

Young Enterprise Scotland Company Programme

Business Adviser's guide to getting started

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1.1 Role of the Business Adviser

The main objectives of a Business Adviser are to help Students to run a successful company, learn from the experience and enjoy doing it. It is important to understand that even if a Young Enterprise Scotland company is not a great commercial success it can still provide an excellent learning experience. It is an opportunity for the Students to use their initiative and be creative.

A Business Adviser treads a careful line between leading the Students through the experience and enabling them to run the company for themselves. It requires close attention as to how a meeting or work session is progressing and sensitivity to individuals and the dynamics of the group. Choosing when and how to intervene are a matter of careful judgement and the essence of being a good Business Adviser.

A Business Adviser will also:

- Be a Source of Knowledge
Students will lack knowledge and confidence and will turn to the Business Adviser/Team for advice on production, marketing, sales, accountancy, personnel and general company management procedure. In the beginning the Business Adviser will have to describe the Company Programme and explain the expected outcomes.
- Be a Motivator
From time to time it may be necessary to instil a sense of urgency, raise morale, and engender team spirit, to get things moving as well as playing "Devil's Advocate".
- Be a Consultant
Care should be taken not to direct, order, instruct or lecture. The Business Adviser should guide, help, suggest, and provide a range of alternative solutions. Encourage and inspire an innovative approach. In the early stages of establishing the company the Business Adviser has to give a more positive lead.
- Be a Facilitator of Learning
Whilst managing the Young Enterprise Scotland Company is a learning experience for Students, it is important to build into the process opportunities to review this learning. Other key moments are during preparation for the Young Enterprise Scotland Qualifications and prior to the production of the Company Report.
- Be a Guardian of Safety and Quality
No product should be made which, in the production process, involves danger to the Student or, when sold, could present a hazard to the user. (See "Legal Responsibilities and Insurance Cover" found in the website guidance, in particular the list of prohibited products).

1.2 Objectives of the Company Programme

Through the guidance and support of the Business Adviser, the Students participating in the Company Programme should:

1. Develop personal skills including:
 - working as a team;
 - communication;
 - decision-making;
 - time management;
 - creative thinking.
2. Gain an understanding of how a business works, particularly:
 - marketing;
 - operations;
 - finance;
 - quality;
 - customer satisfaction.
3. Gain an understanding of the wealth creation process through:
 - share ownership;
 - understanding finance;
 - understanding adding value;
 - understanding innovation.

1.3 Business Adviser best practice tips

- Create a relaxed and informal atmosphere. Use first names.
- At the first meeting set the tone and style for meeting, set out the room before the Students arrive, then get to know each other, introduce and talk about yourself. Get the Students to do the same.
- Encourage Students to take part in the qualification and the Company Competition.
- Praise and encourage the Students when this is deserved.
- Be honest. If you do not know something, admit it, but promise to find out.
- Show enthusiasm and commitment.
- Do not let your interest flag. When matters are going well your stewardship of the company is still vital.
- If you are ever unable to attend a meeting send your apologies and an explanation as much in advance as possible.
- Get as much publicity as you can for your company and Young Enterprise Scotland.
- Keep your Area Team informed of your progress and any problems or changes, which take place throughout the life of the company.

1.4 The Link Teacher

The Link Teacher has the role of facilitator and communicator with all the people involved in the running of the Young Enterprise Scotland company programme. The as the name suggests, the Link Teacher provides a link between:

- The Students
- Business Adviser(s)
- Lothian Area Team
- Young Enterprise Scotland
- YEUK Office
- School Board Members
- Other staff from the school
- Parents
- Local press
- Local businesses.

The Link Teacher role in supporting Business Adviser(s) is to brief them at the start of the year, act as their main point of contact with the school, ensure the smooth running of interaction between Students and the Business Adviser(s) and iron out any difficulties. Link Teachers are also involved in helping with the recruitment and retention of Business Adviser(s).

It is important to appreciate the complementary roles of the Link Teacher and the Advisers. The Business Adviser(s) give guidance to the Students on business matters so it is not necessary for the Link Teacher to have a detailed knowledge of business. Nor is it necessary for the Link Teacher to attend all the Young Enterprise Scotland company meetings although in practice the Link Teacher will usually be available, if needed, to support and facilitate activity.

1.5 Failure friendly environment

The Company Programme is a bridge to the world beyond school or college and Students need to take control of their company and live with their decisions. Sometimes Students will fail. This is an important part of learning from the Company Programme. We provide a failure friendly environment where we allow failure and encourage strategies for putting things right.

1.6 The “contract”

A good idea is to establish a contract between you as Business Adviser, the Students and the Link Teacher. This allows everyone to set out their expectations and commitment to the company at the start of the year. There is no set format for this, nor is it a requirement, but it has been a useful starting point in the past when used in other schools.

2.1 Registering the company

Registration of the Young Enterprise Scotland Company is completed online by the Link Teacher. Registration provides Students with access to the YEUK Company Programme website and all the relevant information relating to the Company Programme.

After registration the company the invoice is available on the YEUK website for the registration fee of £100. Registration also activates the insurance which covers Students for trading with the public.

It may be useful to do the online registration process while the Students and Business Advisers present, but the Link Teachers must take overall responsibility for registering the company to ensure that details are entered correctly and ensure the security of the company member user accounts.

2.2 Website usernames and passwords

Once the company has been registered the Link Teacher will be emailed a list of usernames and passwords for the Students, Business Adviser (will receive email directly) and themselves. It is the Link Teacher's responsibility to hand out the usernames and passwords to Students individually. The Link Teacher must ensure that Students are aware that parts of the site will be monitored (by the Link Teacher and Business Adviser) and that their account may be deactivated if they misuse the site.

During the registration process the Link Teacher is asked to prove the Business Advisers VR number and this will include the email address of the Business Adviser so that their username and password can be emailed to them. If this is not entered at registration then the registration will not be able to be completed.

2.3 Using the Company Programme website

The Business Adviser user accounts give access to all of the functions and guidance available to Students (with full permissions). This includes the specific guidance, resources and videos for Business Advisers and the discussion forum.

COMPANIES MUST NOT START TRADING BEFORE REGISTRATION.

These accounts will also allow the Link Teacher and Business Adviser to monitor content that Students have posted on the %company profile+and %company member profiles+sections, which are available to be viewed by other Young Enterprise Scotland companies across the country.

When the Link Teacher or Business Adviser is logged into the Company Programme website they can update the company registration details at any time.

You are able to:

- edit / update the company registration details (including company name);
- add/remove Students to/from the company;
- deactivate a Student's account if they have left the company or misused the website;
- request to be emailed the company members' passwords if they have forgotten them.

3.1 Finance

One of the most important aspects of any company is how they manage their finances. The financial director therefore plays a very important role in the smooth running of the company.

3.2 Opening a bank account

The company must have a means of depositing cash securely and for making payments for the purchase of raw materials. Recent experiences of Young Enterprise companies trying to open an account at a high street bank has been mixed. Some branches can be extremely helpful but many Students have reported significant challenges and opted to set up a bank account at the school office. The Link Teacher will be able to advise on whether this facility is available within the school.

3.3 Share capital

Each company member must buy at least one share (at £1 each) and there is a maximum that any individual, and the company as a whole, can sell. More information on this is available after registration. The company secretary will be provided with share certificates and register and is responsible for keeping a record of all shares issued. Remind Students that by selling shares they are also selling a part of their company and shareholders will expect to share in any profits!

3.4 Fundraising

Depending on the amount of money raised through selling shares, whether the school will provide a loan for the £100 registration fee and the costs of buying in raw materials for the chosen product or service, the company may need to undertake other fundraising to generate the required start-up capital.

3.5 Young Enterprise UK website finance module

The YEUK website has an excellent and easy to use accounts package to enable the Finance Director to account for all income and expenditure, and to prepare year end accounts.

3.6 Finance training

In addition to the comprehensive written guide to finance provided to all finance directors, the Lothian Area Team run special finance workshops for finance directors at the training events during the year. It is critically important that finance directors, or a substitute attend these events.

3.7 YE Wind Up fee

To make the experience realistic, all Young Enterprise Scotland Companies are liable for tax which is now called YE Wind Up fee. This fee is payable to Young Enterprise Scotland at the end of the year. Again, there is more information available on this from the website.

4.1 Selecting a product or service

Perhaps the most important decision the company will make will be selection their product(s) or service(s). This process can sometimes take several weeks to complete, usually due to a lack of structure in running the discussions. In both cases allow free discussion to run for a while, certainly in the first meeting, in case a solution emerges fairly quickly. However it may be necessary for the Business Adviser and/or Link Teacher to suggest (and possibly demonstrate) techniques such as Brainstorming to come to a fairly quick conclusion.

4.2 Product selection / financial viability

If Students believe they have a viable product the next step is to agree the planned market place and undertake some research of a representative sample of your proposed customers. Students should now design a market research form for their proposed product(s) or service(s).

When the results are analysed, coupled with information already gathered, Students should update their Business Plan, including the number of products they expect to sell. This in turn will help determine if they have a profitable Company.

Final selection of product/service includes a calculation of all costs incurred in making the product, plus a reasonable mark up, to check if it is a profitable business. **REMEMBER THAT TAX OR IMPORT FEES MUST BE INCLUDED IN THESE CALCULATIONS.**

5.1 Company meetings

Many Students take a long time to agree on both a company name and on the product or service they will provide. Clearly the longer this takes the less time they have for the real process of running their own company and the following suggestions should help to minimise the time spent on this part of the process.

The Business Adviser should act as the chair until a Managing Director is appointed and then continue as joint chair until the MD feels comfortable to take over. They will highlight the need for a structure to their meetings especially the use of an agenda and the need to take notes/ record decisions etc.

Before the first meeting commences set up the room in board room style with a place name for each Student (pens and notes pads would also add to the occasion).

5.2 Agenda for first meeting

An agenda for this first meeting may include:

1. Introductions
Say a little about yourself, job, hobbies and Young Enterprise experience. Ask Students and the Link Teacher to introduce themselves saying a few words about their interests, ambitions and why they are doing the Young Enterprise Scotland Company Programme. It is important to establish good communications quickly with Students to ensure a good working relationship is formed. Time taken at this stage will set the scene for the rest of the programme.
2. Business Adviser's Role
Go through your role with the Students and how you see it working. Remind them it is their programme and you are there to assist when required. You will probably be more directional at first but this will shift as the members become more active in their functions. It will be useful to mention the Link Teacher and the way you will work with them.
3. Explain how the Young Enterprise Scotland Company Programme operates
Issue the Student brochure. Use this to briefly explain how the first few weeks of the programme will go.

4. Explain the Company Programme and websites
Following registration, the Young Enterprise Scotland Company will receive access to the YEUK Company Programme website. The company should be registered as soon as possible after this meeting. The Young Enterprise UK Company Programme website allows company members (including the Business Adviser and Link Teacher) to use tools that will help them run and organise their company, find guidance and support and enable them to communicate with other Young Enterprise Scotland companies across the country. Also the Lothian Area Team website has additional support and guidance for everyone to use.

5. Decide the company name
While very important, deciding a company name can often take the Students a great deal of time to agree. The quicker you can facilitate this, the sooner the company can get up and running. For legal reasons the word "Limited" must not be used and the phrase "A Branch of Young Enterprise Scotland" must follow the adopted name.

6. Roles and responsibilities of function directors.
The Students pack to be issued to all attendees. Further discussion will be necessary.

7. Future Meetings
Agree time, day and place for weekly meetings. Consider your own commitments at this stage. Give the Students your contact address, email, telephone/fax.

5.3 The second meeting

The second company meeting will be chaired, initially, by the Business Adviser. Following the election of directors they will, if appropriate and with support, hand the chair over to the newly appointed Managing Director.

In this meeting Students will need to sign off a printed copy of the Memorandum and Articles of Association. This can be found in the Company Resources section of the website and must be printed out and brought to the meeting.

If possible, it will be helpful in this session to demonstrate aspects of the YEUK Company Programme website. The best way to do this is to display items using a computer (with Internet connection) and a projector. The Business Adviser should be familiar with the YEUK Company Programme website along with the Lothian Area Team website before attending this meeting.

5.4 Agenda for second meeting

An agenda for the second meeting may include:

1. Apologies for non-attendance.
2. Election of Directors.
Ask if there are any queries over the Roles and Responsibilities. Agree with group how they want the elections to take place and elect the directors.
3. Go through the Director roles and documentation on YEUK website.
Go through the contents on the YEUK website.
4. Talk through the YEUK Company Programme Website.
The Link Teacher should already have supplied each Student with a username and password for the website. Talk Students through the guide to using the website. If possible, demonstrate the website features by logging into the website with your own account. You should arrange a separate session to go over the online accounts system with the Finance Director(s).
5. Decide on permissions for the website.
Make sure that everyone knows that the Managing Director will have extra responsibilities on the Company Programme website. The Managing Director will have the ability to allow certain company members to have extra permissions on the site.

The company needs to decide which members will have permission to:

- *Edit the company Calendar*
- *Edit the company Tasks*
- *Upload/delete the company resources • Edit the company accounts*
- *Edit the company profile • Edit the company member profiles*

The Managing Director should think very carefully before setting these permissions and this is an opportunity to discuss how they should be used. It is recommended that only one Student (normally the Finance Director) is given permission to edit the online accounts. The Managing Director will be able to change these permissions online at any time.

6. Begin discussion of potential products or services.
Choosing the product/service is very important. You should ensure all possibilities are explored. Brainstorming is a useful technique to get everyone's ideas and there are some methods for this in the document. Agree actions to research products/services before next week. Finalising the choice of product may take several weeks. Further guidance is available on the website including a theme on innovation and choosing a product or service.

7. Complete Memorandum and Articles of Association.
This should have been printed off from the company resources section of the website and needs to be signed by the company members. It should be kept with other company documents by the Company Secretary.

8. Discuss Business Plan.
This is an opportunity to introduce Students to the idea of a business plan and for them to discuss their initial ideas. Full discussion of the business plan is covered in the third meeting.

9. Agree to open a bank account+or school account.
Once the company has chosen a name and elected Directors it can open a bank account or school account. Depending on the location of the school/college, sometimes Students have difficulties in physically getting to the bank and you may have to assist them.

10. Any outstanding business including key dates for Studentsq calendar.
Some key dates are found in the "Running Your Company" section of the online website guidance. It is a good idea at this stage to check general understanding and that everyone feels involved.

11. Date and time of next meeting

12. Brief Managing Director for next meeting
After the meeting has closed have a brief discussion with the Managing Director and Company Secretary to agree how they will prepare for next week's meeting. Remind the Managing Director that he/she will need to log on to the Company Programme website and set permissions for company members as discussed

5.5 The third meeting

By this stage the Managing Director should have assumed responsibility for chairing company meetings. As the company progresses, the Business Adviser should take less of an active role. For the first full meeting that the Managing Director chairs it is, however, useful to provide some guidance on the topics they may wish to consider. These include:

1. Agree on product or service (or plan next steps towards agreement)
This is a crucial decision for your company to make, to ensure they choose a product which meets the customers' needs. Making and producing the product is a major and enjoyable part of the Company Programme experience. Young Enterprise Scotland discourages simply retailing (i.e. buying and selling products). Commitment to their product/service is a vital factor, which holds a Young Enterprise Scotland company together. Ensure that Students have checked their product or service against legal and insurance guidelines (found in the online guidance) and particularly the list of prohibited products. Further guidance is available on the website including a theme on innovation and sample product/service ideas.

2. Consider Health and Safety issues
You must be aware of your responsibilities in this area. Refer to the rules and guidelines section of the website guidance.

3. Agree how capital will be raised
Ensure that the Company Secretary issues share certificates found and can be printed from the YEUK website.

4. Draw up Business Plan
Every new Young Enterprise Scotland Company needs a Business Plan. It provides the company with a document they can use when approaching prospective shareholders and lenders. It will help to clarify the amount of capital required for the project. The Managing Director is responsible for co-ordinating the production of the Business Plan.

Ensure that the MD is starting to draw together information for the Business Plan, to include the following:

- *the prospective venture;*
- *the key people;*
- *the products or services;*
- *the marketing strategy;*
- *financial requirement.*

Get agreement on when to complete and present - possibly each monthly Board Meeting. Further guidance is found on the YEUK Company Programme website.

5. Draw up a Mission Statement and Self-Assessment Objectives

Once the company has decided on a name and the product or service it is going to provide, it is useful to produce a Mission Statement and self-assessment objectives. A Mission Statement is a vision of the kind of company the Students are aiming for. It should be short, concise, understated and agreed by everyone in the company.

Self-assessment objectives will give the company some guidelines against which to assess themselves. It is an opportunity for the Students to consider quality and customer service, ensuring they are aiming for the highest standards possible. More detail on the self-assessment objectives is found later in this section.

6. Discuss Operations Plan

Areas to consider include Health and Safety, equipment and tools, hiring out, renting and purchasing. More guidance is found on the Company Programme website.

7. Have the Finance Director and Deputy Finance Director worked through the Finance Step by Step Guide?

A more detailed guide to finances is found in the company accounts section of the YEUK Company Programme website. Do they understand the finance guidance and how to use the online accounts system? Has the Managing Director given them permission to edit the online accounts?

6.1 The Competition

As well as providing a unique insight into running a business, the Company Programme is also a competition. Schools from across the Lothians, Scotland, the rest of the UK and even different parts of Europe are all setting out to create the best Young Enterprise company.

Points will be awarded to the Company at different stages over the coming year based on how you perform. At the end of the year these points will be collated and we will announce the overall winner from Lothian who will go on to represent the region in the Scottish finals in June. The Scottish winner will then be invited to take part in the UK finals in July, the winner of which will participate in the European finals in August. Just think, in a few months your company could be champions of Europe!

First, here is how points will be awarded within the Lothian Area:

Attending training day in October	10 points
Business Adviser or Link Teacher attending training day	5 points
Christmas Market	Up to 25 points
Company Report	Up to 25 points
Company interview	Up to 25 points
Company presentation	Up to 25 points
Total points available	Up to a maximum of 115 points

There are also a number of individual awards presented at the end of the year and more information on this, and all of the activities above will be provided to you in due course.

7.1 Timeline – please see the Lothian website for more information – www.lothianyes.com.

8.1 Calendar of events 2019/20

Information	Date	Location
Register your company on Young Enterprise UK website	By end August / early September	
Training day	Saturday 21 st September 9am . 2.30pm	RBS Gogarburn
Payment of £100 registration fee	By end September	
Christmas Market	Saturday 7 th December	Eric Liddell Centre, Morningside Road, Edinburgh.
Training session to discuss Awards Evening	13 th January 2020	St George's School for Girls
Deadline for entry for Awards Evening	31 st January 2020	Email the entry
Deadline for entry for the 2 minute Video	31 st January 2020	Email the entry
Young Enterprise Scotland / University of Strathclyde Exam (optional)	17 th . 28 th February 2020	
Deadline for Company Reports to be submitted	28 th February 2020	Email the entry
Company interviews	9 th 10 th or 11 th March 2020	TBC
Company powerpoint presentation	?? March 2020 To be confirmed	Email the entry
Company Presentations & Awards Night	?? March 2020 To be confirmed	Napier University Craiglockhart Campus, Edinburgh
Young Enterprise Scotland Wind up fee payments	By middle of April	To Young Enterprise Scotland.
Scottish Finals event	Mid June	Location to be advised.

9.1 The Volunteer Code of Conduct

It is important that both Students and volunteers can participate in Young Enterprise activities in a safe and secure environment. This Code of Conduct has been developed for the protection of both Students and volunteers. To this end, Young Enterprise expects all its Staff and volunteers to abide by this Code of Conduct.

Each volunteer:

- will abide by the Guiding Principles and Programme rules of Young Enterprise in all activities as a Young Enterprise Scotland volunteer;
- will inform Young Enterprise Scotland of any relevant police record or other factor, or any change in his/her circumstances, which may make him/her unsuitable either as a Young Enterprise Scotland volunteer or for any particular Young Enterprise Scotland activity;
- recognises that the role of a Young Enterprise Scotland volunteer places him/her in a position of trust with regard to all the Students participating in Young Enterprise Scotland programmes, the Young Enterprise Scotland organisation, and to colleagues in the volunteer and staff network, and undertakes to uphold that trust at all times;
- undertakes to maintain, within the organisation's procedures, the confidentiality of any information relating to other volunteers, supporters, Students or staff members made available to him/her in the course of the role as a Young Enterprise Scotland volunteer;
- will not knowingly place him/herself in a situation where the volunteer is alone with any Student and will endeavour to ensure that there are several Students and where possible another adult in attendance at any meetings;
- will not offer individual Students a lift in a car (although groups may be transported where there is suitable insurance cover in place);
- will not use Young Enterprise Scotland to bring financial advantage to him/herself or his/her business e.g. by directly selling his/her own company's products or services;
- will ensure that any Young Enterprise Scotland activities where Young Enterprise Scotland Students will be acting outside the normal activities of the school system (e.g. Trade Fairs, Skills Training Workshops etc.) are agreed and approved by the Link Teacher/Lecturer in advance;
- will not behave in any way, physically or verbally that could be offensive to a Student
- to remember at all times those interactions between him/her and Students must be such that no reasonable person observing that interaction could construe its nature as abusive.

Please understand that by volunteering to participate in Young Enterprise Scotland you are agreeing to abide by this Code of Conduct.