

MODUL 2
ÖKONOMIE UND RECHT

MODULE 2
ECONOMICS AND LAW



Bildung und Kultur

Leonardo da Vinci



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EU module 2: Economics and law

§ 1 Duration

The duration of the module is 120 instruction units.

§ 2 Target group

The module is addressed at participants who have, at least, completed a successful professional training course and possess professional experience, now however having some initial experience as departmental manager or plant manager in a trades/crafts enterprise.

§ 3 Goal/intention

The goal of the course modules is to give the prospective operating/workshop manager or master craftsman the assurance that he is in a position to take up the challenge of business independence/autonomy by the acquisition of the appropriate skills. It actually concerns having an intuition for feasibility. Those participants who are still uncertain concerning their own autonomy are addressed in the first instance. The potential autonomous craftsman is to gain the assurance that he has acquired the skills to tackle the tasks of an entrepreneur. This does not mean that all autonomous approaches to solving problems are explored during training but rather that the candidate is to acquire a broad overview of the daily life of an entrepreneur. thoroughly. In addition to technical expertise, this crucially also involves business management expertise. The potential entrepreneur must be made more familiar with tasks of the management. He must have control over the economic aspects just as much as over the technical ones. Only then does he develop the necessary self-assurance. The issue concerns the development of vocational skills. Here, methods are to be selected which contribute to developing in the candidate confidence concerning his ability to resolve problems whose details are not known at the present time, by his own endeavours or with appropriate consulting assistance.

After completing the module, the participant:

- shall recognize the relevance of basic legal knowledge involved in the setting up and operation of an enterprise.
- shall be in a position to consult legal texts and documentation concerning legal obligations of his daily tasks.
- shall address the legal problems which he will encounter as entrepreneur with greater self-confidence.

Focal point: Economics and law

The candidates should become objectively informed by comprehensive information concerning the pros and cons of becoming autonomous, about the opportunities and risks of setting up a business. Moreover, contents were selected which contribute to the acceleration of the process regarding a decision for or against one's setting up as an autonomous entrepreneur.

§ 4 Contents

The teaching contents are divided into nine fields of the entrepreneur:

Contents which are dependent on the tendering/ordering phase:

- 1. Pre-order phase**
- 2. Processing of order phase**
- 3. Post-order phase**

Contents which are independent of the order phase:

- 4. Establishment of an enterprise**
- 5. Economic situation of the enterprise**
- 6. Employee guidance and administration of personnel**
- 7. Organisation networks and ways of changing procedures**
- 8. Marketing**
- 9. Management**

On account of the time limitation of 120 instruction units, a curricular implementation takes place only for items 1, 2, 3 and 4. The more advanced items 5, 6, 7, 8 and 9 are regarded as necessary contents and are therefore listed.

1 Pre-order phase		40 h
Contents	Skills	
<p>1.1 Financial system</p> <ul style="list-style-type: none"> • Capital requirements planning • Financial planning <p>1.2 Procedure for managing performance</p> <ul style="list-style-type: none"> • Analysis of the procurement market • Waste / disposal • Purchase contract law • Law on general trading conditions • Extent of utilisation • Cost calculation • Industrial and social welfare law <p>1.3 Distributive trade and marketing</p> <ul style="list-style-type: none"> • Calculation of tenders • Marketing as a total concept • Work contract law • Competition law <p>1.4 Transnational course of business</p> <ul style="list-style-type: none"> • Preparation of enterprise, completion of offer and contract • Export and taxes • Terms of payment • Export assistance <p>1.5 Communication</p> <ul style="list-style-type: none"> • Acquisition of customers • Methods of negotiating • First contact with customer <p>1.6 Human skills</p> <ul style="list-style-type: none"> • Entrepreneurial thinking • Open-mindedness • Perseverance 	<p>Procuring the order: Establish and analyse one's own enterprise, its position and potentials in the context of the respective regional and para-regional economic environment, in particular on the European domestic market, in order to use optimally the given possibilities of the order procurement. Read commercial/economic messages, and judge and analyse possible specific effects on one's own enterprise. Carry out a market and competition analysis on the basis of available data, and draw the consequences for the enterprise.</p> <p>Plan and carry out advertising and promotion for the enterprise. Prepare, accomplish and follow up a pre-sales discussion.</p> <p>Take up contact with the customer, address him and determine his desires by the purposeful use of marketing instruments and negotiation possibilities.</p> <p>Processing the Order: Determine the financial situation of the enterprise, analyse the requirements of a tender or project, and harmonise these to one another by use of appropriate measures. Prepare a tender which meets the requirements of the customer and the capabilities of the enterprise.</p> <p>Put together and present a tender which is suitable for the specific needs of a customer.</p> <p>Determine the price of a tender by the use of various calculation methods.</p> <p>Put together various tender-specific and non-tender-specific costs. Determine and evaluate the financing options for a tender, and make the optimal financial decisions for the operational interests in each case.</p> <p>Negotiate the contract: Know the possibilities as regards forming the contract, and together with the customer, negotiate in the course of a sales discussion, taking possible objections and problems in the the contract into consideration . Summarise and present the contract concepts.</p> <p>Prepare a sales presentation, present it and close.</p> <p>Negotiate contracts with potential suppliers.</p>	

2 Processing of order phase		35 h
Contents	Skills	
<p>2.1 Financial system</p> <ul style="list-style-type: none"> • Financial planning • Collateral on loans <p>2.2 Procedure for Managing Performance</p> <ul style="list-style-type: none"> • Stock control and storage costs • Waste / disposal • Rent, loan, rental, leasing • Rational processing of orders • Work safety/security • Personal, property and indemnity insurance <p>2.3 Distributive trade and marketing</p> <ul style="list-style-type: none"> • Product liability law <p>2.4 Transnational Business</p> <ul style="list-style-type: none"> • Job execution • Value Added Tax • Employee delegation <p>2.5 Communication</p> <ul style="list-style-type: none"> • Teamwork • Customer discussion • Customer contact <p>2.6 Human skills</p> <ul style="list-style-type: none"> • Entrepreneurial thinking • Creativity and problem resolution techniques • Error tolerance • Delegation of tasks • Project skill 	<p>Prepare work: Determine the foremost requirement in the actual order processing in each case, and take the measures to ensure a speedy closure of the sale.</p> <p>Prepare negotiations with suppliers or potential business partners, carry these out and conclude negotiations.</p> <p>Determine material requirements of a project, balance with the inventories of one's own enterprise, and if necessary carry out procurement under economic criteria.</p> <p>Plan out the use of manpower.</p> <p>Carry out the order: Plan, carry out and follow up the concrete processing of the order with the employees.</p> <p>Consider to a greater degree the economic, qualitative and ecological criteria when processing an order</p> <p>Ensure the motivation of the employees during the execution of the order and intervene in the event of problems.</p> <p>Ensure the safety and security of the employees during the execution of the order and intervene in the event of problems.</p> <p>Arrange customer discussions during execution of the order.</p> <p>Understand the organisation of the operational production process, and reflect on it critically taking economic efficiency into consideration.</p> <p>Analyse the procedures for managing performance in an enterprise under economic criteria and compile suggestions on how these can be improved.</p> <p>Check/control the quality of the goods and services produced and undertake improvements in the production process.</p>	

3 Post-order phase		25 h
Contents	Skills	
<p>3.1 Management and Controlling</p> <ul style="list-style-type: none"> • Book-keeping in relation to orders <p>3.2 Financial system</p> <ul style="list-style-type: none"> • Payment transactions • Demand management • Limitation of demands <p>3.3 Managing Performance</p> <ul style="list-style-type: none"> • Sales contract law • Cost calculation • Rational processing of order • Warranty / guarantee <p>3.4 Distributive trade and marketing</p> <ul style="list-style-type: none"> • Product liability law • Reminder and complaint procedure <p>3.5 Transnational Business</p> <ul style="list-style-type: none"> • Terms of payment (national/international) <p>3.6 Communication</p> <ul style="list-style-type: none"> • Communication in the case of delay in payment 	<p>Settle the order: Determine the order costs on the basis of the operational cost- and service calculation, as well as consideration of tax guidelines.</p> <p>Formulate a customer-oriented and customer-binding invoicing system..</p> <p>Determine the weak points and potentials of an enterprise on the basis of data from the accounting system.</p> <p>Conduct the analysis of an end-of-year statement.</p> <p>Carry out separate analyses for individual product types.</p> <p>Follow up on the order: Examine by carrying out a subsequent calculation whether the order was completed economically.</p> <p>As regards any difficulties and problems of the customer, weigh up the possible consequences and measures, and act accordingly.</p> <p>Accept the claim/complaint of a customer, weigh up the possible consequences and measures, and respond appropriately.</p> <p>Evaluate the claim of a customer from a legal perspective.</p> <p>Dealing with bad debt losses or failures in payment for order by the customer.</p> <p>The customer-oriented organisation of the after-sales phase.</p>	

4 Establishment of an enterprise		20 h
Contents	Skills	
<p>4.1 Components of the business plan</p> <ul style="list-style-type: none"> • Business idea • Marketing decisions • Location decisions • Choice of legal form • Financing • Organisation • Set-up risks • Set-up process <p>4.2 Components of a set-up consultation* Questions concerning</p> <ul style="list-style-type: none"> • Qualification of the founder • Set-up knowledge • Situation (finances, family, etc.) of the founder • Guidance for further procedure • Analysis of the business plan <p>* see also DESIRE consulting concept</p>	<p>Provide one's own realistic business plan and form an opinion on the business plans of the other participants..</p> <p>Apply consultation as a professional instrument in setting up an enterprise.</p> <p>Be able to designate criteria for a qualified consultation.</p>	

§ 5 Methodology

Extensive teaching and learning methodologies, so-called “complex training/learning arrangements”, take centre stage. This would include, for example, case studies, investigations or role-games.

In the production of case studies, please consider the following points presented below in a check list:

Steps of a case study development:

1. The basis of the task is an important and complex problematic situation, as might occur in practice and which is also in the content of the curriculum.
2. A first draft should contain a requirement catalogue with the relevant topics.
3. The tasks connected with the individual topics are now listed.
4. Is any (additional) information required, for resolution and/or treatment of the problem section?
5. How much total working time should be available for the case-based tasks?
6. Provide a rough solution or answer plan, which the examinee is to cover in principle in answering the questions.
7. Formulate tasks with a medium degree of difficulty, which reflects the vocational skills of a trades/crafts enterprise.
8. Specify, if necessary, which aids the class participants may use in processing the task.
9. Let a colleague countercheck the entire case.

§ 6 Examples of methods

Market study in the automotive business

Automotive business expert Franz Weber is confronted with a problem: Although he has a firm customer base, his repair business is not doing so well at present. Surely the new branch of a repair service chain, which has existed for a few months in close proximity to Mr. Weber’s enterprise, has a lot to do with this.

Besides the repair business, Weber also deals in used cars. Since his repair workshop can repair economically a diverse range of faults in vehicles which are to be sold, his profits are very good in this range. As a solution for the awkward state of business must be found urgently, he asks his employees for suggestions which are to help to set the business in motion again.

His assistant, Markus Munter, suggests increasing advertising of the workshop. “A special campaign could be started with flyers and announcements.” “But then, something special would also have to be offered”, says Klaus Klug, a second assistant. “But what?“, asks Weber.

Klaus Klug suggests that in the future new services should be offered: "We could also offer our customers an air conditioning check". Markus Munter has the view that the windscreen express repair service would develop well. On various occasions, customers had already expressed positive views about it.

"What about the idea", asks Markus Munter, "of pointing out the dangers of out-of-date brake fluid, in order to sell more changes of brake fluid". Weber himself is indecisive. On the one hand the suggestions are pleasing to him, but on the other hand he does not know whether his customers actually have an interest in these innovations. As regards the air conditioning check, for example, he would surely have to train his assistants further (expert knowledge) and invest in a service station. He does have some money for this in the "war chest", but he is considering whether a customer opinion poll should be carried out first of all.

Question 1:

Provide in general terms a questionnaire which considers Weber's problem. Address the issue of goals and give some comments about how the questionnaire is to reach the customer.

Answer 1:

The questionnaire should contain a friendly introduction for the customer, which outlines the goal of the questionnaire. Weber wants to find out what his customers think of the potential services and whether they would take these up. The answering of the questionnaire should be connected with a small reward. Naturally the opportunity is taken to query other topics (for example: satisfaction with past services, friendliness of the employees, timely service, customer's address etc.). Apart from closed questions, open questions are formulated also, which, for example, ask for suggestions for improvement. The questionnaire comes to an end in as friendly a manner as it began.

Since a firm customer base already exists, customers are addressed on the one hand directly on location in the workshop (cup of coffee, etc.) and on the other hand receive communication in writing. In order to ensure a useful return of questionnaires, a prize competition, for example, can be attached.

An example:

Questionnaire from the Weber automobile workshop

Dear customer,

We would like to know if you are satisfied with the services we offer and whether we may be able to offer still further services to you in the future. So that we may always be able to best serve you also in the future, we ask you to answer the following questionnaires and tick the appropriate boxes:

1. Vehicle

a) What vehicle do you drive? Type: _____

Model: _____ year of construction: _____

b) Is this vehicle: Your primary car a second car

c) Do you use it predominantly privately for business

d) How many kilometres do you drive on average in a year? km _____

e) Did you buy it as a used vehicle?

Yes No if yes, with us? Yes No

2. Repair service

a) Which work was carried out with us?

Repair if yes, which type? _____

Inspection light test Technical Inspection Authority presentation

b) How content are you with our	1	2	3	4	5
Work	<input type="checkbox"/>				
Speed of repair	<input type="checkbox"/>				
Friendliness	<input type="checkbox"/>				
Price performance ratio?	<input type="checkbox"/>				

(1 = "very much", "to 5 = "not at all")

3. New services

In the future, we intend to increase our service in the area of air conditioning system maintenance and windscreen express repair service.

a) Do you have an air conditioning system in your car? Yes No

b) If yes, are you satisfied with it? Yes No

c) Is the function of the air conditioning system important to you? Yes No

d) Is there a musty damp smell from time to time in the vehicle? Yes No

e) Have you already used a windscreen express repair service on any occasion? Yes No

f) *Would you use a windscreen express repair service?*

Yes

No

g) *If no, why not?*

h) *Have you already had the brake fluid replaced on any occasion?*

Yes

No

i) *If no, why not?*

4. Other

a) *Have you ever seen an advertisement for our company in the newspaper?*

Yes

No

Don't know

If so, in which one? _____

c) *What do you particularly like in caring for your car with us?*

d) *What do you not like so much?*

e) *What suggestions do you have for our customer service?*

To conclude, we would like to refer you to our little prize competition. If you return the questionnaire to us by the DD.MM.20XY, you can win a free winter car service or a vacation cheque to the value of 150 €. We thank you for your cooperation!

Yours faithfully

Personal signature

Question 2:

Develop a newspaper advert or flyer for the air conditioning check service suggested by Klug. Which factors have to be considered here?

Answer 2:

According to the AIDA principle, an advertisement for the vehicle air conditioning check should consider the following criteria:

- Eye-catching appearance (attention)
- Point out the usefulness (interest)
- Appeal to desires, ideals, value conception (desire)
- Basic condition for interaction (action)

Organisation of content:

- Address the customer personally
- Original slogans and appropriate formulations
- Concentration on the significant (KISS method = Keep it simple and stupid)

Question 3:

Represent graphically the services mentioned by the assistants and current services, of the automobile workshop within the product life cycle and within the BCG matrix. Justify your assignment decision.

Answer 3:

- a) Repair work (question mark/poor dog, saturation phase)
- b) Used car sales (cash cow; ripe phase)
- c) Full cleaning (question mark; introduction phase)
- d) Windscreen express service (star; growth phase)
- e) Hi-fi equipment (question mark; development phase)

§ 7 Examination/certificate

The candidate works on a case study in which at least two of the four topic fields are to be covered. The working time is 180 minutes. Besides this, the vocational skills of the candidate are examined by means of a verbal examination lasting 30 minutes.