



# **Access To Finance And Innovation**

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## 1. Teaser

**Did you know that women-led businesses that receive innovation funding are more likely to succeed and grow rapidly than those that don't?**

Join us to discover how you can tap into these opportunities and drive your business to new heights.

## 2. Introduction and module description

### **TRAINING FOR WOMEN ENTREPRENEURS: ACCESS TO FINANCE AND INNOVATION**

This module equips women entrepreneurs with essential skills in financial management and innovation funding. It covers key topics such as understanding legal documentation, financial statements, performance evaluation, liquidity and credit ratios, and pitching to investors. The module also explores net working capital management, creditworthiness assessment, and profitability analysis. Participants will learn to navigate financial challenges, secure funding for innovation, and enhance strategic decision-making capabilities. The training combines theoretical knowledge with practical exercises, ensuring a comprehensive learning experience. Participants will learn how to draft an innovation strategy, implement it effectively, and assess their company's innovation capacity. Their ability to create an innovation strategy will be strengthened by developing creative thinking skills, unlocking their potential to generate innovative ideas.

The module will start with the following topics:

- **Mindset for Creativity** (Growth Mindset, Overcoming Mental Barriers)
- **Divergent vs. Convergent Thinking**

Participants will engage in various creativity techniques, including brainstorming, SCAMPER, mind mapping, Six Thinking Hats, and the "How Might We?" approach.

Next, they will acquire fundamental knowledge on drafting a strategic innovation plan, transforming their innovative ideas—generated through the design thinking process—into a structured plan. This plan will include key elements such as:

1. Defining the innovation strategy

2. Vision, mission, and values
3. Setting clear goals, KPIs, and measuring success
4. Identifying the Job to Be Done and applying the Pain-Gain Model
5. Defining the Value Proposition
6. Creating a Business Model Canvas

Following this, participants will learn how to implement their innovation strategy and, finally, assess their innovation potential using the **INNOVATE methodology**, a self-assessment tool widely used by Serbian SMEs.

The module includes three interactive exercises. The innovation potential self-assessment is provided as a take-home tool, allowing participants to apply it at their convenience.

### 3. Learning content

The objective is to enable women entrepreneurs to improve their access to finance by teaching them basic financial management issues, available funds, and procedures for applying for innovation funding. The program also aims to provide them with the skills to pitch to investors and teach them by doing.

In the innovation segment, participants will learn to:

1. Enhance their creative thinking skills.
2. Develop the capability to create a strategic plan for innovation.
3. Strengthen their ability to effectively implement innovative ideas

#### 3.1 Access to finance

##### *1. Introduction to Legal Documentation and Financial Statements for Entrepreneurs<sup>1</sup>*

Introduction to the importance of access to finance:

Why is access to finance and innovation crucial for the success of women entrepreneurs?

- ✓ Growth

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<sup>1</sup> Brigham, E. F., & Ehrhardt, M. C. (2022); Hisrich, R. D., Peters, M. P., & Shepherd, D. A. (2020)



- ✓ Development
- ✓ Success

What are some of the challenges women entrepreneurs face in accessing finance?

- ✓ Methods of financing
- ✓ Collateral procurement

Evaluating company performance involves examining key financial metrics and ratios that help determine profitability, efficiency, and overall state of art. Ratio analysis, such as profitability, liquidity, and leverage ratios, helps entrepreneurs assess how well their business is performing over time, how it compares to competitors, and where improvements can be made. Financial analysis provides actionable insights that guide decision-making in areas like pricing, cost management, and investment.

Entrepreneurs must understand the fundamental legal and financial documents that underpin business operations. Legal documentation, such as incorporation papers, contracts, and partnership agreements, ensures regulatory compliance and mitigates risks. These documents also formalize business relationships and provide legal protection for women entrepreneurs striving to establish a solid foundation.

Financial statements are critical tools for monitoring business health. A balance sheet details assets, liabilities, and equity, providing insights into financial stability. Income statements summarize revenue and expenses, offering a clear picture of profitability. Cash flow statements track the movement of funds, crucial for meeting short-term obligations and maintaining operational efficiency.

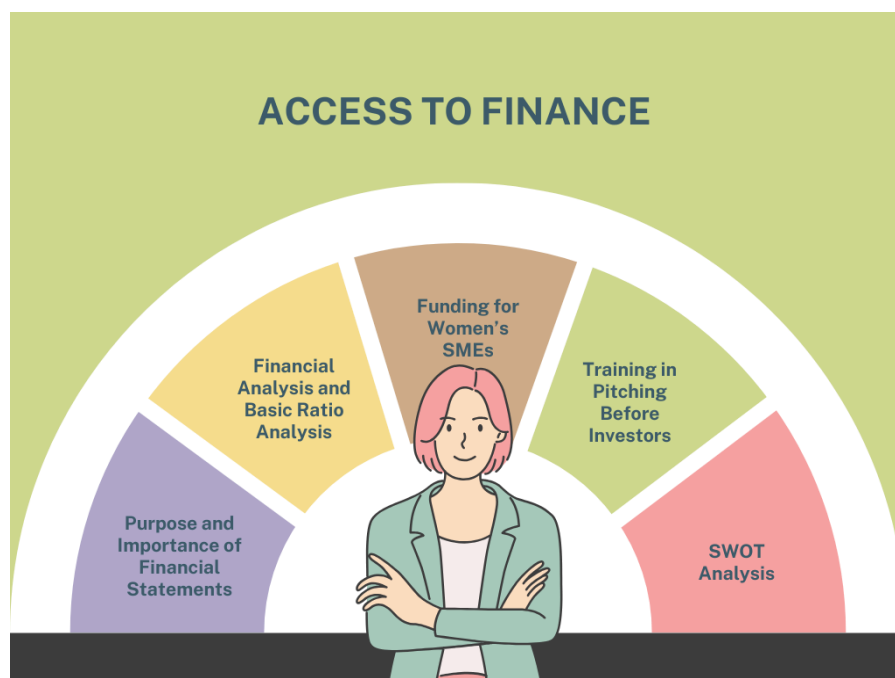
By mastering legal documentation and financial reporting, entrepreneurs can confidently approach investors, secure funding, and make strategic decisions. For women entrepreneurs, these skills are instrumental in overcoming challenges and achieving sustainable growth.

## 2. Company Performance Evaluation (Financial Analysis and Basic Ratio Analysis)<sup>2</sup>

Evaluating a company's performance requires systematic financial analysis and understanding key ratios. Financial analysis involves examining trends in revenue, costs, and profits over time to assess growth potential and operational efficiency. All entrepreneurs benefit from these insights, which help them tailor strategies that enhance competitiveness.

Basic ratio analysis simplifies the assessment of financial health. Profitability ratios, such as net profit margin, indicate how efficiently a business converts revenue into profit. Liquidity ratios assess the ability to cover short-term obligations, while leverage ratios measure the company's reliance on borrowed funds. Efficiency ratios track how effectively assets are managed to generate revenue.

Using these tools, women entrepreneurs can identify strengths, address weaknesses, and make informed decisions. Financial analysis not only fosters strategic planning but also builds confidence among stakeholders and investors.



**FIGURE 1 KEY ASPECTS OF ACCESS TO FINANCE. CREATED BY THE AUTHOR.**

<sup>2</sup> Gitman, L. J., & Zutter, C. J. (2022); Palepu, K. G., Healy, P. M., & Peek, E. (2022); Damodaran, A. (2020)

### 3. *Liquidity Ratios*<sup>3</sup>

**Liquidity:** the ability of a firm to pay its short-term debts.

**Liquidity ratios** measure a company's ability to meet short-term obligations. The current ratio, calculated as current assets divided by current liabilities, indicates the availability of resources to cover debts. A higher ratio suggests better liquidity, while a lower ratio signals potential financial strain.

The quick ratio (acid-test ratio) refines this analysis by excluding inventory from assets, focusing only on liquid resources. This is particularly useful for businesses in industries with slow-moving inventory. For all entrepreneurs, understanding these ratios is vital to maintaining operational stability and avoiding financial difficulties. Also known as the quick ratio, this is a stricter test of a firm's liquidity. It ignores the least liquid of the firm's current assets – inventories (stocks).

$$\text{Acid-test ratio} = \frac{\text{liquid assets}}{\text{current liabilities}}$$

The regular monitoring of liquidity ratios helps identify cash flow bottlenecks and ensures readiness to meet financial commitments. It also builds trust with lenders and suppliers, facilitating smoother business operations.

### 4. *Credit Ratio*<sup>4</sup>

**Credit ratios** assess a company's ability to handle its debt obligations. The debt-to-equity ratio compares total liabilities to shareholders' equity, reflecting the balance between borrowed funds and owner investments. A higher ratio may indicate financial risk but also highlights growth potential when managed effectively.

The interest coverage ratio measures how easily a business can pay interest on its debt using operating income. This ratio is critical for entrepreneurs seeking loans, as it reassures lenders about repayment capacity. Women entrepreneurs can leverage these insights to optimize borrowing strategies and negotiate favourable terms.

By understanding and applying credit ratios, businesses can achieve sustainable growth while maintaining financial stability.

<sup>3</sup> Ross, S. A., Westerfield, R. W., & Jaffe, J. F. (2021); Fabozzi, F. J., & Peterson Drake, P. (2020)

<sup>4</sup> Altman, E. I., Hotchkiss, E., & Wang, W. (2019); Bodie, Z., Kane, A., & Marcus, A. J. (2021)

## *5. Innovation funding for women's SMEs<sup>5</sup>*

**Innovation funding** is crucial for empowering women entrepreneurs to drive growth in small and medium enterprises (SMEs). Grants, loans, and equity financing are popular options. Governments and international organizations often provide targeted programs to support women-led businesses in technology, sustainable development, and other innovative fields.

Securing funding requires a solid business plan that highlights the innovative aspect of the enterprise. This includes identifying a unique selling proposition, demonstrating market potential, and outlining the expected impact. Additionally, women entrepreneurs can benefit from incubators and accelerators that offer mentorship alongside funding opportunities.

Women entrepreneurs have multiple financing options available, each with unique benefits and challenges. The choice of funding method depends on the business model, growth stage, and financial needs. By understanding these funding sources, women entrepreneurs can develop a strategic approach to securing capital and building successful, sustainable businesses.

Securing financing is one of the most critical aspects of launching and growing a business. Women entrepreneurs face unique challenges in accessing capital, but there are various funding options available to support their ventures. These funding sources differ in terms of eligibility, repayment obligations, and the level of business control retained by the entrepreneur. **Below is a theoretical overview of the key financing methods.**

### **1. Grants (Non-Repayable Funds)**

Grants are financial awards provided by governments, private organizations, or non-profits to support businesses without requiring repayment. They are typically awarded based on specific criteria, such as industry focus, social impact, or business ownership demographics (e.g., women-led businesses).

#### **Key Characteristics:**

- No repayment required

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<sup>5</sup> Carter, S., & Marlow, S. (2020); OECD. (2022)



- Competitive application process
- Often awarded for specific business purposes (e.g., innovation, social impact)
- May have reporting requirements to show fund utilization

📌 *Example:* Government-backed grants for women entrepreneurs support economic empowerment by reducing financial barriers to business entry and expansion.

## **2. Business Loans**

A business loan is a form of debt financing in which an entrepreneur borrows capital from a financial institution, online lender, or government-backed program and repays it over time with interest. Loans provide a structured repayment schedule, but they require a solid credit history, business plan, and sometimes collateral.

### **Key Characteristics:**

- Requires repayment with interest
- Can be secured (requires collateral) or unsecured (higher interest rates)
- Can be short-term or long-term, depending on the business needs
- Allows business owners to maintain full equity ownership

📌 *Example:* Microloans are a common financing method for small businesses, particularly in developing economies, providing low-interest capital to women entrepreneurs.

## **3. Venture Capital (VC) and Angel Investors**

Venture capital (VC) and angel investment involve external investors providing capital in exchange for equity (partial ownership) in the business. Venture capital firms typically invest in high-growth startups, while angel investors are individuals who provide early-stage funding.

### **Key Characteristics:**

- Provides significant funding for scaling businesses
- Investors take an ownership stake and may influence decision-making
- Suitable for high-growth, innovative start-ups
- Requires a strong business plan and growth strategy

📌 *Example:* Tech start-ups often attract venture capital funding because they demonstrate high scalability and profitability potential.

#### 4. Crowdfunding

Crowdfunding is a method of raising funds from a large number of people, usually through online platforms. It allows entrepreneurs to secure financing without traditional financial intermediaries, leveraging public interest and community support.

##### Key Characteristics:

- Uses digital platforms to raise small amounts from many contributors
- Can be **reward-based** (pre-selling products), **equity-based** (offering shares), or **debt-based** (repayable loans)
- Ideal for product-based businesses and creative ventures
- Requires strong marketing and audience engagement

📌 *Example:* Women-led businesses in fashion or technology often use Kickstarter to secure early-stage funding by offering pre-orders as rewards to backers.

#### 5. Business Competitions and Accelerators

Entrepreneurial competitions and accelerators provide funding, mentorship, and networking opportunities to start-ups. Many of these programs focus on supporting women entrepreneurs by offering capital in exchange for participation in mentorship and training programs.

##### Key Characteristics:

- Competitive selection process
- Provides funding, mentorship, and networking opportunities
- Often focused on innovation, technology, or social entrepreneurship
- Some require partial equity in exchange for funding


📌 *Example:* The Cartier Women's Initiative provides grants and mentorship to female entrepreneurs with businesses that have a social impact.

#### 6. Bootstrapping (Self-Funding)

Bootstrapping refers to funding a business using personal savings, reinvested profits, or revenue generated from early operations rather than seeking external financing. This method allows entrepreneurs to retain full ownership and control but may limit growth potential due to resource constraints.

**Key Characteristics:**

- No debt or loss of equity
- Requires financial discipline and careful budget management
- Best for businesses that can generate revenue quickly
- May limit expansion opportunities without external funding

 *Example:* Many small businesses start by bootstrapping, reinvesting early profits into growth before seeking external financing.

You can find useful information about the funding opportunities in the section [Grants and Programmes for Women Entrepreneurs](#).

With the right funding and support, women-led SMEs can scale their operations, penetrate new markets, and contribute significantly to economic development.

## *6. Training in pitching before investors<sup>6</sup>*

Pitching is an essential skill for entrepreneurs seeking investment. A successful pitch succinctly communicates the business idea, target market, revenue model, and growth potential. Women entrepreneurs can gain confidence by structuring pitches that emphasize innovation, financial sustainability, and social impact. Key components of an investor pitch include a compelling introduction, a problem-solution narrative, and a clear ask (investment amount and its purpose). Visual aids and data-driven arguments enhance credibility while rehearsing improves delivery and confidence.

Pitching to investors requires clear communication, strategic planning, and confidence. To increase the chances of securing funding, women entrepreneurs should go through structured training to refine their pitch and approach. By refining your pitch deck, mastering storytelling, engaging in mock pitching, and handling investor questions confidently, you can increase your chances of securing funding.

A pitch deck is a short presentation (usually 10-12 slides) that highlights key business aspects. It should include:

- 1.** Problem Statement – Clearly define the problem your business solves.
- 2.** Solution & Unique Value Proposition – Explain how your product/service addresses the problem.
- 3.** Market Opportunity – Show the market size and growth potential.

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<sup>6</sup> Clark, D. (2020); Kawasaki, G. (2020)

4. Business Model – Describe how you generate revenue.
5. Traction & Milestones – Present key achievements, customer acquisition, or revenue figures.
6. Competitive Advantage – Explain what differentiates you from competitors.
7. Go-To-Market Strategy – Outline your plan for acquiring customers.
8. Financial Projections – Provide realistic revenue and cost projections.
9. Funding Request – Clearly state how much funding you need and how you will use it.
10. Team – Highlight key team members and their expertise.

### *7. Explore the concept of net working capital to manage your operational finances effectively<sup>7</sup>*

**Net working capital (NWC)** is the difference between current assets and current liabilities. It reflects the liquidity available for day-to-day operations. A positive NWC ensures smooth operations, while a negative one may signal cash flow challenges.

Managing NWC involves optimizing inventory levels, accelerating receivables, and extending payables without compromising supplier relationships. For women entrepreneurs, efficient NWC management is crucial for maintaining financial stability and supporting growth.

By regularly reviewing NWC, entrepreneurs can identify areas for improvement, ensure operational efficiency, and prepare for unforeseen financial needs.

### *8. Blockade Verification<sup>8</sup>*

**Blockade verification** involves checking whether a business is under financial constraints, such as frozen accounts or unresolved debts. This step is essential for maintaining transparency and credibility in financial dealings.

Certifications confirming tax settlements are equally important. They assure stakeholders that the business complies with tax regulations, avoiding legal issues.

Adhering to these practices not only protects businesses from penalties but also enhances their reputation in competitive markets.

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<sup>7</sup> Higgins, R. C. (2018); Fraser, L. M., & Ormiston, A. (2020)

<sup>8</sup> OECD. (2021); Shaxson, N. (2018)

### *9. Certifications confirming the settlement of tax obligations*

Certifications confirming tax settlements assure stakeholders that the business complies with tax regulations, avoiding legal issues. For entrepreneurs, these certifications build credibility, fostering smoother partnerships and enhancing business reputation while avoiding penalties in competitive markets.

### *10. Creditworthiness Assessment<sup>9</sup>*

**Creditworthiness assessment** evaluates a business's ability to repay debts. It involves both quantitative and qualitative analyses. Quantitative aspects include examining financial ratios such as debt-to-equity and interest coverage, while qualitative aspects focus on business history, industry reputation, and management capabilities.

Women entrepreneurs must understand their credit profile to access financing effectively. Building a strong credit history involves timely debt repayment, maintaining a good credit utilization ratio, and ensuring financial transparency.

This assessment is critical for negotiating favourable loan terms and establishing trust with lenders. Regular evaluations allow entrepreneurs to improve their creditworthiness and prepare for future growth opportunities.

### *11. Conduct an assessment to determine the creditworthiness of your enterprise*

**Assessing creditworthiness** begins with a thorough review of financial documents such as balance sheets and cash flow statements. Entrepreneurs must ensure these records are accurate and up to date. Financial ratios, including liquidity and solvency measures, provide insight into the company's financial health.

Qualitative factors, such as the stability of the management team and market reputation, are also considered. For women entrepreneurs, aligning personal credit history with business credit can enhance the overall evaluation.

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<sup>9</sup> Altman, E. I. (2018); Bragg, S. M. (2020)

Assessment of Creditworthiness:

- Importance of assessing creditworthiness for accessing financial resources.
- How to assess one's creditworthiness?
- Quantitative analysis
- Qualitative analysis
- Pitching presentation

By conducting regular assessments, businesses can identify areas for improvement, strengthen their financial standing, and gain access to a broader range of funding options.

## *12. Profitability Analysis<sup>10</sup>*

**Profitability analysis** measures a company's ability to generate profit relative to its revenue, assets, and equity. Key metrics include gross profit margin, operating profit margin, and return on equity (ROE). These indicators reveal whether the business model is sustainable and efficient.

For women entrepreneurs, understanding profitability helps in identifying cost-saving opportunities and optimizing pricing strategies. Analysing trends over time can highlight the success of initiatives and guide strategic planning.

### **Importance of Profitability Analysis for Women Entrepreneurs**

- 🚀 **Access to Funding** – Investors and lenders assess profitability before providing capital.
- 📊 **Business Growth** – Helps decide when to expand, hire staff, or invest in new products.
- 💰 **Pricing & Cost Control** – Ensures products/services are priced competitively while maintaining profitability.
- 🧑💻 **Financial Independence** – A profitable business allows women entrepreneurs to reinvest and scale without relying on external financing.

Effective profitability analysis is crucial for securing investments, as it demonstrates the business's potential for long-term growth. It also empowers entrepreneurs to make informed decisions that align with their financial goals.

## *13. Perform a thorough analysis of your company's profitability*

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<sup>10</sup> Penman, S. H. (2021); Palepu, K. G., Healy, P. M., & Peek, E. (2020)

To perform a comprehensive profitability analysis, begin by calculating profit margins and comparing them against industry benchmarks. This step helps identify whether the business is operating efficiently and competitively.

Next, evaluate cost structures, including fixed and variable expenses, to identify areas where costs can be reduced without compromising quality. Analyse product or service profitability to determine which offerings contribute the most to the bottom line.

For women entrepreneurs, regularly reviewing these metrics supports financial transparency and strengthens their position when seeking funding or partnerships. By optimizing profitability, businesses can achieve sustainable growth and enhance their market presence.

#### *14. SWOT Analysis<sup>11</sup>*

**SWOT Analysis** is a simple but powerful tool that helps women entrepreneurs evaluate their business by identifying Strengths, Weaknesses, Opportunities, and Threats. It provides a clear picture of where the business stands and helps in strategic decision-making.

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<sup>11</sup> Gürel, E., & Tat, M. (2017); Piercy, N. (2019)

## What Does SWOT Stand For?

Category	Description	Examples
S – Strengths (Internal, Positive)	Advantages your business has over competitors, such as unique products, strong brand reputation, loyal customer base, skilled team, and efficient operations.	📌 A woman entrepreneur running a handmade cosmetics business may have strong customer loyalty due to natural ingredients.
W – Weaknesses (Internal, Negative)	Areas where your business needs improvement, including limited financial resources, lack of brand awareness, dependence on a single supplier, and weak online presence.	📌 A female-owned bakery may struggle with high ingredient costs, reducing profit margins.
O – Opportunities (External, Positive)	External factors your business can leverage for growth, such as increasing demand, new technology, government grants, and expansion to new markets.	📌 A woman entrepreneur in fashion may find an opportunity in the growing demand for sustainable clothing.
T – Threats (External, Negative)	External challenges that could harm your business, include strong competition, economic downturns, changing customer preferences, and supply chain disruptions.	📌 A woman running a local boutique may face threats from big online retailers offering lower prices.

TABLE 1 AUTHOR'S INTERPRETATION OF SWOT ANALYSIS

## Why Is SWOT Analysis Important for Women Entrepreneurs?

- ✓ Helps in **better decision-making**
- ✓ Identifies **areas for business improvement**
- ✓ Guides in **strategic planning**
- ✓ Prepares the business to **handle challenges**

Conducting a SWOT analysis regularly ensures that strategies remain aligned with business goals. It fosters informed decision-making and equips entrepreneurs with a proactive approach to navigating challenges and seizing opportunities.





**FIGURE 2 SWOT ANALYSIS. CREATED BY THE AUTHOR.**

A SWOT analysis can be conducted through a self-assessment checklist, serving as a fast-track evaluation tool for micro and small companies, often led by women. [Here](#) you can access the self-check along with the PESTEL analysis that complements the SWOT analysis (Exercise 1).

## 3.2 INNOVATION

### *1. Effective implementation of innovative ideas*

Clayton Christensen (The Innovator's Dilemma, 1997), and Nadya Zhexembayeva (Overfished Ocean Strategy: Powering Up Innovation for a Resource-Deprived World, 2021) explained the phenomenon of Corporate Narcissism or "We're Too Good to Fail" by describing why large organizations fail to engage in the innovation process: "The decision-making and resource allocation processes that are critical to success organization is the art of listening to customers, carefully monitoring the activities of competitors, and investing resources in designing and building high-quality, high-performance products that will bring more profit. These are the reasons why organizations fail when faced with disruptive technological changes."

According to Mamula Nikolić, T. (2023)<sup>12</sup> several questions arise - how can we reinvent a business, its processes, business model, and brand, considering the rapid changes in the environment? How can we respond to the demands of consumers, employees, suppliers, business partners, society, and increasingly strong competition?

### *2. Assessment of innovation capacity for SMEs including self-assessment test based on INNOVATE methodology*

When assessing their innovation potential, companies may analyse various segments of innovation management, including product development strategy, structured product development, teamwork quality, and the tools and techniques used in the product design process. Each of these segments encompasses different aspects, which are outlined here.

#### *1. Product Development Strategy:*

##### **1. Business Strategy**

Strategic planning, defining the mission, vision, and/or clear business focus. Regular preparation of annual plans, analysis of new markets and products

##### **2. Products and Markets**

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<sup>12</sup> Mamula Nikolić, T. (2023). *Business reinnovation*.

Understanding of competition, awareness of market needs for your product, assortment planning, etc

### **3. Technology and production**

How much does the company track technological changes, and how much effort and resources are invested in improving design, technology, and business processes?

### **4. Customer focus**

To what extent do the company's products/services meet customer needs? Are customer requirements defined before developing a new product? Awareness of laws regulating the market for specific products/services (existence, permits, standards) ...

### **5. Quality**

The existence of quality standards, adherence to quality practices and procedures throughout the company following ISO 9000, presence of quality control in the business system (in which segments), the existence of a TQM (Total Quality Management) program aimed at continuous improvement of development, production, sales, and service activities. Ability to quantify costs of quality/failure.

### **6. Intellectual property rights**

To what extent does the company pay attention to intellectual property protection when developing a new product? Does it have resources for intellectual property protection?

## *II. Structured product development*

How to create a structure of the product development process, aiming for the rapid realization of the project and maintaining control over the process implementation?

Defined process (to what extent is the product development procedure present and is it present at all? Is each product developed differently?). Procedures exist but are simple, and controlled through meetings; the product development process is clear and defined by the Official Control Manual for all phases of the process; there is complete tracking of product status in each phase of the process

Organization (Is there a developed line of responsibility in product development management or is only one manager responsible for the entire process?).

Level of implementation (To what extent are there plans for various types of development projects, decisions are made on an ad hoc basis regarding which processes will accompany which project; are there and to what extent are there rules for various types of projects from major developments to simple adaptations; does the entire company understand the process; are clear criteria for the process that accompanies each project; performance measurement is used for continuous improvement).

**1. Performance measurement**

Is there quantitative performance measurement for product development? project's impact known at the end of the fiscal year or not; are performance regularly measured in each phase of the process or not

**2. Initial project assessment**

How thoroughly are initial assessments of development production costs conducted and compared with sales prices and quantities; to what extent is fully integrated marketing, development, and production evaluation present before any project is approved?

### *III. Teamwork*

How do people work together in a team and how successful they are in developing a new product: team selection, organization, and functioning?

- Team composition
- Roles and responsibilities
- Training and qualifications
- Management and motivation
- Communication

### *IV. Tools and techniques*

Availability and application of appropriate tools and techniques such as CAD, SPC, FMEA, in all stages of the product design process, to maximize the effectiveness of the development team.

Application of:

- Quality improvement tools
- Cost reduction tools
- Information technology
- Planning tools
- Product testing and evaluation

### *V. Parallel work (on several aspects of the project)*

- Market, product, process, materials
- Product price
- Available information
- Supply chain partnership

### *VI. Project and program management*

How projects and groups of projects are managed to ensure efficient resource allocation; eliminate conflicts and bottlenecks in the process; control costs; adhere to activity schedules

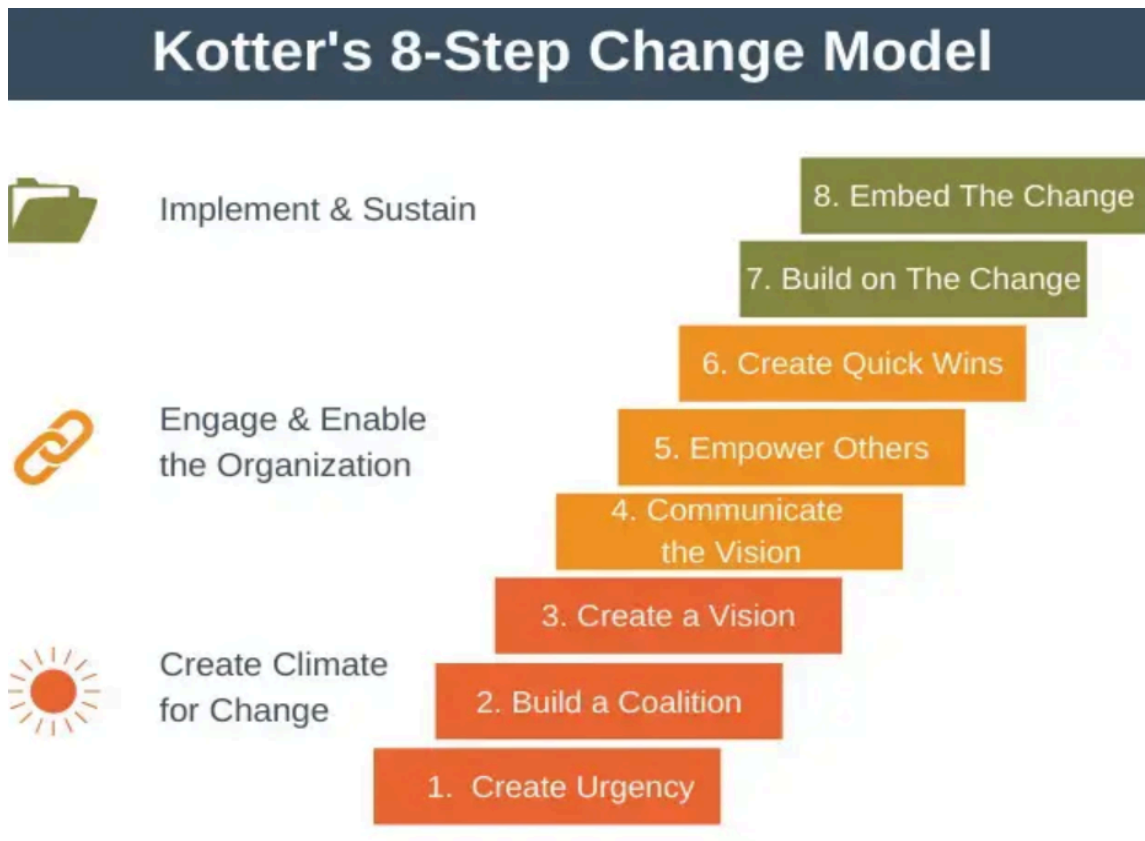


FIGURE 3 KOTTER'S 8-STEP CHANGE MODEL<sup>13</sup>

Think about each point in the context of your company. For example, an entrepreneur might reflect on how extensively she uses ICT, quality improvement tools, cost reduction tools, and other similar resources.

The list of innovation management segments serves as a takeaway resource, enabling participants to analyse their business from multiple perspectives and gain new insights.

<sup>13</sup> More information can be found at: [https://www.coursera.org/lecture/management-skills-international-business/key-concept-kotter-8-step-change-model-wrnUn?utm\\_medium=sem&utm\\_source=gg&utm\\_campaign=b2c\\_emea\\_x\\_multi\\_ftcof\\_career-academy\\_cx\\_dr\\_bau\\_gg\\_pmax\\_gc\\_s2\\_en\\_m\\_hyb\\_23-12\\_x&campaignid=20882109092&adgroupid=&device=c&keyword=&matchtype=&network=x&devicemodel=&creativeid=&assetgroupid=6485735763&targetid=&extensionid=&placement=&gad\\_source=1&gclid=Cj0KCQiAkoe9BhDYARIsAH85cDN1Oz3JmbzDaslmVnbfXrh\\_9CCpFo53DaWAbgn419EhQvwqoUI6Ob8aAvrMEALw\\_wcB](https://www.coursera.org/lecture/management-skills-international-business/key-concept-kotter-8-step-change-model-wrnUn?utm_medium=sem&utm_source=gg&utm_campaign=b2c_emea_x_multi_ftcof_career-academy_cx_dr_bau_gg_pmax_gc_s2_en_m_hyb_23-12_x&campaignid=20882109092&adgroupid=&device=c&keyword=&matchtype=&network=x&devicemodel=&creativeid=&assetgroupid=6485735763&targetid=&extensionid=&placement=&gad_source=1&gclid=Cj0KCQiAkoe9BhDYARIsAH85cDN1Oz3JmbzDaslmVnbfXrh_9CCpFo53DaWAbgn419EhQvwqoUI6Ob8aAvrMEALw_wcB)



Companies can also use a simple tool for assessing innovation capacity called INNOVATE, which is available [here](#) (Exercise 2).

## 4. Summing up

### Take-Aways:

- ❖ Legal Documentation and Financial Statements: Understand the importance of accurate legal documentation and financial statements for maintaining business transparency and securing funding.
- ❖ Company Performance Evaluation: Learn to perform financial and basic ratio analysis to evaluate company performance effectively.
- ❖ Liquidity Ratios: Gain insights into liquidity ratios to assess the short-term financial health of your business.
- ❖ Credit Ratio: Understand credit ratios and their significance in evaluating the creditworthiness of your business.
- ❖ Innovation Funding: Explore available funding opportunities for women's SMEs and understand the procedures to apply for them.
- ❖ Pitching to Investors: Develop effective pitching skills to present your business ideas and secure investments from potential investors.
- ❖ Net Working Capital Management: Learn how to manage your operational finances effectively by understanding the concept of net working capital.
- ❖ Blockade Verification: Understand the procedures for verifying and addressing potential business blockades.
- ❖ Tax Obligations: Learn about obtaining certifications that confirm the settlement of tax obligations to ensure compliance.
- ❖ Creditworthiness Assessment: Conduct thorough assessments to determine the creditworthiness of your enterprise.
- ❖ Profitability Analysis: Perform detailed profitability analyses to understand your company's financial success and areas for improvement.
- ❖ SWOT Analysis: Utilise SWOT analysis to identify strengths, weaknesses, opportunities, and threats, aiding strategic decision-making along with PESTEL analysis.
  - **Exercise 1:** SWOT and PESTEL analysis.
- ❖ Effective Implementation of Innovative Ideas
  - Execution of innovation requires overcoming resistance to change, effective leadership, and team alignment.
  - Change management models, such as Kotter's 8-Step Change Model, provide structured approaches for transitioning organisations through innovation.





- Corporate Narcissism can hinder innovation, as seen in the reluctance of large organisations to adapt to disruptive changes.
- **Exercise 2:** INNOVATE: Self-assessment tool of the innovation potential applicable for SMEs.

## 5. Content for self-assessment test

### 5.1 Self-assessment for Access to Finance

**Question 1:** Why is access to finance and innovation crucial for the success of women entrepreneurs?

- a) To increase company expenses
- b) To avoid legal regulations
- c) To achieve growth, development, and success **(Correct Answer)**
- d) To reduce the need for financial management

**Question 2:** What is the main purpose of financial ratio analysis for women entrepreneurs?

- a) To increase business costs
- b) To assess profitability, liquidity, and leverage for better decision-making **(Correct Answer)**
- c) To attract competitors
- d) To eliminate financial reporting

**Question 3:** What does the liquidity ratio measure?

- a) A company's ability to expand into international markets
- b) The level of long-term investments
- c) A company's ability to meet short-term debt obligations **(Correct Answer)**
- d) The efficiency of employee management

**Question 4:** What does the debt-to-equity ratio indicate?

- a) The total revenue of a company
- b) The percentage of profit reinvested in the business
- c) The balance between borrowed funds and owner investments **(Correct Answer)**
- d) The amount of taxes paid annually

**Question 5:** What is a key requirement for securing funding for women's SMEs?

- a) Avoiding financial transparency
- b) Developing a solid business plan with a clear growth strategy **(Correct Answer)**
- c) Ignoring investor expectations
- d) Relying only on personal savings

**Question 6:** What is the main characteristic of grants as a financing option?

- a) They require repayment with high interest
- b) They are awarded with no repayment required (Correct Answer)**
- c) They demand immediate equity ownership transfer
- d) They are only available to large corporations

**Question 7:** What is a key advantage of venture capital funding?

- a) It requires no business plan
- b) It provides significant funding for scaling businesses (Correct Answer)**
- c) It is interest-free and requires no repayment
- d) It does not require investor involvement in decision-making

**Question 8:** Why is crowdfunding a popular financing method?

- a) It allows businesses to raise funds from multiple contributors online (Correct Answer)**
- b) It eliminates the need for financial planning
- c) It guarantees funding without investor scrutiny
- d) It is only available for multinational corporations

**Question 9:** What is a major benefit of participating in business competitions and accelerators?

- a) Receiving funding, mentorship, and networking opportunities (Correct Answer)**
- b) Avoiding financial analysis
- c) Completely replacing business loans
- d) Ensuring guaranteed investment

**Question 10:** What is an essential component of an effective investor pitch?

- a) A vague and general market opportunity
- b) A clear problem-solution statement and financial projections (Correct Answer)**
- c) Minimal preparation and no visual aids
- d) Avoiding discussions on business challenges

**Question 11:** What does net working capital (NWC) represent?

- a) The total value of long-term assets
- b) The difference between current assets and current liabilities (Correct Answer)**
- c) The annual tax obligations of a business
- d) The number of employees in a company

**Question 12:** Why is blockade verification important for businesses?

- a) To assess whether a company is under financial constraints **(Correct Answer)**
- b) To increase tax liabilities
- c) To avoid compliance with financial regulations
- d) To eliminate the need for financial documentation

**Question 13:** What is the purpose of a creditworthiness assessment?

- a) To increase a company's debt without evaluation
- b) To determine a business's ability to repay its debts **(Correct Answer)**
- c) To reduce transparency in financial reporting
- d) To avoid financial planning

**Question 14:** What does profitability analysis help entrepreneurs understand?

- a) Their company's ability to generate profit and financial sustainability **(Correct Answer)**
- b) The number of employees they need to hire
- c) The best strategies for reducing financial reporting
- d) How to increase unnecessary business expenses

**Question 15:** What does SWOT analysis help women entrepreneurs achieve?

- a) Ignore external business threats
- b) Identify strengths, weaknesses, opportunities, and threats **(Correct Answer)**
- c) Increase reliance on personal savings
- d) Focus only on short-term business growth

## 6. Success case

### **Marija Ivankovic Jurisic owner of Atelier Marija Handmade**

Marija Ivanković Jurišić is a textile designer and the owner of the weaving studio Marija Handmade. She has received the Flower of Success Award for the best women entrepreneur of the year, as well as recognition from the Enterprise Europe Network for her successful participation in international textile programs.

The work of the Marija Handmade Studio is the result of Marija's research into traditional handcrafting techniques, intertwined with Serbian folkloric motifs and their stylisation on classic constructions of clothing and functional textile items.

Marija Handmade is committed to empowering and promoting women's entrepreneurship by engaging women from disadvantaged employment categories in this form of social enterprise. As a member of the Association of Business Women in Serbia (ABW Serbia), Marija gained valuable access to information on available grants, enabling her to secure funding for business innovation. Through ABW Serbia's free digital transformation workshops, she learned about the Center for Digital Transformation's program, which aligned with her goal of digitizing her business by launching a webshop and enhancing her marketing with the support of the expert. She applied for innovation funding and secured financial support for a consultant. This allowed her to work with a certified expert who guided her through the digital transformation process. Marija successfully completed her digital transition, launched a webshop, and integrated digital marketing into her overall business strategy.

By leveraging the social capital available through ABW Serbia, she accessed funding opportunities and successfully implemented the support services offered to her. As a result, her sales increased by an average of 30%, while her brand's image and positioning improved both within Serbia and across the Balkan region. Her work has also gained recognition internationally, particularly among the Serbian diaspora and expatriate communities in Serbia, who value sustainable fashion—an area in which Marija has become recognized.

You can view the full success story at the following link:  
<https://www.youtube.com/watch?v=GboOjIXEkZQ>

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<https://weconnectinternational.org/>

## 8. Related training materials

Module 3: Servitization and Innovation.

## 9. Keywords

- |                            |                              |
|----------------------------|------------------------------|
| 1. Legal Documentation     | 14. Design Thinking          |
| 2. Financial Statements    | 15. Innovation Strategy      |
| 3. Funding Opportunities   | 16. Business Model Canvas    |
| 4. Financial Analysis      | 17. Value Proposition        |
| 5. Liquidity Ratios        | 18. Trend Analysis           |
| 6. Credit Ratios           | 19. Leadership in Innovation |
| 7. Creditworthiness        | 20. Risk Management          |
| 8. Innovation Funding      | 21. Financial Health         |
| 9. Investor Pitching       | 22. Operational Finances     |
| 10. Working Capital        | 23. Strategic                |
| 11. Tax Compliance         | Decision-Making              |
| 12. Profitability Analysis | 24. Innovation capacity      |
| 13. Creative Thinking      |                              |

## 10. Operational Efficiency - ESCO Competencies and Skills

### Transversal Skills and Competences:

- o Social and emotional skills
  - o Critical thinking
  - o Analytical thinking
  - o Problem-solving
  - o Self-management
  - o Business management
  - o Adaptability
  - o Resilience
  - o Creativity
  - o Networking
  - o Initiative
  - o Flexibility
  - o Openness
  - o Understanding complexity
  - o Cooperation
  - o Empathy
  - o Innovation
  - o Leadership
- Skills
  - o Technological skills
  - o Product marketing
  - o Digital marketing
  - o Digital skills
  - o Communication
  - o Cooperation
  - o Emotional intelligence
- Knowledge
  - o Business management
  - o Online learning and training
  - o Advertising
  - o Cloud computing
  - o Big data
  - o E-commerce
  - o Artificial intelligence
  - o IoT
  - o Digital literacy
  - o Cybersecurity
  - o Data mining and analysis
  - o Sustainability
  - o Well-being
  - o Climate change
  - o Social media management



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