



PAWT



Business Planning Handbook

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Entending Working Life – Pedagogy Assisting Workforce Transition

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Introduction

Welcome to the PAWT Business Planning Handbook. It is the function and purpose of this handbook to support older workers transition from traditional working practices to new, innovative work models necessary to support their continued participation in the labour force. The handbook has been developed to encourage those either approaching retirement or recently retired to reconceptualise their work practises and explore exciting career opportunities.

PAWT proposes a completely new concept of work adapted to an age-diverse workforce. It calls for a radical redefining of attitudes and perspectives among employers, educationalists, business leaders and members of the workforce at large. In an Information Society, where knowledge is the prize commodity, the haemorrhage of knowledge about to unfold as a large proportion of the European workforce retires will have a significant impact on the economy. Although not working in such fixed patterns of employment as before, Europe's older generations have a key and continuing role to play as the high-value, knowledge economy forges ahead. The use of ICT can support this participation.

Without action, the ageing of the workforce will present real challenges to social security and pension systems; result in significant labour shortages; creating widespread social exclusion and isolation; and further hindering the development of the EU as the world's leading knowledge economy.

In the context of this demographic change there is no doubt that our social security systems' capacity to maintain today's standard of living for future generations of older people will be severely challenged. For many individual Europeans the term retirement equates to living in poverty, with the risk of poverty of persons over the age of 65 increased by one third against national averages in most countries.

To achieve more sustainable economic and social development, the EU has set itself the target of increasing the employment rate of older people. For this to be successful, governments, social partners and organisations need to work together to develop the skills and employability of older people. Supporting older persons to remain productive members of society through continued labour force participation is essential to reduce social exclusion and escape the poverty trap. The road to inactivity for older workers is more often than not a road of no return. Without a comprehensive strategy to develop new work models in new work areas and innovative teaching and business models, it is a road that an increasing proportion of Europe's ageing population will take in the next three decades. The cost of this mass inactivity, in both social and financial terms, to all nations and regions of Europe is enormous.

PAWT supports the involvement of older workers through the provision of guidance for older workers seeking new working models.

Conceptualising a Business

Research conducted with older workers and retirees in partner countries provides a number of insights into what types of business models would be required to support their participation

1. The continued participation and active involvement of retirees as an external support for individuals and organisations offers significant benefits for the older people in terms of;
 - a. self esteem and self worth;
 - b. a sense of being involved and having something positive to contribute;
 - c. an opportunity to keep motivated and mentally engaged;
2. Respondents cited the need for flexible working and felt that any new business opportunity should be:
 - a. developed on a part-time basis with flexible commitment levels;
 - b. avoid the requirement for the day-to-day and ongoing physical presence at the workplace;
 - c. have clearly agreed engagement guidelines that respect the needs of both the retiree and the individual or organisation who may engage the retiree;

If your new work model is online based, the only requirement of older workers is their availability. Once a web presence is achieved and you can market yourself through a webpage rather than face to face contact, you decide how much and how often you contribute to your business. Remember that there is additional legislation to be taken into account when doing business online.

Marketing Online- Legislation governing contacting potential customers

Online regulations on marketing have been enacted in recent years to protect people against unwanted marketing. In recent years most spam mail comes from outside the European Economic Area (EEA). This is a direct result of legislation throughout the EEA which prohibits such mail and prosecutes against this type of non consent online marketing. Businesses are permitted to contact people who have provided their contact details to the business and where the customer has the opportunity to object, free of charge, to the sending of such messages.

Online Contracts

Under EU law, binding contracts regarding day-to-day business can be completed online with a personal email address acting as a signature. The customer must be provided with a detailed account of the service you are charging them for and this must include all associated taxes and charges. Customers details are covered under data protection and you should be aware of data protection law and your obligations as a data controller (anyone who collects personal information is considered a data controller). It is also necessary for you to publish a privacy policy if your website collects personal information of any form/ uses cookies or web beacons/ covertly collects user's data which may or may not identify an individual. This policy must be accessible from any point on the website which collects data. Make sure you are aware of your privacy obligations.

Visit <http://ec.europa.eu/youreurope/business> to find out more on doing business in Europe.

Getting Started

The PAWT Business Planning Handbook comprises a comprehensive business plan model with a variety of different sections addressing specific elements of business development and planning. While most businesses develop comprehensive business plans for presentation to financial institutions, shareholders and internal management the objective of the PAWT Business Planning Handbook is somewhat different.

This handbook guides you through the business planning process so you can critically reflect on your abilities to adopt a new working model to address the business planning results.

Step 1-Complete the PAWT business planning process

Step 2-Critrically reflect on your abilities to adopt a working model that can implement your planned activities

The business plan model that follows provides a comprehensive framework to support the business development process in a new, emerging market. While you may not regard each section relevant to your own specific circumstances it is recommended that you examine each section provided to ensure that you have considered fully all possible elements, opportunities and issues that this new working model may provide.

Dedicating sufficient time to drafting an individualised business plan will enable you to:

1. Present yourself to potential clients.
2. Clearly define the expertise you have to offer.
3. Outline the type and nature of support you are willing to provide.
4. Clarify the needs in the wider economy that you can help to address.
5. Identify potential clients and client organisations.
6. Set benchmarks for success of your business.
7. Satisfy all legislative and regulatory requirements.

Title Page: This is a cover page for your Business Plan. Use a graphic, image or business logo to highlight your identity. This graphic should be used throughout your business plan and on any company stationary or publicity materials you produce. Try to select something that says something about your business or the sector where you have worked and have expertise.

There are a number of graphics, images and logos available for free use via the internet or via the clip art folder on your computer.

Agenda: Present a clear agenda/table of contents to guide people through your business plan.

Executive Summary: The Executive Summary is your summary of your business proposition and summarises both the needs in the market place for the services you are offering and the benefits that clients will derive from using your service.

Consider the following pointers:

- Keep the Executive Summary Short and concise.
- Concentrate on making key points that will encourage readers to want to read more.
- Make sure it clearly defines:
 - Who you are.
 - What you do.
 - How well you do it.

Personal/Company Background

Mission Statement: Describe the purpose of your business and highlight the market you intend to address with your service offering. Your mission statement should be no more than a few sentences or 20 words in length and should clearly spell out your business ethos; e.g. "sharing knowledge to support the development of quality services".

Service Positioning: Describe how you are planning to position your service in the marketplace. It is essential that you clearly demonstrate the need for the service you are providing and the reasons why your service offering is beneficial to the wider economy.

Competitive Advantage: State clearly and concisely why your business is a business worth engaging with. Consider the following pointers:

- Keep What is different about your business/service?
- Why are you the person who is best placed to provide services?
- What can you offer that is different and additional to the current marketplace?

This is your opportunity to sell your idea to potential clients. It will also help you to understand clearly the strengths on which you can base your business/service offering. Developing a functional new working model that works is about simultaneously selling the concept and yourself.

Market Overview

Target Market Description: Describe your target market using text and graphics to demonstrate the existing and potential capacity for your service. Identify where your target market is located and how you intend to reach it. Outline a timeframe that you are willing to allocate to reach a set amount of customers.

Target Market Profile: Present detailed analysis of your target market and profile potential customers. Concentrate on available demographics to quantify the size of your potential market.

Usage Stimulants: Based on your knowledge of the sector in which you propose working list the key factors in the decision making process where the engagement of new services is concerned. Focus on issues like cost and accessibility.

Target Market Growth Rates: Once again use available demographics to outline the historical and project growth of your target market. Consider whether the needs you can address are long-term or short-term. Is the market you are targeting a developing or declining market?

Service Overview

Service Description: Present a detailed list of the services that you and your business can provide to potential clients. Consider different elements of support that you could provide and list them with appropriate potential clients/end users. For example; your business may offer;

- Mentoring to new staff recruits;

- Trouble-shooting support for managers;
- An independent analytical perspective assessing new business or service models in your area of expertise;
- A confidential and unencumbered forum where senior executives can speak openly about day-to-day issues or concerns.

Service Delivery: Consider the most appropriate service delivery mechanism for your chosen sector. Be able to clearly say how developing your business will be best served;

- Providing face-to-face mentoring
- Via e-mail
- Using skype
- By telephone

Future Potential for Service Development: Beyond your immediate or familiar environment what potential exists for expanding the services you provide. Does your new business idea have national or international potential? How would you envisage providing support to clients based in locations that are geographically distant from where you are located?

Pricing Policy: First, how much do you think people will pay for your service regardless of what you think it is worth? Identify how much you will charge for the services you provide and what exactly a client can expect for any proposed fee. You must clearly be able to justify the cost involved.

Business Strategy

Marketing Mix: Highlight how you will maintain awareness of your business for existing and potential new clients. What types of actions will you undertake and how often will you conduct marketing exercises?

Value Added: What is the personal approach that you will adopt that is unique to you and your business and that sets you apart from others.

Competitive Advantage: Evaluate the strengths and weaknesses of your competitors in the marketplace. Identified strengths should be emulated and weaknesses exploited.

Marketing Tools: Consider what types of sample promotional/marketing tools you could use to promote your business.

Risks

Barriers to Entry: List the current barriers that could prevent you from entering the marketplace. These may include internal barriers like;

- Your technical ability to work in an online environment;
- Your lack of business development experience.

They may also include external barriers like:

- General ignorance of the importance of knowledge management and tacit knowledge
- Ageism
- Trying to establish a completely new business concept.

Pick the most obvious risks first and see how you might go about addressing key difficulties.

Performance Indicators

Resource Indicators: Draw up a list of resources necessary for you to develop and implement your business. Many people focus initially on output indicators without in the first instance ensuring that all the necessary resources are in place.

Output Indicators: For every resource indicator you should have a corresponding output. If a resource is not producing anything well then it is not a resource. List the expected output from each resource that you have at your disposal.

Result Indicators: Quantify the expected results that you would like to achieve based on the resources you have available and the outputs facilitated.

Financial Projections

Financial Summary: Provide a top-line financial summary of your business. Be sure to 'tell it like it is'. Outline what it costs to run your business to the highest possible standard as set out in your business plan. Provide a comprehensive breakdown of income and costs to include discretionary overheads and non-discretionary overheads.

Pensions

It is important to plan for your retirement during your working life. Pensions are the main (sometimes only) source of income for people once they retire. The state pension will cover some of your living costs but additional planning can make your life in retirement a lot more comfortable and enjoyable. It is therefore important that you put enough money into your pension during your working life and monitor your pension's growth to ensure it meets your living costs in retirement. There are various types of pensions that can assist you in planning your finances in retirement.

Occupational Pensions

Occupational pensions are organised by employers to provide pensions to one or more employees on retirement or to surviving dependants on the death of an employee.

You may be a member of an occupational pension scheme and also arrange a personal pension.

If you are a member of an approved pension scheme, you can get tax relief at your highest rate on your contributions to the scheme. There are various rules that pension schemes must meet in order to get the tax relief and there is a limit to the amount of the relief. Since 1 January 2011 you pay PRSI and the Universal Social Charge on your pension contributions.

The maximum pension contributions, in any one year, for which you are entitled to tax relief, is related to your age and is expressed as a percentage of your gross income. In 2011 the maximum gross income figure for relief purposes is €115,000 (was €150,000). The percentage relief limits are:

Age	Limited to
under 30 years	15% of *net relevant earnings
30-39 years	20% of *net relevant earnings
40-49 years	25% of *net relevant earnings

	earnings
50-54 years	30% of *net relevant earnings
55-59 years	35% of *net relevant earnings
60 years plus	40% of *net relevant earnings

*For employers, *earnings* mean gross pay for tax purposes. For the self-employed, *earnings* means net relevant earnings, that is, earnings less allowable expenses.

For more information on contributory pensions visit: http://www.citizensinformation.ie/en/money_and_tax/personal_finance/pensions/occupational_pensions.html

Personal Pension

Personal pensions in Ireland mean pensions that are organised individually by self-employed people or employed people who do not have an occupational pension scheme.

Tax relief is available for contributions to personal pensions and the amount of the relief is age-related. You may get tax relief on contributions to approved personal pension arrangements. This relief is more generous as you get older. Since 1 January 2011 you pay PRSI and the Universal Social Charge on your pension contributions.

Age	Amount which qualifies for tax relief
Under 30 years	15% of net relevant earnings
30 to 39 years	20%
40 to 49 years	25%
50 to 54 years:	30%
55 to 59 years	35%
60 and over	40%

The maximum amount also applies to people in certain occupations and professions, irrespective of age where there is a limited earnings span. These occupations include professional athletes.

There is a limit on the earnings that may be taken into account. The limit is €115,000 in 2011.

For more information on personal pensions visit: http://www.citizensinformation.ie/en/money_and_tax/personal_finance/pensions/personal_pensions.html

State Pension

The State Pension (Contributory) is paid to people from the age of 66 who have enough Irish social insurance contributions. It is not means-tested. You can have other income and still get a State Pension (Contributory). This pension is taxable but you are unlikely to pay tax if it is your only income.



As the social insurance conditions are very complex you should apply for a State Pension (Contributory) if you have ever worked and have any contributions (stamps) paid at any time. In order to qualify for a State Pension (Contributory) you must be aged 66 and have enough Class A, E, F,G, H, N or S social insurance contributions.

You need to:

- Have paid social insurance contributions before a certain age
- Have a certain number of social insurance contributions paid and
- Have a certain average number over the years since you first started to pay.

For more information on State pension (Contributory) visit:
http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/older_and_retired_people/state_pension_contributory.html

If you do not qualify for the State Pension (Contributory) visit
http://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/older_and_retired_people/state_pension_non_contributory.html to find out about the State Pension (Non Contributory)

Working In Retirement (Ireland)

Some people take early retirement in order to take up another job or to become self-employed. Many people aged over the "normal" retirement age are employed. There are a small number of occupations that have statutory upper age limits but, in general, there is no rule which prevents people over the age of 65 from being employed or self-employed. Many self-employed people continue to be so well past the "normal" retirement age.

If you are receiving a social welfare benefit such working may affect your entitlement. If you were a permanent and pensionable public servant, your pension may be abated if you go back to work in the public sector. It is generally not possible to further contribute to an occupational pension scheme after the normal age of retirement. There is also specific tax arrangement for people over 65.

To find out more visit;

http://www.citizensinformation.ie/en/employment/retirement/older_people_and_working/working_in_retirement.html

The following short descriptions outline the types of business structures that are most common in Ireland. You should consider establishing your business under one of the following legally recognised formations. More detailed information is available from the Companies Office. It is strongly recommended that you seek appropriate legal advice with regard establishing their new business venture.

Sole trader

A sole trader means you are running a business on your own and are responsible for every aspect of it, financially and legally. As a sole trader you and your company hold the same legal identity. This means that if you are in debt, your creditors would be legally entitled to claim on your personal assets in the event of non payment. As a sole trader your company name is not protected.

To set up as a sole trader you must register as a self-employed person with the Revenue Commissioners – www.revenue.ie.

Incorporating an Unlimited Company

An unlimited company has no limit on the liability of its members. This means that members are fully liable for company losses and debts.

What they need

- Memorandum and Articles of Association
- Company registration form

Incorporating a Private Company Limited by Shares

Members liability is limited to the amount, if any, unpaid on the shares they hold. PLCs by share have a limit of 99 members

What they need

- Memorandum and Articles of Association
- Company registration form

Incorporating a Company Limited by Guarantee

With Share Capital- maximum members of 50 who are liable for the amount of unpaid shares and the amount undertaken to contribute to the assets of the company if the company is wound up.

Without Share Capital- Minimum of 7 members with its members liable for the amount contributed to the assets of the company as specified in the company memorandum. As the company does not have a share capital members are not required to buy shares or raise funds.

What they need

- Memorandum and Articles of Association
- Company registration form

Registering a European Economic Interest Grouping

EEIGs are mechanisms through which cross border commerce can engage within the EU. There must be a minimum of 2 companies from different member states and a maximum of 20 companies.

For more information on EEIGs visit the below website

http://europa.eu/legislation_summaries/internal_market/businesses/company_law/l26015_en.htm

Incorporating a Single Member Company

An individual can incorporate or become a single member limited liability company. One person may, by subscribing his name to a Memorandum of Association and otherwise complying with the requirements of the Companies Acts and these regulations relating to registration, form an incorporated company being a private company limited by shares. As with a multi member company a single member company is required to have a minimum of 2 directors at all times.

Taxation and Insurance – Ireland

Appropriate book-keeping not only assists your business development, it is also a strict legal requirement. It is strongly recommended that business owners seek appropriate professional advice where all taxation and insurance issues are concerned.

Income Tax

For self employed people Tax and PRSI is calculated annually on your net profit. Every year, you are required to fill out your "Tax Returns". Tax returns for the previous year are due on 31st October each year in Ireland. Example; tax returns for the trading year 1st January 2009 to 31st December 2009 are due by 30th October 2010.

If tax returns are returned late there is an automatic 5% penalty on tax due. If it is over 2 months late, this is increased to 10%.

Preliminary Tax- This is required by all sole traders on the 31st October each year. This sets out the net profit so far in that trading year as well as an estimate for year ending. Example: Tax returns are calculated from 1st January 2009 to 31st October 2009. The final tax returns will then be due 31st October 2010.

Who must register for VAT?

The standard rate of VAT in Ireland is 21 % (2010). A trader is generally required to register for VAT for making supplies of goods and/or services, subject to his or her turnover exceeding certain thresholds. Some traders are generally not required to register for VAT, although they may choose to do so. These

include traders whose turnover does not exceed the thresholds, and also farmers. Traders engaged in exempt activities are not permitted to charge VAT. However, they may, in common with farmers, Government Departments and other bodies be required to register for VAT, in order to account for VAT on services or goods received from suppliers outside Ireland.

Threshold for VAT registration?

- (a) €37,500 in the case of persons supplying services,
 - (b) €37,500 for persons supplying goods liable at the reduced or standard rate which they have manufactured or produced from zero rated materials,
 - (c) €37,500 for persons making mail-order or distance sales into the State,
 - (d) €41,000 for persons making intra-Community acquisitions,
 - (e) €75,000 for persons supplying goods,
 - (f) €75,000 for persons supplying both goods and services where 90% or more of the turnover is derived from supplies of goods (other than of the kind referred to at (b) above) and
 - (g) A non-established person supplying taxable goods or services in the State is obliged to register and account for VAT irrespective of the level of turnover.
- A taxable person established in the State is not required to register for VAT if his or her turnover does not reach the appropriate threshold above. However, they may opt to register for VAT.

For further information on taxation obligations visit www.revenue.ie

Insurance

Insurance is necessary to protect you against claims against your business. Professional Indemnity Insurance (PII) covers you against claims taken by a third party, who may have acted on your advice. Depending on your specific business model (If you hold a business address and have clients on the premises) Public Liability Insurance (PLI) may also be required.

Conclusion

Now that you have a more robust view of what can be involved in adopting a personal business working model, plan out the time required to meet the initial requirements (month 1-3-start up) and ongoing commitments required to meet your objectives.

- Keep in mind the first 3 months will be the most arduous and time consuming
- The more you put into your new working practises the more you will get out
- If you expect a big return, expect a big time commitment.

Weblinks:

- http://www.goldenireland.ie/read_info~id~100054~Working-in-Retirement.htm
- http://europa.eu/legislation_summaries/internal_market/businesses/company_law/l26015_en.htm
- <http://ec.europa.eu/youreurope/business>
- http://www.citizensinformation.ie/en/employment/retirement/older_people_and_working/working_in_retirement.html