with the business or product concept from 'Identifying Opportunities' the team should take each sphere of the radial, discuss and visualise the topic in relation to the concept. Interrogating the concept and the knowledge of what is needed to create a robust proposition is key to evaluating an innovative fashion-tech idea. To break the ice students could start with a simple SWOT-TOWS analysis (see: Figure 2) of the

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team as a whole: what skills and knowledge do the individuals bring to the project? Where are the gaps and how might they fill them? One of the team may have great knowledge about technology another about consumer values in a particular global region, everyone will have something to offer the 'start up'.

### Starting a new venture...

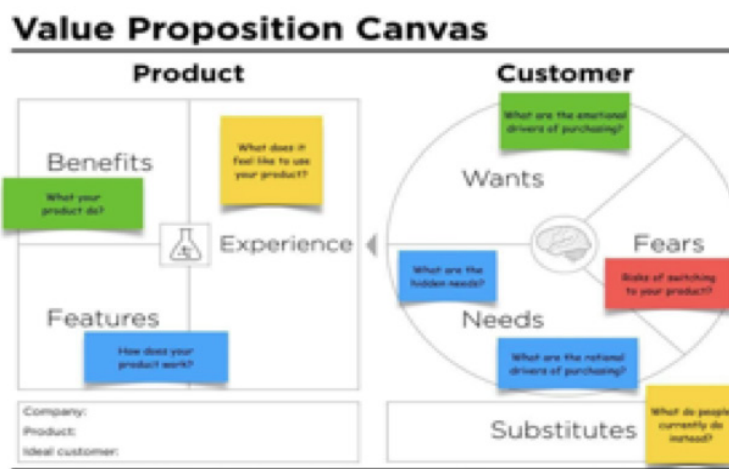


Figure 1. Buckley, C & Hanard, P-J (2018) Introduction to Business Planning and Development MA Fashion Entrepreneurship & Innovation. London College of Fashion: London. \*



Figure 2. SWOT-TOWS (Business to You 2020) available at: <https://www.business-to-you.com/swot-analysis/>.

- Using the Value Proposition Canvas (see: Figures 3&4) as a starting point (see teaching materials) the teams can then test their fashion-tech concepts against different aspects such as performance or design aesthetic to understand and critically evaluate their product or business, why is it different, and why would a consumer choose it over a competitor's offer?



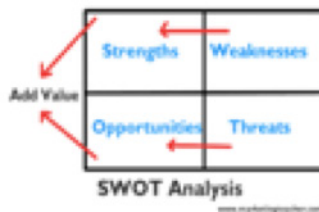
Customer Segments: Who are the customers? What do they think? See? Feel? Do?  
Value Propositions: What's compelling about the proposition? Why do customers buy, use?

Figure 3. No rights asserted \*

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### Value propositions



Innovation	Price
Performance	Reduces cost-forcustomers
Customization	Reduces risk-warranties
Functionality	Accessibility - new to market
Design,aesthetic	Convenience
Brand /statusorientation	Technology

Figure 4. Buckley, C (2018) Business Strategy from the Business Model MA Fashion Entrepreneurship & Innovation. London College of Fashion: London. \*

3. This classic model (see: Figure 5) is a great starting point to discuss the marketing environment, a fashion-tech product may well exist in one region of the world but not another, are there reasons for this? By going through the six topics covered by PESTEL: Political, Economic, Social, Technology, Environment and Legal students can discuss a wide variety of topics and understand the impact these might have upon the viability of their fashion-tech concept.



Figure 5. PESTEL ANALYSIS (Business to You 2020) available at: <https://www.business-to-you.com/scanning-the-environment-pestel-analysis/>

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4. Finally, the students should analyse possible competitors, what are they creating and where? Are they influenced by global region?
5. By using stages 1 to 4 of 'Starting a New Venture' the teams can arrive at the scale, i.e. the size and the value of the 'Start Up' and at this point can fill in a project outline (real or simulated) on either Kickstarter or Indiegogo as a way of recording their ideas and fashion-tech business or product.

### LEARNING OUTCOMES

Upon successful completion of the unit the students will be able to:

1. Critically evaluate the feasibility of a proposal and assess the creation of business value;
2. Identify, assess and demonstrate in depth analysis of risk and resource management in the development and implementation of a business proposal;
3. Argue and present a sophisticated business proposal for an innovation within a fashion-tech context;
4. Collaborate effectively to launch a Crowd Funding project.

### ASSESSMENT METHODS

1. Launch a 'Crowd Funding Pitch' for a fashion-tech business proposition with Kickstarter or Indiegogo. See: <https://www.kickstarter.com/learn?ref=nav> and <https://www.indiegogo.com/start-a-campaign#/>
2. Whole class feedback on the crowd funding fashion-tech project. Perhaps a vote from each student as to which project they would back

### READING AND RESOURCE LIST

#### Resources

1. Business plan online:
  - <https://www.bplans.com/>
  - <https://www.morebusiness.com/>
  - <http://www.businessplans.org/>
  - <https://www.teneric.co.uk/>



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### 2. Examples of successful crowdfunding projects:

- World's First Nano-Tech Heated Jacket: Urban Tech – used two platforms, based in Australia: <https://www.indiegogo.com/projects/world-s-first-nano-tech-heated-jacket-urban-tech#/>
- Icone by intelligent-clothing based in France: <https://www.kickstarter.com/projects/intelligent-clothing/ic-intelligent-clothings/description>
- Koup:Cinnamon T Shirt, based in London: [https://www.kickstarter.com/projects/koupclub/koup-the-cinnamon-t-shirt-a-brand-new-way-to-stay-fresh?ref=discovery\\_category](https://www.kickstarter.com/projects/koupclub/koup-the-cinnamon-t-shirt-a-brand-new-way-to-stay-fresh?ref=discovery_category)

### 3. Examples of unsuccessful crowdfunding projects:

- GYDA NY – launched on 2 platforms: Indiegogo <https://www.indiegogo.com/projects/gyda-nyc-sport-fashion-outerwear-with-tech-dna#/> and Kickstarter: <https://www.notjustalabel.com/gyda>
- Selfish me <https://www.kickstarter.com/projects/1532309477/changing-the-way-fashion-is-viewed-through-creativ?ref=discovery&term=fashion%20tech>
- Hologram Technology Start Up/Fashion Sneaker <https://www.kickstarter.com/projects/35990606/hologram-technology-start-up-fashion-sneaker-start?ref=discovery&term=fashion%20tech>

## Essential Reading and Resources

Burrows, P., Grover, R., and Lowry, T. (2004) 'Show Time! Just as the Mac revolutionized computing, Apple is changing the world of online music', Business Week, Issue 3868, pp. 56-64.

Business to You (2020) PESTEL: <https://www.business-to-you.com/scanning-the-environment-pestel-analysis/>

Business to You (2020) SWOT-TOWS: <https://www.business-to-you.com/swot-analysis/>

LS:N Global (2020): <https://www.lsnglobal.com> [accessed January 20, 2020].

My Size ID: <http://thesizeid.com/>

My Size ID: An idea was born available at: <https://www.mysizeid.com/mysize-tech/>

Neck, H.M., Brush, C.G., Greene, P.G. (2014) Teaching Entrepreneurship: A Practice-Based Approach. Edward Elgar Publishing: Cheltenham.

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Prater, M (June 2019) the 15 Best Crowdfunding Sites to Launch your Business or Product Hubspot: Cambridge MA, USA <https://blog.hubspot.com/sales/crowdfunding-sites>

Steve Jobs: Billion Dollar Hippy (2011) BBC4, 14th December 2011: <https://www.imdb.com/title/tt2132457/> [accessed January 20, 2020] – relevant section 30 minutes into the broadcast.

WGSN (2020): <https://www.wgsn.com/fashion>.

Butler, S (Jan 2020) Swap shop: ex-Topshop guru pops in to Liberty to rent out clothes. The Guardian 19th January 2020: <https://www.theguardian.com/fashion/2020/jan/18/swap-shop-ex-topshop-guru-pops-in-to-liberty-to-rent-out-clothes>

### Further Reading and Resources

Burns, P. (2010 3rd ed.) Entrepreneurship and Small Business: Start-up. Growth and Maturity. Palgrave-Macmillan: Basingstoke, Hampshire

Drucker, P., F. (2014) Innovation and Entrepreneurship: Practice and Principles. 1st Edition. Routledge: London