

Young Enterprise Scotland Company Programme

Students guide to getting started

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1.1 First meeting

The first meeting you attend will be chaired by your Business Adviser. The objective of this meeting is to give you an overview of what is involved in the company programme, to outline the timetable of events throughout the year and to explain the different roles that company members will fill.

At this first meeting the group should agree who will fill each of these positions. All subsequent meetings will then be chaired by the newly-appointed Managing Director.

1.2 Registration

The registration of the Young Enterprise Scotland Company will be completed by the Link Teacher via the online Young Enterprise website. Each member of the team will then receive log in details for the website by email.

Please note that your Company is not legal until the Registration process has been completed and you have received your Certificate of Incorporation, so you must not start trading before this has been done.

After registration the Young Enterprise office will send you a Company Programme Admin Box which includes important documents legal documents. It is essential that you keep them safe.

1. Certificate of Incorporation (this will show your Company Registration Number, which is also your Young Enterprise Scotland VAT number).
2. An insurance certificate.
3. An invoice for the Young Enterprise Scotland Registration fee (£100). Note: To pay the registration fee your Company will have to either approach the school for a loan or you will have to fund raise first.

1.3 Your Business Advisers

Business Advisers are volunteers who want to help you understand business and develop your skills and abilities. Their role is to support and guide you, never to lead or direct. You need to understand this, as Advisers will be allowing you to make mistakes and deal with difficulties as they occur. They will not solve problems for you. Solving them yourself is part of the fun and learning in Young Enterprise Scotland. Don't be afraid to ask questions, the Advisers are there to help you.

1.4 The “contract”

A good idea is to establish a contract (written agreement) between the students, the Business Adviser and your Link Teacher. This allows everyone to set out their expectations and commitment to the company at the start of the year.

1.5 Election of Function Directors

Further information is available on the duties and skills required for each position in the company in section 3.1. Although you are free to establish whatever roles you think are appropriate for your company, we recommend that you chose someone to fill the following roles (note those marked with an * must be filled):

- Managing Director*
- Company Secretary*
- Finance Director*
- Operations Director
- Human Resources Director
- Sales Director
- Marketing Director
- IT Director

If your company has more than 8 members then think about what other roles you might need to create. Also consider how other members of the team can contribute during the year.

1.6 Choosing a company name

A chance for fun and creativity, but remember your name should be business-like. Your product or service will probably have a different name.

1.7 Choosing your product or service

Look at section 2.1 and discuss the products you might make or services you could supply. Brainstorm ideas, consider all possibilities, even outrageous ones; they might just work!

Consider the best suggestions in more detail and ask questions such as:

- Is there a need for this product/service?
- Would it be easy to manufacture/supply?
- **Is it allowed by Young Enterprise Scotland?** . see list on www.lothianyes.com website under Programme > Resources.

See section 2.2 for more help evaluating product ideas.

1.8 Start to draw up a Business Plan and Mission Statement

Your plan will include details of your Company and its members, your visions and key objectives together with information about your products(s) / service(s), marketing plans and financial requirements. Mission statement is a short paragraph of what your Company wants to achieve.

1.9 Arrange financial facility

Depending on the school rules, you will need to either open a bank account via the school or approach a local bank.

1.10 Selling Shares

A share is simply a divided-up unit of the value of a company. Companies sell shares to raise capital and in return the shareholder owns part the company. Young Enterprise Scotland companies can also sell shares to raise some start-up capital. Agree the target of capital to be raised in order to get your business idea off the ground and start selling shares in your company to help generate this money. Each company member must own **at least one share** in your Company and there is a limit to the overall share capital that you can have. The Company Secretary will issue share books and open the share register. Copy of share certificates are available on the YEUK website.

1.11 Costing

Assess how much it will cost to produce your products or supply your services.

- Drawing up a list of items and their costs:

Materials	£
Facilities	£
Labour	£
Other	£

- Calculating:

What will each unit cost?

How much will you charge your customers?

How many you must sell in order to: (a) break even? (b) make an acceptable profit?

Make sure you understand how your Company finances will work e.g. Young Enterprise Scotland Wind Up fee.

1.12 Operations

Finalise your production/service processes and get going!

2.1 Sample Brainstorm of Young Enterprise Scotland Products

Candles	Furniture Baskets	Ashtrays
Canisters	Cases	Jars
Flags	Caps	Packages
Modelled ornaments	Party decorations	Electronic bike alarm
Calendars	Cup trees	Brooms
Book ends	Door knockers	Coasters
Place cards	Aprons	Scarves
Christmas tags	Garden markers	Mirrors
Table cloths	Teapots	Wheelbarrows
Letter racks	Fuse testers	Folios and albums
Shopping bags	Pencil cases	Christmas crackers
Cocktail napkins	Number plates	Play equipment
Napkin rings	Clipboards Bags	Surveys
Trays	Bowls	Boxes
Wallets	Vases	Insignias
Cushions	Salt and Pepper shakers	Stuffed animals
Place cards	Card games	Talking books
Wine racks	Bird boxes	Towel racks
Key rings	Book markers	Picture windows
Bean bags	T-shirt	Draught excluders
Picture frames	Beach bags	Laundry bags
Recipe books	Magazine racks	Fishing lures
Bus pass holders	Picture coverings	Dish towels
Christmas stockings	Phone card guards	Handkerchiefs
Knife racks	Chess sets	Letter openers
Beverage sticks	Trellises	Clocks
Pans	Placemats	Jewellery
Dishes	Flowers	Decorative objects
Greetings cards	Juggling balls	Children's books
Paperweights	Clothes pegs	Candlesticks
Flour scoops	Wall ornaments	Book covers
Pennants	Puppets	Christmas cards
Ring trees	Small purses	Pin cushions
Dolls clothes	Lawn ornaments	Pen/pencil holders
Biscuit cutters	Badge holders	Cosmetic bags
Dress covers	Scrap books	Reflecting name signs
Car cleaning kits	Display models	Chopping boards
Desk names	Scarecrows	

2.2 Choosing a product or service flowchart

Could your Company **SELL** the product or service?

i.e. - Will people want to buy the product in sufficient numbers?

- Could you sell at a price that people would be prepared to pay?
- Does your product have an advantage compared to others in the market?
- Is it innovative?

NO . There would be no point in making such a product - DISCARD THE IDEA.

YES

Could your Company **MAKE** the product?

i.e. - Could you obtain the necessary raw materials?

- Would you have access to any equipment needed?
- Would your workforce have the necessary skills?
- Would you have enough people and time to cope with the work?

NO . Clearly not a practical proposition . DISCARD THE IDEA.

YES

Would your Company **MAKE** a satisfactory **PROFIT**?

i.e. . Would the profit on the time be sufficient to justify the costs and effort involved in making it?

NO . Such a product would not be economically viable . DISCARD THE IDEA.

YES

Is the product on the **YOUNG ENTERPRISE SCOTLAND PROHIBITED LIST** . See Admin box or websites.

i.e. - Articles for human or animal consumption.

- Drugs, pharmaceutical products, cosmetics and beauty preparations.
- Acids, gases, explosives, fireworks or chemicals.
- Electrical products that plug into the mains.

YES - Unless you obtain special permission from Lothian Area Team . DISCARD THE IDEA

NO

Would the product infringe any existing **PATENT, TRADE MARK** or **COPYRIGHT** restrictions? (If in doubt ask your Advisers).

YES . By selling this product you would be breaking the law . DISCARD THE IDEA.

NO

The idea seems to be promising, include it in the short list of possible products that you will examine in more detail.

3.1 Key Roles

The most important role of each Student is as a player in the team. Football is a good comparison. The team only wins if they work hard for each other and blend well as a unit; but the individual skills of the players in each role are also important. Listed below are the skills you can expect to develop and the duties you need to undertake in the following roles:

Managing Director

Skills

- Leadership . able to motivate others and develop team spirit.
- Good communicator.
- Able to draw different departments together to work effectively.
- Recognises key issues and focuses attention on them.
- Able to formulate alternative solutions to problems.
- Diplomatic, demonstrates fairness and strength in the face of conflict.

Duties

- Overall innovative leadership.
- Identifying the mission with others.
- Agreeing the goals and monitor progress
- The individual responsible to shareholders, company members, customers, suppliers and financiers for company performance and employee well-being.

Operations/Production Director

Skills

- Good understanding of cost, profit and cash flow.
- A creative approach to minimising costs.
- Ability to manage people.
- Understanding of technological process.
- Organisational skills.
- Logical and creative thinking.

Duties

- Contributes to product development.
- Devises with team a cost effective manufacturing system and constantly seeks to improve it, maintaining quality and reducing costs.
- Balances production and demand, while maintaining flexibility to cope with surges.
- Advises on estimated costing.
- Purchases raw materials.
- Keeps inventories of materials, work in progress and finished goods.
- Trains, manages and monitors safety of Operations team.
- Maintains equipment and tools

Human Resources Director

Skills

- Behaviour skills . understanding people and groups.
- Proactive, creative approach to getting the best out of people.
- Negotiating skills.
- Interview and counselling techniques.
- Diplomacy and tact.

Duties

- Selects and ensures training of human resources to enable company mission to be achieved.
- Creates and coordinates the approach to industrial relations.
- Decides the approach to motivation and reward.
- Ensures individual skills are recognised and best utilised.
- Keeps personnel records.
- Monitors performance.
- Manages disciplinary proceedings.
- Records Student attendance and hours worked.
- Monitors safety.
- Ensures the company complies with employment law.

Marketing Director

Skills

- Innovative thinker.
- Creative flair.
- Planning skills.
- Ability to understand customer needs
- Ability to focus, motivate and enthuse team.
- Coordinating skills.

Duties

- Develops understanding of the market and the customer via market research and consumer observation.
- Identifies good markets and product niches within them; defines required product characteristics.
- Agrees product cost estimates and works to maximise profit by deciding with others volume / pricing strategy.
- With Sales Director agrees the route to market . how will the customer become aware of the product and get access to it?
- Develops promotion of product, e.g. advertising, PR, exhibitions, social media
- Devises monitors and updates overall marketing strategy and agrees sales forecasts.
- Monitors customer satisfaction.

Sales Director

Skills

- Good interactive personal skills with sales team and customers.
- Good understanding of the importance of price and cash flow.
- Communication and motivational skills.

Duties

- Develops in depth understanding of customers and competition.
- Monitors customer delight.
- Identifies unique value offered to any customer and accounts for this in pricing recommendations
- Recommends promotional activity and materials to achieve sales plan.
- Trains, monitors and motivates sales force.
- Controls stock received from Operations.
- Controls credit and cash collection.

Company Secretary

Skills

- Ability to coordinate, communicate and organise.
- An ability to grasp, summarise and report on key points and decisions at meetings.
- A logical and organised approach to keeping books and records.
- Interest and appreciation of legal matters.

Duties

- Responsible for communications in cooperation with team members.
- Completes registration documents.
- Keeps the Share Register.
- Administers company meetings including drawing up notification and agenda, and recording minutes.
- Enforces company Memorandum and Articles of Association.
- Keeps safe all Company documents and records.

IT Director

Skills

- Computer literacy.
- Knowledge and understanding of the Internet.
- Planning and organisation.
- Creative flair.
- Influencing others.

Duties

- Assesses the IT facilities available in to the company and makes recommendations of the appropriate software to use.
- Audits the IT skills of company members and provides training where appropriate.
- Ensures that company members understand how to access the Young Enterprise Company website and can use the relevant forms necessary.
- Works with the Marketing Director to create a company website and promotional materials.
- Liaises with the Link Teacher and Business Adviser re guidelines on Social Media.

Finance Director

Skills

- Innovative approach to financial and resource management.
- An analyst and forecaster, someone who can work out what the financial future will bring.
- A communicator who can present complex issues simply.
- Ability to work with others.
- Organised and accurate in presenting reports.
- Trustworthy with others money.
- Excellent attention to detail.

Duties

- Responsible to the Managing Director for production of the financial plan which shows how the company will deliver its profit.
- Monitors progress and recommends action to ensure results are delivered.
- Agrees pricing and seeks to optimise overall profit margin.
- Records all financial transactions.
- Forecasts cash flow and manages all cash and credit controls.
- Makes payments includes salaries and commission.
- Completes Young Enterprise Scotland Wind up Fee and payment.
- Prepares Profit and Loss Statements, Balance Sheets and End of Year accounts.
- Liaises with Company Secretary over control of Share Issue.
- Controls banking and cash security.
- Assists with stock valuations.

4.1 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 your 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 you could be champions of Europe!

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

Attending training day in September	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.

5.1 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.