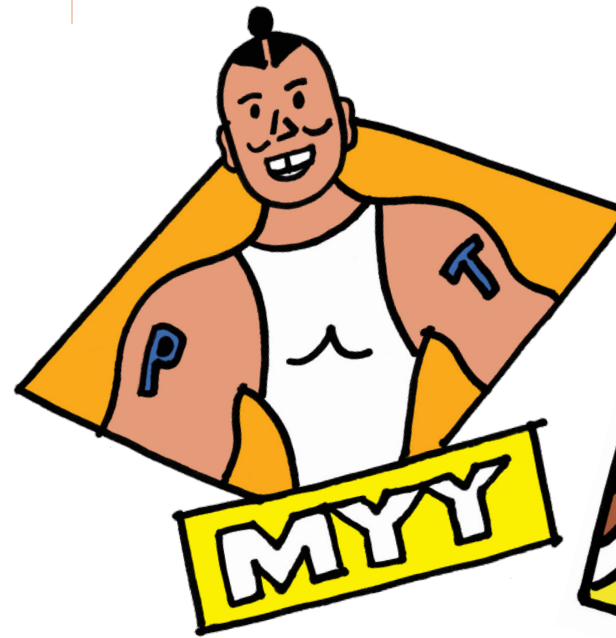




This Business Workout publication examines ten fundamental themes that every entrepreneur in the creative industry should consider in order to build and sustain lasting success. These themes remain important throughout the entire lifecycle of your business and are worth revisiting regularly. Are your business fundamentals in good shape? Take a moment to sit down and explore the themes presented in this guide.



BUSINESS WORKOUT



**MAKE YOUR
BUSINESS WORK OUT!**

KLOV

This Business Workout has been developed as part of the KLOV project, which is dedicated to strengthening business health and supporting ownership transitions of businesses in the creative and culture sector.



KLOV

Kulttuuri- ja luovan alan yritysten
yrittäjäkunnan kehittäminen ja
omistajanvaihdosten edistäminen



Euroopan unionin
rahoittama
NextGenerationEU



OPETUS- JA
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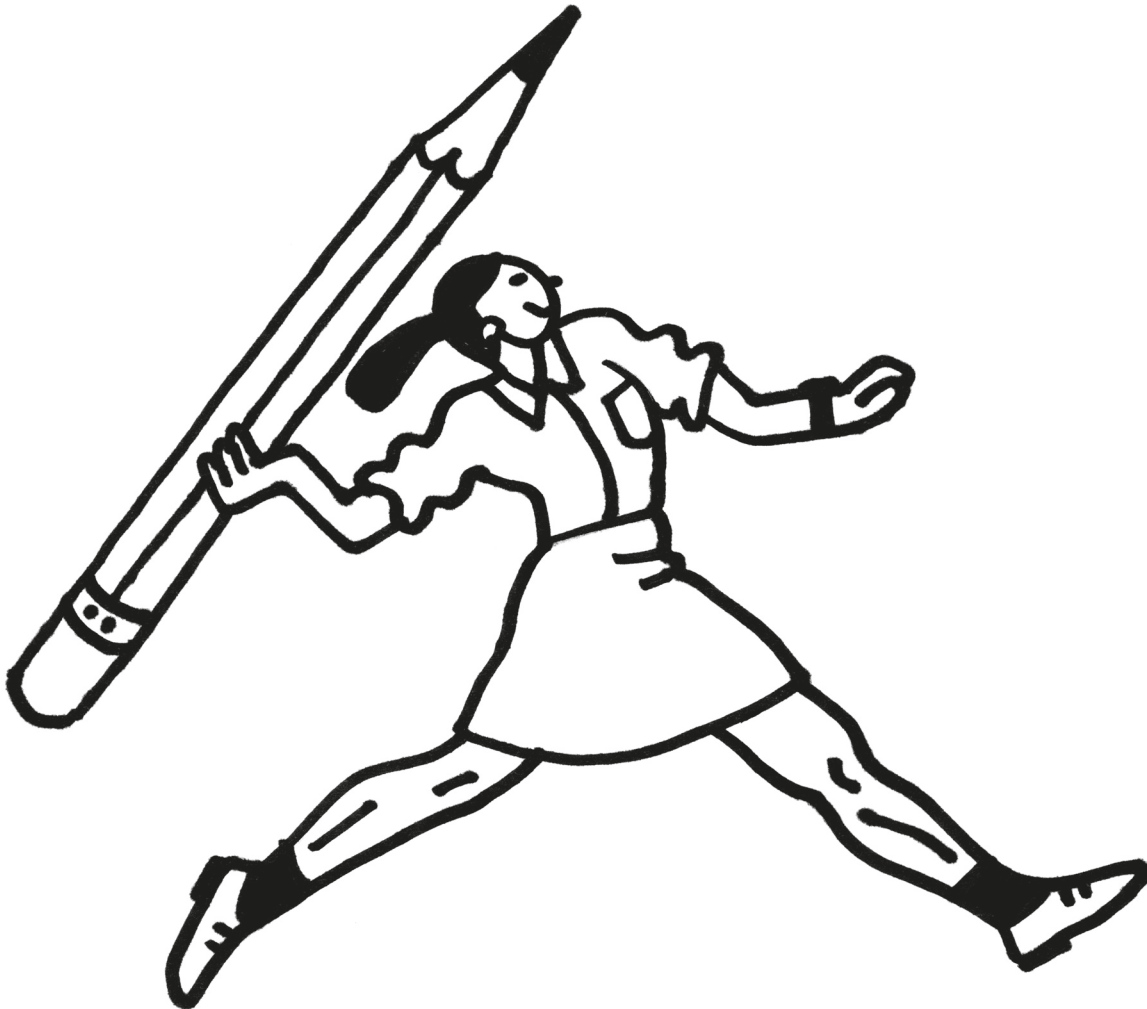


Vantaa Yrittäjät

TULOS –
JÄRJESTELYT
PARTNERS

ENTREPRENEURSHIP IN THE CREATIVE FIELD

– WHAT A WONDERFUL THING!



In this one concise guide, we have brought together ten themes that entrepreneurs should keep at the heart of their daily work. Each chapter highlights important aspects to consider when running a business. You probably already have most of these well under control, maybe even all of them! However, if you're looking for inspiration and ways to continuously develop your business, you'll find meaningful topics to reflect on and work through under each theme. We hope this We hope this Business Workout serves as a source of inspiration and motivation, especially in moments when you're unsure of what to tackle next.

When planning and developing a business, the business' strategy is what guides its operations. It defines the purpose of the business, its mission, vision, target customer base, as well as the direction for growth. A clear strategy is an important tool that supports decision-making. It serves as a common thread throughout all the themes presented in this Business Workout. A strategy also helps to articulate the business' values and goals for new employees.

01 — Products and Services

A business can be based on a unique and high-quality product or service, but the success of such a business also requires entrepreneurial and commercial thinking. A distinctive, high-quality product combined with strong marketing, sales, and customer service creates excellent conditions for sustainable growth. When the target audience is thoroughly understood and the business knows how to differentiate itself from its competitors, it's possible to build long-lasting success. This is supported by continuous development of products and services, creating and refining the business model, as well as managing pricing and scalability. Market and competitor analysis help identify new opportunities and areas of improvement.

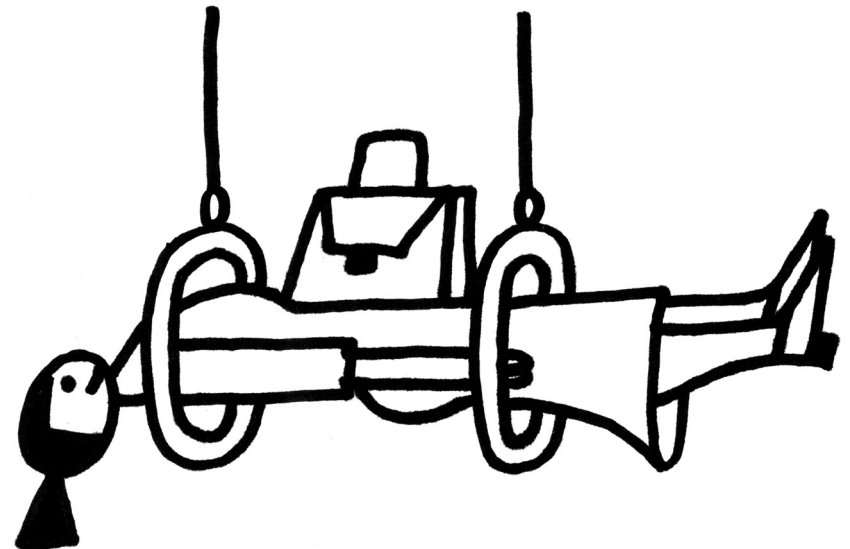
- ❑ Consider whether your products or services meet the demand of your target audience. Could you further improve your products by focusing on product development?
- ❑ Create and document a clear business model to support growth. A business model describes your business' operational and revenue logic: how the business creates and delivers value to its customers and how it earns money.
- ❑ Think about how your pricing affects the customer experience, demand, and profitability of your business. Compare your pricing with that of your competitors and with other similar or alternative products and services.
- ❑ Use assistance in product development when needed and available.
- ❑ Would certifications like the Key Flag Symbol or the Design from Finland add value to your products?
- ❑ Do you have a product with potential to scale? Identify opportunities to scale your operations cost-effectively.

Scalability refers to the ability of a business to grow and expand without costs increasing at the same rate. A scalable business can increase

production, customers or services efficiently without requiring significant additional investments. For example, a digital product like an online course can be sold almost indefinitely without large extra costs, making it a highly scalable product.

- ➔ Actively follow industry trends and the competitive landscape. Identify how you stand out from others and focus on strengthening your unique expertise
- ➔ Consider how you can identify and meet your customers' needs, as well as create demand for your product or service.

Successful business operations are built on strong business thinking that combines high-quality products, a clear revenue model, and the ability to differentiate from competitors. Sustainable growth is supported by product development, a functional business model, strategic pricing, and scalability. By understanding the market environment and customer needs, a business can identify new opportunities and build long-term competitive advantage.



02 — Marketing, Brand, and Customer relations

Marketing, building a brand, and managing customer relations are essential to the growth and success of a business. A strong brand sets your business apart from competitors and creates emotional ties between your customers and your business.

Digital marketing, including search engine optimization (SEO), provides efficient ways to reach your target audience and build engagement with customers. Social media is an important marketing channel as it allows you to showcase your expertise, interact with customers, build communities, and at its best, engage followers as a loyal community.

- ❑ Build a strong and distinctive brand through your company's values and story.
- ❑ Identify and reach the right target audience.
- ❑ Utilise digital marketing tools, such as search engine optimization, content creation, and paid advertising. Explore how to leverage digital tools in marketing.
- ❑ Strengthen your business' presence and visibility on social media (e.g. LinkedIn, Instagram, Facebook, TikTok). Aim to regularly produce engaging and interesting content. Creating compelling and participatory content on your business' social media can help increase customer interaction.
- ❑ Monitor and analyze customer behavior by using a customer relationship management system (CRM).
- ❑ Invest in long-term, quality customer relationship management through newsletters, customer meetings, loyalty programs, and special offers.

A strong brand increases the value of a company. Keep in mind that when selling a business, the brand itself rarely commands a separate purchase price, instead its value is realized through the overall success of the business.



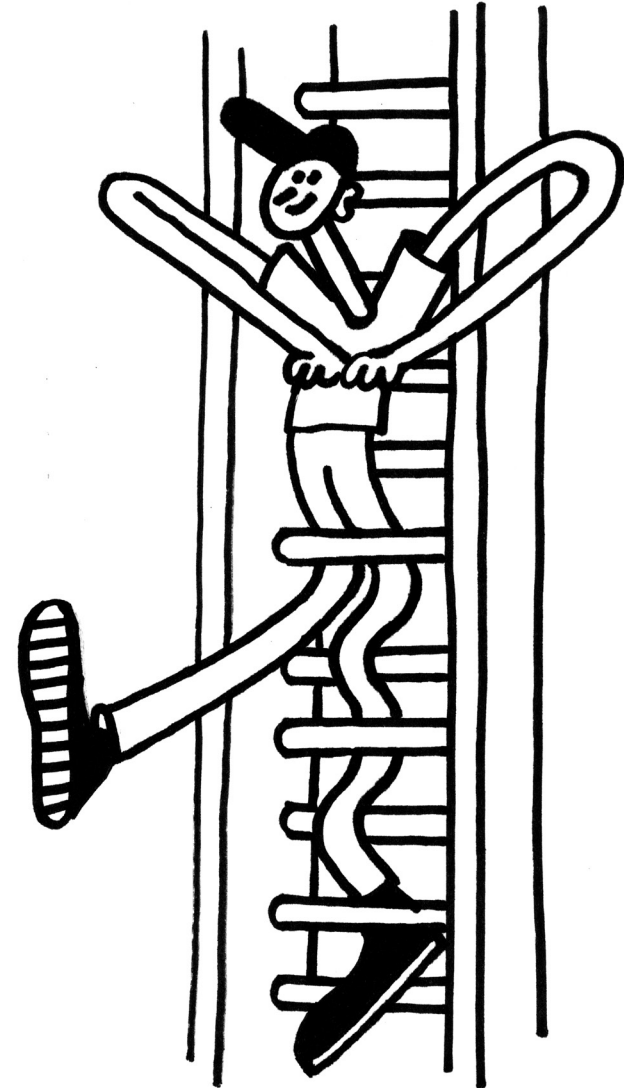
03 — Finances and Profitability

When a business' financial foundation is strong and healthy it frees up energy for business development and creativity. Managing finances is not just about tracking numbers, it is an essential tool to support decision-making and growth. In creative industries, project-based work and sometimes irregular income emphasize the importance of financial planning and monitoring. Understanding the profit and loss statement, balance sheet, and cash flow are key skills in building financial stability.

- ❑ Understand the significance of the profit and loss statement and balance sheet in financial analysis. Free training is available, so it's worth seeking more information online and subscribing to newsletters from industry associations that provide up-to-date information.
- ❑ Digital financial management is an efficient and reliable way to handle your business' finances. It's good to involve an accountant early on.
- ❑ Regularly monitor your business' financial situation and development. React when necessary and seek help from an accountant or a business advisor.
- ❑ Manage cash flow to ensure smooth daily operations. Ready-made templates for cash flow calculations are available.
- ❑ Track and optimize expenses as well as review pricing to improve profitability.
- ❑ Explore new revenue models and revenue streams.
- ❑ Choose a business structure that supports your business goals. The choice of business structure should be based on your financial objectives and growth plans.

The available business structures include a sole trader limited company, a cooperative, or light entrepreneurship, each with its own benefits

and challenges. Sole tradership is a popular choice for solo entrepreneurs due to its simplicity and minimal administrative requirements. A limited company is a good option if the business aims for growth and expansion. Light entrepreneurship is suitable for those who take on occasional assignments or just want to have a go at entrepreneurship without a heavy administrative burden.

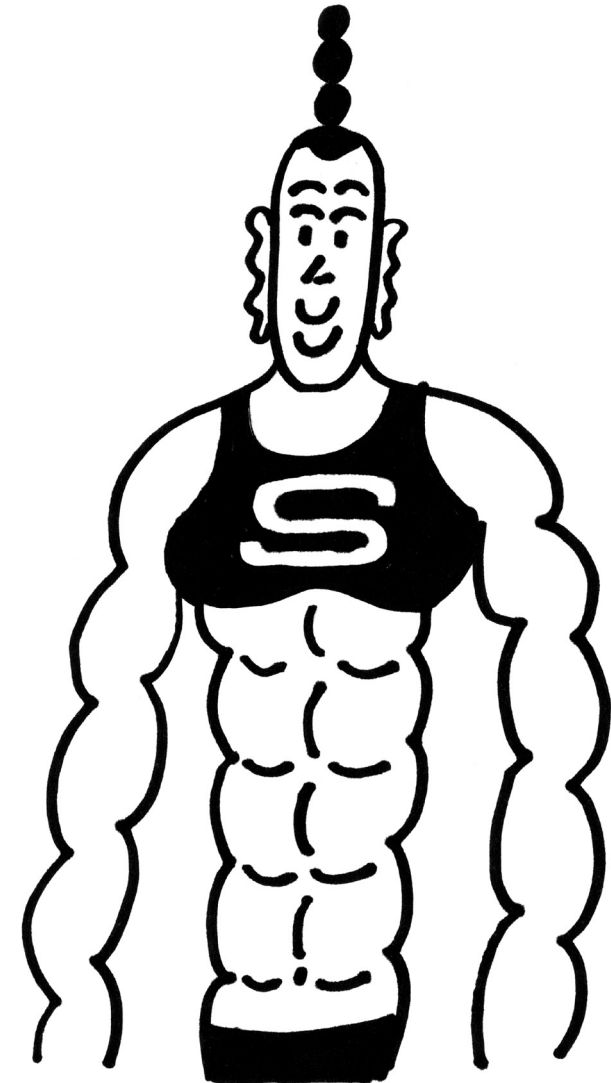


04 – Business Growth, Team, and Leadership

Business growth and long-term success require the right team and skilled leadership. It is important to examine what kind of structures will help your business develop and grow sustainably. To support growth, it is essential to build a competent and committed team that shares your business' values and goals while bringing diverse expertise and perspectives to the table. Explore and compare different recruitment options. How you recruit affects your business' flexibility and cost structure. Would employees, freelancers, or a subcontracting model suit your business best? A board of directors or an advisory board can provide strategic support for your business.

- ❑ Don't do it all alone, build a strong team or a network to collaborate with.
- ❑ Choose a team that shares your business' values and supports growth.
- ❑ Consider and compare the benefits and risks of employees, subcontractors, and freelancers. Plan recruitment according to your business' needs and growth plans.
- ❑ Utilize a board of directors or advisory board to support decision-making.
- ❑ Invest in developing and updating your staff's skills and expertise.
- ❑ Strengthen and update your own teamwork and leadership skills.
- ❑ Monitor and support employee well-being.
- ❑ Remember to take care of your own well-being and schedule time for recovery.
- ❑ Engage your team in shared goals and long-term development.

Increasing the size of your team does not necessarily mean hiring new employees: businesses can also use subcontractors and freelancers. Hired employees bring long-term commitment and stability to a business but also add administrative responsibilities and payroll costs. Subcontractors and freelance work can provide specialized expertise with greater flexibility.

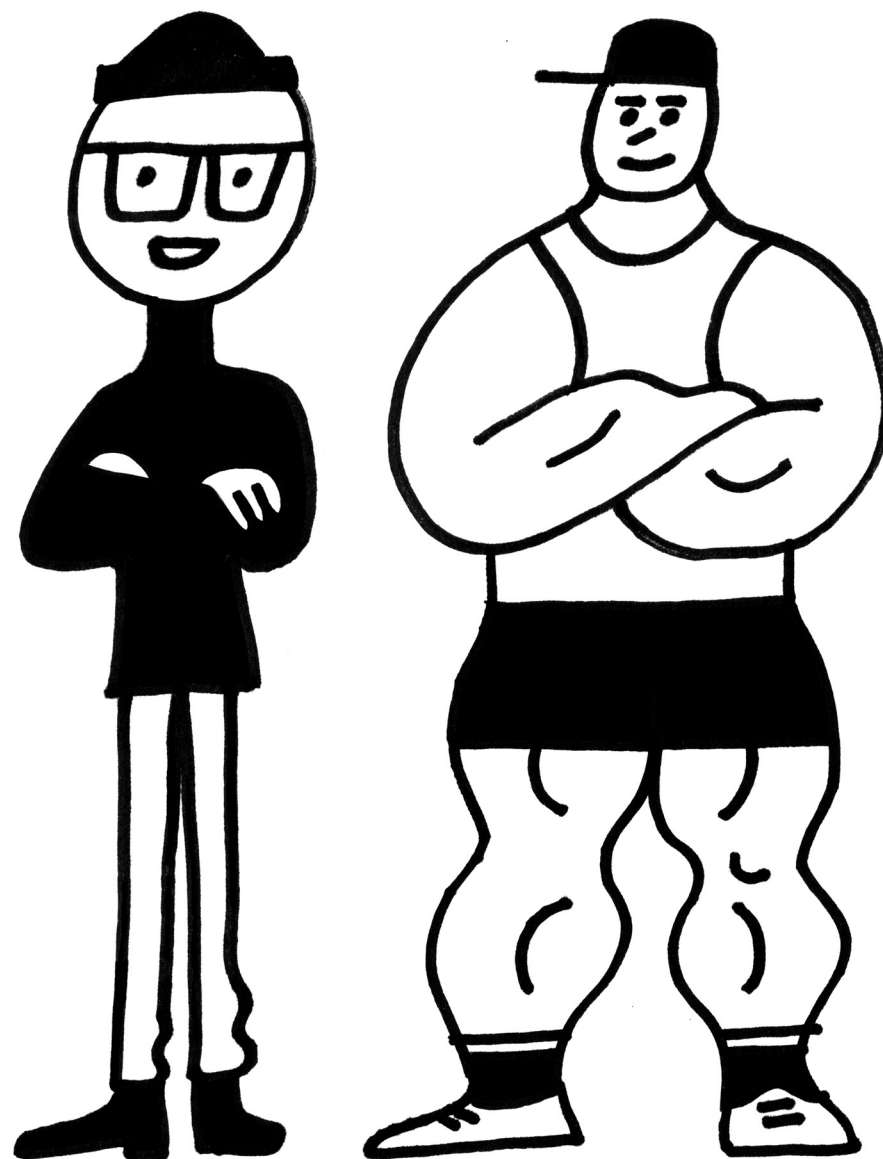


05 – Intellectual Property Rights

The core of creative businesses often lies in intangible assets – works and creations, brands, and innovations. Intellectual property rights (IPR) protect these assets and enable their utilization in business. Without protection for its intangible assets, a business may lose its competitive advantage and growth opportunities. Understanding, managing, and leveraging intellectual property rights is a way to create new revenue streams and market value for your business.

- ❑ Identify and understand your business' intellectual property rights (e.g. copyrights, trademarks, patents, design rights).
- ❑ Protect your intangible assets. Monitor infringements of your rights and take action when necessary.
- ❑ Increase business value by systematically managing your intellectual property rights.
- ❑ Ensure your own activities and operations do not infringe on the rights of others.
- ❑ Utilize intellectual property rights for new revenue streams, such as licensing.
- ❑ Document your intellectual property rights carefully for potential investors and buyers.
- ❑ Use IPR as leverage in negotiations and financing.
- ❑ Make use of IPR in your business' valuation and ownership changes.

Intellectual property rights can increase your business' value and play a crucial role in attracting investors or buyers when selling a business. A business with well-managed and clearly documented intellectual property rights is more attractive to both investors and potential buyers.



06 — Risk management

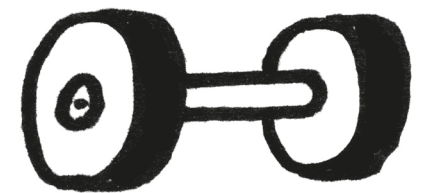
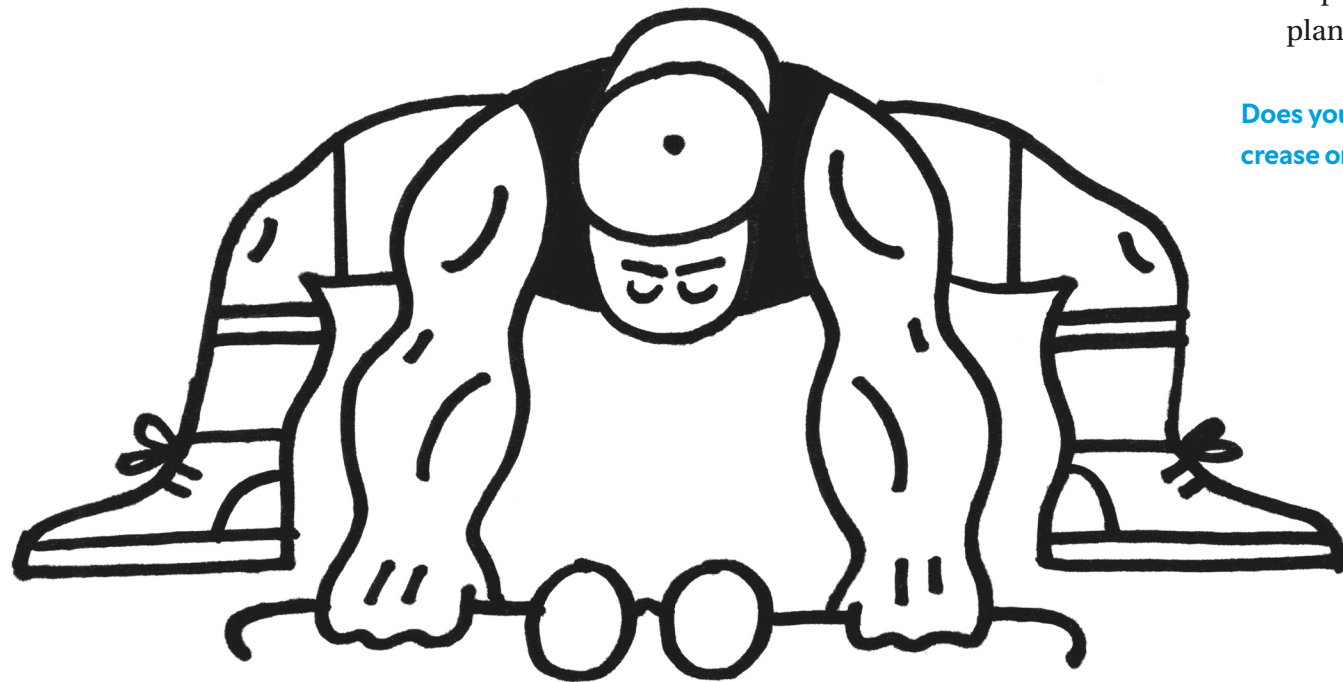
Every business faces risks. Anticipating and managing risks can determine how well a business adapts to changing conditions and avoids various crises. Risks can arise from issues like irregular revenue streams, economic fluctuations, and contractual ambiguities.

- ❑ Identify the financial, contractual, and technical risks related to your business.
- ❑ Keep your cost structure flexible, adaptable, and sufficiently transparent.
- ❑ Always make written agreements for assignments and carefully

review and manage client contracts. In creative industries, projects may be long-term, and assignments can include many legal details. Consider whether your contracts are drafted to protect you, for example, against payment delays, IP misuse, or project cancellations.

- ❑ Ensure compliance with regulations in your business operations. The business should comply with, among others, copyright laws, data protection regulations, and other industry-specific regulations.
- ❑ Prepare for financial uncertainties by, for example, maintaining an emergency fund.
- ❑ Assess and seek to anticipate the effect of market changes and trends on the demand for your product or service.
- ❑ Develop cybersecurity. Pay attention to whether your business is prepared for potential data breaches or system failures, whether important files are backed up, and whether a business continuity plan is in place.

Does your business have a plan for how to respond if sales suddenly decrease or a key client ends the collaboration?





07 – Industry Trends and Drivers of Change

Creative businesses operate in a constantly evolving environment, where market dynamics, innovations, and consumer behavior develop at a fast pace. A business' success depends not only on its current business model but also on its ability to anticipate future shifts and adapt to new conditions. Technological advances, changing consumer habits, and societal values continuously shape the industry. These changes can bring opportunities or threats, depending on how prepared a business is to respond. Closely monitoring industry developments and renewing your business can create significant competitive advantages.

- ❑ Consider the impact of changes in the market environment, such as consumer trends, economic cycles, and regulatory changes. By anticipating or reacting early you can leverage emerging trends to benefit your business.
- ❑ Integrate sustainability and responsibility into your business' strategy. Ensure that your brand maintains social relevance.
- ❑ Respond swiftly to changes in funding and support mechanisms. Examples include grants, business support schemes, and loan instruments. Information about these is often available through industry associations and the media.
- ❑ Consider whether your business could take advantage of new technologies, such as artificial intelligence, augmented reality (AR), or virtual reality (VR).

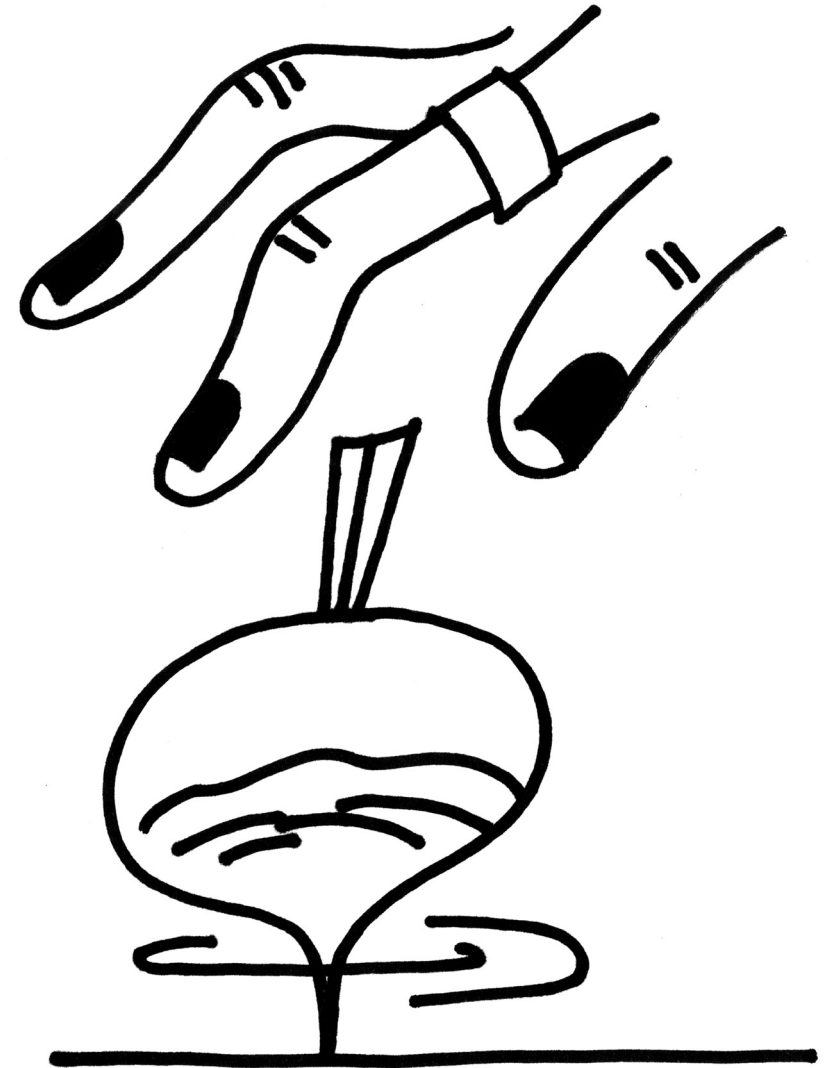
Artificial intelligence provides creative industries with tools to support ideation, content creation, and consumer insights, enabling more efficient and targeted work. When used carefully and effectively, AI can free up time from routine tasks and open up new business opportunities.

08 — Efficiency and Technologies

Behind every successful creative business lies a smooth processes and efficient use of resources. The continuous development of a business' operating models directly impacts its profitability and competitiveness. Digital solutions, such as customer management systems and accounting tools, can streamline operations and free up time for creative work and other core activities. Digitalization also offers new cost-effective business opportunities, such as online courses and remote services. Efficient processes and well-suited digital solutions free up time and enable sustainable growth.

- ❑ Review and develop your company's processes as needed.
- ❑ Consider utilizing AI and automation tools to ease administrative tasks.
- ❑ Explore opportunities to expand business operations through digital services. For example, online courses, digital distribution, and remote services are efficient ways to reach a broader customer base.
- ❑ Ensure the efficient use of resources, such as time and workforce. Evaluate how materials and time are allocated across different stages of work and whether they are being used optimally.
- ❑ Identify whether your business is using unnecessary software or services whose benefits do not justify their costs.
- ❑ Stay up to date and keep learning! Follow how technologies can enhance your business' scalability.

The biggest challenges for creative businesses often relate to time management, process control, and resource efficiency. Addressing these challenges can significantly support the profitability and growth of your business.

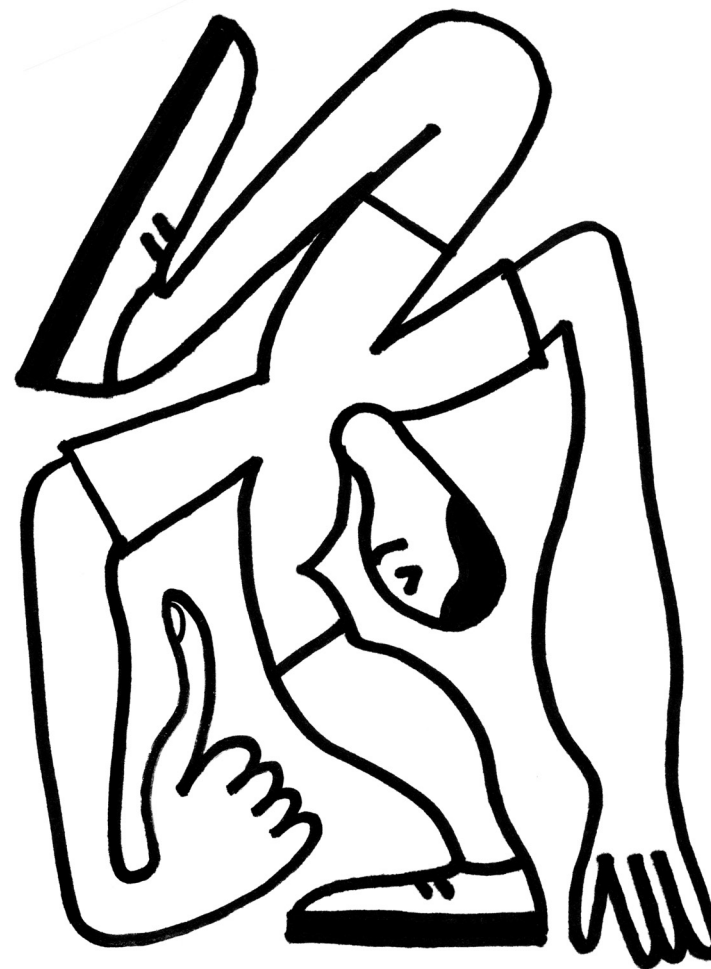


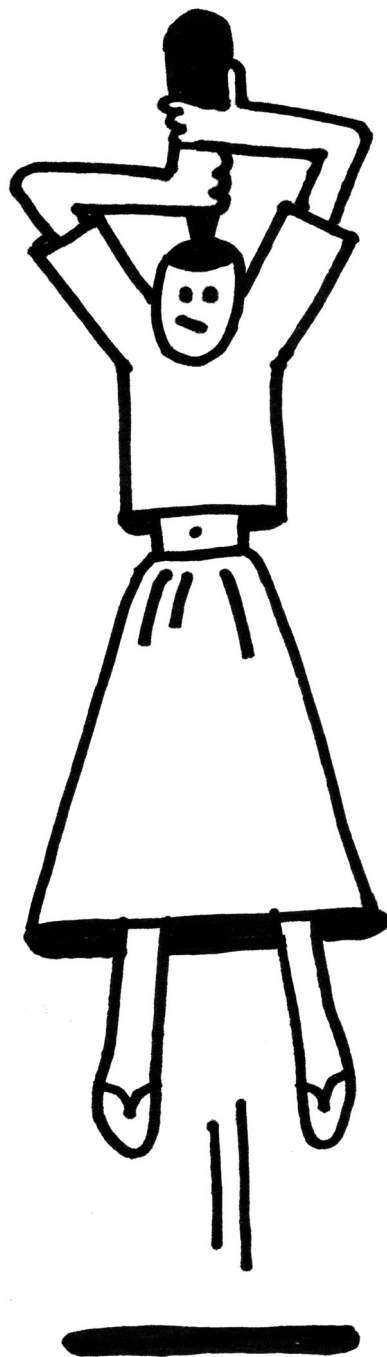
09 — Skills Development and Networking

A successful creative business requires continuous skills development and strong networks. As an entrepreneur, it is important to stay up to date with industry trends and phenomena, technologies, as well as business opportunities. Skills development covers both professional expertise and entrepreneurial skills. Networking supports learning and opens doors to new opportunities for both collaboration and business.

- ❑ Develop and maintain both professional and entrepreneurial skills. Technical and creative expertise can involve mastering new materials, techniques, or software, while entrepreneurial skills may include understanding pricing, contract negotiations, or business strategy better than before.
- ❑ Keep track of industry trends, technologies, and new business models.
- ❑ Make use of mentoring, training, and online courses for entrepreneurs.
- ❑ Build and maintain networks with customers, partners, and other stakeholders.
- ❑ Leverage your networks in developing your skillset and discovering new business opportunities.
- ❑ Participate actively in industry events.
- ❑ Collaborate with other entrepreneurs and experts.

Entrepreneurial skills are just as important to develop as professional expertise. Take advantage of available webinars, courses, and mentoring to strengthen, for example, your financial literacy and leadership skills. Do not underestimate the power of networking!





10 — Change of Ownership

SELLING YOUR BUSINESS

Selling a business is one of the biggest decisions an entrepreneur can make. The sales process requires careful planning to ensure the deal goes through on the best possible terms. A business' value isn't based only on its physical assets, it also rests on intangible capital such as brand, customer relationships, intellectual property, and the owner's know-how.

For a successful sale, the business must be organized and prepared for a change of ownership well in advance. Sales negotiations and due diligence are critical stages that directly affect the final price as well as terms and conditions of the deal.

WHAT EXACTLY IS DUE DILIGENCE?

Due diligence is a process in which an investor or a buyer conducts a thorough review of the business being considered for purchase or investment. The purpose is to ensure that all relevant information is known before signing the deal or committing funds. The due diligence process helps identify existing risks and establish the business' final value.

- ❑ Use experts and advisors. You can receive help and advice from accounting firms, business brokers, regional development agencies, and lawyers.
- ❑ Prepare the business for sale early on. Sale readiness takes time, so make ongoing improvements to optimize and organize your business' day-to-day operations on a continuous basis.
- ❑ Identify your key value drivers, such as your product and customer relationships.
- ❑ Ensure your business is transferable and develop it in a direction where it is not too dependent specifically on you as the entrepreneur.
- ❑ Document your operations and gather the necessary paperwork to prepare your business for analysis.

THE BUSINESS SALE PROCESS

- ❑ Negotiate. Invest in careful negotiations and, together with your advisors, make sure the terms of contract are suitable and balanced.
- ❑ Plan communications ahead. Pay attention to how you plan on communicating about the business transfer with both internal and external stakeholders.

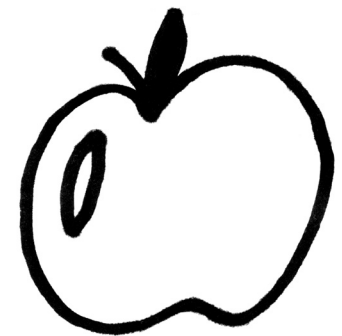
GROWING THROUGH ACQUISITION OR STARTING A BUSINESS VIA ACQUISITION

Buying a business is an efficient way to grow or start a business. Unlike organic growth, which expands operations gradually using your own resources, growth through acquisition can strengthen your market position and broaden operations into new areas more quickly. An acquisition can open doors to new markets, customers, technologies, and capabilities. A successful deal requires a clear buy-side strategy, a careful assessment of the target, and thorough due diligence. Aligning business culture and operational factors is also crucial for smooth integration.

- ❑ What do you want to buy? Define a clear acquisition strategy and selection criteria.
- ❑ Are you buying in order to get a better market position, a broader product portfolio, a new customer base, new expertise, or something else entirely?
- ❑ Seek expert support. Bring advisors into the process, particularly for the due diligence process and contract drafting.
- ❑ Assess the target carefully and conduct thorough due diligence to minimize risks.

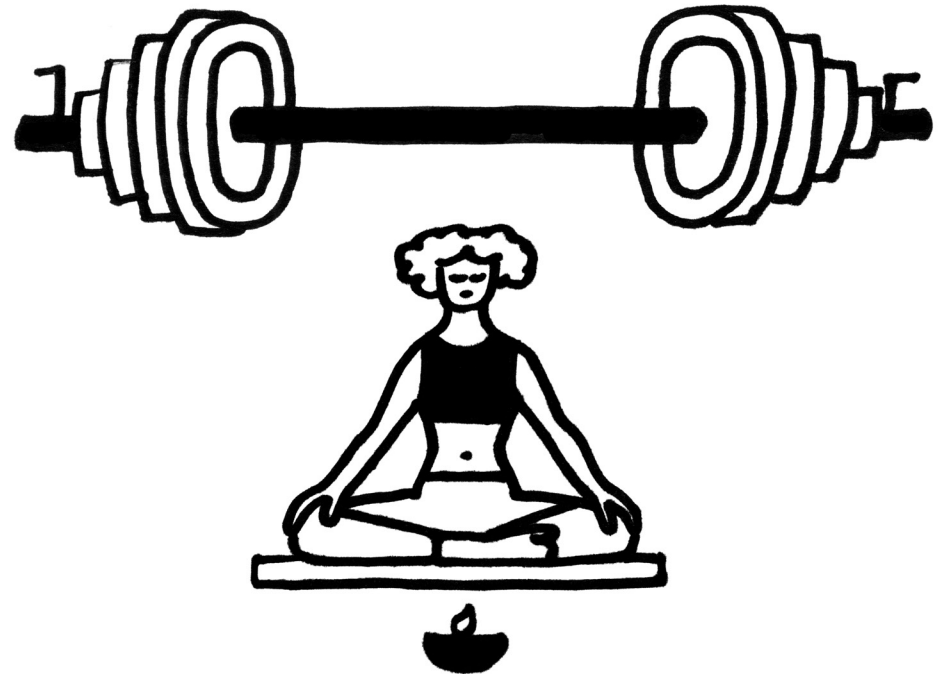
- ❑ Ensure the cultural and operational fit between the organizations.
- ❑ Plan the integration process and communications before the closing of the sale.

There are several ways to acquire a business. The most traditional is to purchase a company outright or buy a part of its business. Alternatively, you can carry out a corporate restructuring in which two companies are combined, for example through a merger or exchange of shares. The best deal structure depends on your business structure, strategic objectives, and desired growth path.

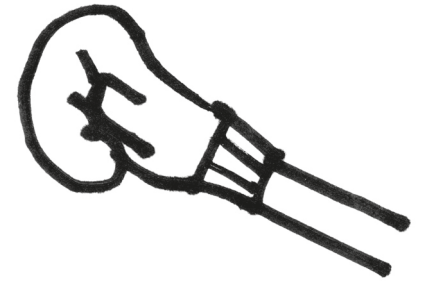




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