



Value of Failure

Polish Stakeholder Alliance

Action Plan

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Summary

Initial stakeholder groups:

- **Higher Education Institutes from the region**, especially: University of Szczecin, West Pomerania Technical University of Szczecin, Higher School of European Integration in Szczecin, Academy of Arts in Szczecin, Higher School of Banking in Poznań, Department in Szczecin. This group is especially important for the implementation of the Value of Failure Courses.
- **Business environment institution and enterprise support providers**. The regional networks of entrepreneurship support, including Northern Chamber of Commerce in Szczecin, West Pomerania JEREMIE Network Platform, Center for Support of Social Economics in Szczecin and others
- **Small business owners and entrepreneurs** – including those who could be classified as ‘honest failures’ and are considering a second chance at business ownership.
- **Business Consultants** (especially those with a focus on restructuring and reorganization) as they are important multipliers who have first hand contacts to companies who are about to fail.
- **Media** as a very important stakeholder group for the dissemination of the topic and the project/ its outputs.

Background - current situation

All members of the alliance in general agree that the failure, its perception and outcomes are an important social and scientific problems that should be properly researched and counteracted; especially:

1. the policy for second chance entrepreneurs is very important; however it should be carefully checked that the potential help is given to "honest failures" and is not given to potential frauds that may occur
2. the awareness in the Polish society about business failures is poor. It is mainly associated with frauds; changing the image of a bankrupted entrepreneur is going to be extremely difficult as most of the people perceive them as thieves who stole the money from the enterprise and only pretend to be bankrupts.
3. there is a need for administrative actions concerning the issues. Especially: Tax Offices, Social Insurance Company and Labor Offices should be aware of the program.
4. there is a lack of UE programmes aimed at failed entrepreneurs. All the EU programmes are targeted at the special groups; mostly young and elder people. There is hardly any program for middle age persons

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5. there is a common perception that previous business failure is treated as a thread by banks during the credit procedures. Therefore many people with experience and good business plans cannot receive a bank credit. They have to hide their previous bankruptcy.
6. there is a growing trend of personal advisory in business. There are more and more coaches and personal trainers. They work closely with entrepreneurs and should be also targeted by the project.
7. people who failed in business probably are not willing to share their experience. Perhaps a reward for a restarter, organized by a prestigious entity, would help in changing that.
8. the change is perception of failed entrepreneurs should start also in mass media, where failed entrepreneurs could be presented as valuable for society and economy.

Acting together - the Alliance as a collaboration form

Working together to establish the alliance the members and supporters have created a list of necessary aspects for the creation of the Alliance. These are

1. The creation of any type of alliance is very difficult. Most of the initiatives in real life fail. To prevent that:
 - a. the potential participants need to see the real benefits for themselves. A great idea is not enough to keep them interested and most of all engaged in the alliance.
 - b. there is a need of a party that would be a leader and organize the meetings, actions, etc. Such leader is essential for the alliance to be possible
 - c. there is a need of establishing an office for the alliance, with email, phone number, etc.
2. The potential advantages for entrepreneurs as participants in the alliance can be:
 - a. access to the up to date knowledge about the policies for failure enterprises
 - b. a true impact in creation of the policies for failure enterprises
 - c. relations with other members of the alliance, especially banks, financial institutions as well as state institutions, such as employment offices, etc .
3. The potential advantages for HEI and VET can be:
 - a. access to the up to date knowledge about the policies for failure enterprises
 - b. ready to use academic course for Value of Failure
 - c. a relatively new field for scientific research
 - d. relations with other members of the alliance, especially entrepreneurs.
4. The potential advantages for government institutions can be:
 - a. a true involvement in an important aspect of economic life
 - b. help of the leading partner of the project

The Alliance's impact on the Value of Failure course

The members of the alliance are interested in the Value of Failure course and perceive it as an important tool for overcoming the phenomenon. The following insights were made for the potential content of the course:

1. it should be interactive and prepared in an interactive form that suits nowadays youths,

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2. it should be packed with real life examples; these examples should include the "positive" examples, i.e. people who successfully managed to start over,
3. it should include the aspect of predicting the failure,
4. and most of all it should present that there is actually a value in failure.

Long term objectives of the Alliance

The signed action plan for the Alliance considers four major long term objectives, which transform into discussed and generally agreed actions. These are (the paragraph 2 of signed action plan):

1. Creation and strengthening of entrepreneurial attitudes based on experience, among others, entrepreneurs who in the past had to close their business.
 - a. To overcome the fear of failure there should be action undertaken to affect the mental level of failure perception. Such action can be taken:
 - i. well positioned and visited website promoting the value of failure
 - ii. Facebook fanpage about the issue (and other social media)
 - iii. other media, including the traditional media
2. Increase knowledge of those planning to start a new business (mainly students and young graduates) and people already in business on opportunities presented by the value of failure.
 - a. Support, actual use and dissemination of the Value of Failure course.
3. Exploration and dissemination of ways to support second chance entrepreneurs .
 - a. Actions taken in order to create the policy for second chance entrepreneurs on the local level (and in the future, with the support of other Alliances and stakeholders, at regional and even national level)
 - b. Exploration of the current policy and lobbying for more second chance entrepreneurs friendly policies among especially: Tax Offices, Social Insurance Company and Labor Offices.
4. Changing perceptions of the bankrupted enterprises and bankrupted entrepreneurs. It should be perceived not as the final stage of business but as a special tool to start over.
 - a. To overcome bad perception of "failed entrepreneurs" in the region, there should be formal and informal actions taken.
 - i. Formal actions include traditional and internet media to create a general change in the perception of failed entrepreneurs, especially understanding the difference between "honest" and "dishonest" failure. The members of the alliance declare willingness to support such informational campaigns.
 - ii. Informal actions include the change of the perception of Alliance members themselves and disseminating the idea to their environment



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