



Co-funded by the
Erasmus+ Programme
of the European Union

MODULE 4: STAYING ON THE RIGHT SIDE OF THE LAW



21/10/2021

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OBJECTIVE: To broadly acquaint the entrepreneur with existing regulations and their content, which is crucial for the proper establishment and management of the company.

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1. BACKGROUND

Do you want to start a business? Good! But before starting a business you should have the knowledge of the legal framework that regulates your entrepreneurial venture. For any business venture, most entrepreneurs need financial and legal advice which are very important for business growth. Taking advice from professionals and developing a sound structure for the business are two very crucial foundational aspects of any enterprise.

Hiring a legal advisor and financial adviser may be a great idea, but also it may not be a practical option for those who run small or new enterprises simply because taking advice from professionals might be a bit costly.

However, every entrepreneur should have knowledge of relevant legal frameworks regarding running a business, real estate, rates and taxes, intellectual property, etc.

Many entrepreneurs struggle day in and day out to set up their dream organisation. They give their best efforts and did not leave any stone unturned in their work. Every entrepreneur hires the best available people to do jobs that are suitable for them.

To deal with potential roadblocks, every entrepreneur should consider having a legal expert / solicitor or accountant, who will help in complying with the whole legal framework thereby preventing an entrepreneur from getting into serious trouble. But hiring such a person or a legal service can be quite costly. The solution for this problem is that every entrepreneur equips themselves with some basic legal and corporate structuring knowledge, because:

- It can reduce cost- equipping oneself with the legal knowledge could drastically help in reducing legal costs. In order to manage the growth of business there are many measures / laws that help entrepreneurs with this problem.
- Law is a basic requirement for your business – the law provides a valid recognition of business. If the law does not recognize a start-up as being properly constituted, then the entrepreneur can be in great trouble.
- Law as an effective business strategy - entrepreneurs are the captain of a start-up. And if the captain ignores problems the start-up will start to sink.

This module should be able to guide and support the entrepreneur so he/she stays on the right side of the law. Developed as part of the **BIC for SME** project, helps to challenge the entrepreneur in examining the knowledge of legal issues.

Having completed the **BIC for SME** Diagnostic evaluation earlier and having identified gaps in terms of legal issues, this module provides a template whereby the user can deal with issues of concern to the business, such as:

- Understanding the economic and financial situation of the company so as to define managerial actions for planning and control system.
- Guides for SMEs to create a business budget.
- Management and administration of key legal issues - Tax laws, Employment law, Industrial law and Intellectual Property rights, Data Privacy and safety.

2. MODULE GOALS (MODULE DIAGNOSTIC, ROADMAP & DELIVERY)

2.1 Module Goals

In [Section 3](#) a detailed breakdown of the Module content is provided. However, the broad objectives of this Module are to:

- Acquire the managerial skills necessary to guide the SME business growth in an increasingly competitive and digital environment re: data security, information management, etc.,
- Develop appropriate analysis and assessment tools for the company,
- Analyse the market and operational actions of the company and understand how to strengthen its competitiveness,
- Analyse, define and monitor pricing and promotion strategies,
- Analyse commercial and legal strategies.

2.2 Plan the Module Training Process

2.2.1 Undertake a Diagnostic Assessment / Baseline Survey

In order to identify the key aspects for success in terms of the existing administrative and legal regulations and their context, you should use the **BIC for SME** Diagnostic Tool for Entrepreneurs with your Trainer / Coach / Mentor.

The **BIC for SME** Diagnostic Tool will highlight areas of strength and weakness for entrepreneurs and will help to provide a Roadmap in terms of the actions to be undertaken to enhance knowledge and competencies. This Roadmap is supported by a visual Concept Map, which provides a visual representation of the Module where you can highlight key areas to review and address.

Alternatively, or in support of the **BIC for SME** Diagnostic Tool, you can use a simple problem-analysis tool to find the root cause of the issues involved in existing regulations and their context, such as:

- [Five whys](#) - The primary goal of the technique is to determine the root cause of a defect or problem by repeating the question "Why?". Each answer forms the basis of the next question. The "five" in the name derives from an anecdotal observation on the number of iterations needed to resolve the problem.
- [Fishbone Diagram](#) - The fishbone diagram or Ishikawa diagram is a cause-and-effect diagram that helps entrepreneurs to track down the reasons for imperfections, variations, defects, or

failures. The diagram looks just like a fish's skeleton with the problem at its head and the causes for the problem feeding into the spine. Once all the causes that underlie the problem have been identified, entrepreneurs can start looking for solutions to ensure that the problem doesn't become a recurring one.

- Etc.

2.2.2 Develop a Training Roadmap & Action Plan

Following the initial Diagnostic or Baseline Evaluation and in order to make the training intervention effective, it is important for the Trainer / Mentor / Consultant to work with entrepreneurs to:

1. Select the elements of the Legal issue module to be covered and set timelines.
2. Set the training sequence (trainers to organize topics based on importance (as per the Diagnostic evaluation), impact, interactions, etc.).
3. Select the pedagogy (how the selected elements of the Module are to be covered in terms of practical work, lectures, reading material, exercises, etc.).
4. Set Action plan and Milestones to be achieved – KPI (see [Section 4](#)).
5. Determine Outputs - assess the result achieved (see [Section 5](#)).

2.2.3 Delivery of this Module

The delivery of this module should take approximately 12 Hours (including supported and (primarily) independent learning).

Following your Training / Mentoring / Coaching intervention, you can use the **BIC for SME** Diagnostic Tool for Entrepreneurs a second time and assess the progress made in terms of your enhanced knowledge, competencies and skills.

3. CONTENT OF THE MODULE

3.1: Module Content

This Module looks at key reporting and legal issues including:

3.1.1 [Management control and action plan](#)

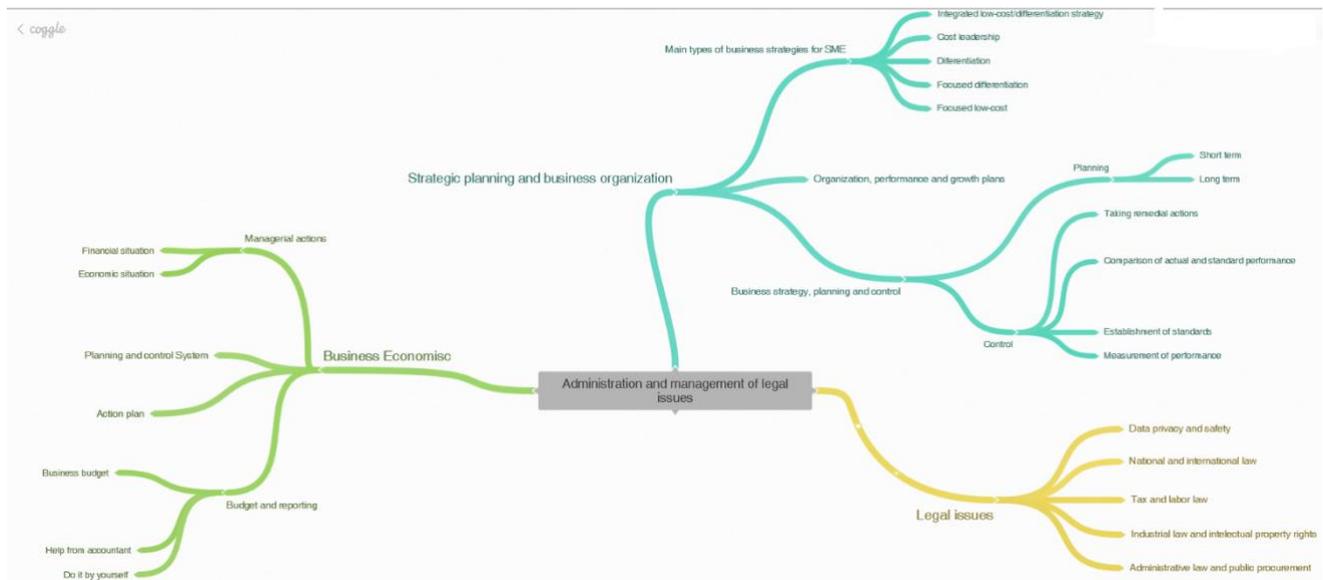
3.1.2 [Business budget](#)

3.1.3 [Financial statements](#)

3.1.4 [Legal Issues](#)

An overview of the Content is provided below and can also be found in The Diagnostic Tool in the Roadmap Worksheet.

Fig 4.1: Concept map



3.1.1 Management control and action plan

Management control of small and medium enterprises is rarely formalised, usually housed in the financial accounting department (if not simply with an administration person who also has many other roles), focussing on the proper administration of the company.

Management control often mainly exists in the form of financial and economic knowledge of the company, which acts as a guide for work in progress and for the future strategy of the company.

However, management control can also act as a means of study and action to manage the company. Information obtained through monitoring can evaluate past actions and find solutions for improvement, recovery, overcoming errors or difficult situations, making corrections, introducing changes and modifying strategies already developed.

In a transparent organisation, management control should be developed and continuously improved, because only in these conditions can it contribute to the effective integration of the company in the market and hence, ensuring the growth of its financial performance.

Question

What is management control?

Answer

Management control provides significant economic, social and dynamic information, which managers / entrepreneurs can use to identify and prevent problems, enhance the value and quality of management decisions and ensure the smooth functioning of enterprises. Management control, as part of the economic information system, is a key factor in the development and operation of an enterprise, if it's well organised and structured at all levels.

Although SME management control functions are less formalised, they can still provide managers with:

- Informed knowledge and processes to support the economic and financial situation of the company,
- A practical competitive advantage, because of activities carried out by competent persons using specific techniques and methods and organised systems of information,
- Progress evaluations and identification of action items for internal users,

Question

What is creative management control?

Answer

Effective management control helps to create added value and influence stakeholders to reduce costs associated with various business activities. It supports the development of processes, which, on the one hand, helps to reduce costs, and, on the other hand, can help with the reallocation of saved resources and the creation of new opportunities. Therefore, value creation targets both cost reduction and development activities through organisational changes.

You will find more information on business planning here:

<https://radjenovicsasa.wordpress.com/2014/01/05/planning-and-control-in-sme/>

For more regarding business strategies, you can read: <https://www.become.co/blog/types-of-business-level-strategies/>.

3.1.2 Business budget

Trying to run a business without a budget is like trying to walk through a busy intersection with your eyes closed and your ears blocked. It is necessary to manage your finances if you want to take care of your business. We advise to also see [Module 5](#) and [Module 6](#) in regards to this content.

STEPS TO CREATING A BUSINESS BUDGET:

Step 1: Tally the Income Sources

The first element of a good business budget is figuring out how much money is brought in on a monthly basis. Starting with sales figures first and then adding other income sources from business activities.

Step 2: Determine Fixed Costs

Fixed costs are expenses that are charged the same price each month no matter how much income you have achieved. This is relatively straightforward in terms of creating a business budget.

Step 3: Include Variable Expenses

Items that don't have a fixed price tag each month are called variable costs. Many of these purchases can actually be scaled up or down depending on the business activities being undertaken. The earnings you are left with after paying all your costs will determine your profit each month. Therefore, if your business does better than you forecasted, you can use the extra funds to increase variable spending enabling you to grow faster (e.g., secure more raw materials, staff, etc.).

Step 4: Predict One-Time Spends

A great benefit of creating a budget is that you will be able to factor in one-time purchases or plan for unforeseen costs. While some of these items may come up unexpectedly, like the purchase of a laptop to replace the one that crashed, or replacing a damaged machine, others can be budgeted for months in advance, like replacing dated machinery, expanding business markets, improving your premises.

Step 5: Pull It All Together

The four steps above detail the elements of a good business budget, so the last step is simply pulling it all together. Develop a budget by using this handy checklist with specific examples:

- Income sources: hourly earnings, product sales, investment income, loans, savings etc.
- Fixed costs: rent/mortgage, utilities, salaries, internet, government and bank fees, cell phone, website hosting, accounting services, legal services, insurance etc.
- Variable expenses: raw materials, contractor wages, commissions, advertising, other marketing costs, transportation, travel & events, printing services etc.
- One-time spends: computer, furniture, software, office supplies etc.

Creating a monthly business budget may seem inconvenient or a very big challenge, but it is an essential activity that gives you the ability to make conscientious financial decisions so the business can stay on track and grow. By staying on top of how you're doing at the end of every month, you can make informed decisions about your business – like when you can invest in more resources or when you need to cut back.

3.1.3 Financial statements

Financial statements are reports that summarise important financial accounting information about your business. There are three main types of financial statements: **the balance sheet, income statement, and cash flow statement**. Together, they give you – and outside people like investors – a clear picture of your company's financial position.

A **balance sheet** is a snapshot of your business finances as it currently stands. It tells you about the assets you own, and liabilities (i.e., debts) you owe, at a particular point in time. Balance sheets are broken up into three general categories:

- **Assets** – anything valuable that the company owns,
- **Liabilities** – debts owed to other people / entities,
- **Equity** – the remaining value of the company after subtracting liabilities from assets.

To grasp how the three categories on the balance sheet work together, remember this formula:

$$\text{Equity} = \text{Assets} - \text{Liabilities}$$

This is useful information. But it's not the full picture.

Question

Does a balance sheet tell you...

- ...how many products/services were sold? **No.**
- ...how much cash was received? **No.**
- ...how much it cost to make the products sold? **No.**
- ...how much was spent on expenses? **No.**

This is where the **income statement** comes in. While the balance sheet is a snapshot of your business's financials at a point in time, the income statement (sometimes referred to as a profit and loss statement) shows you how profitable your business was over an accounting period, such as a month, quarter, or year. It shows you how much you made (revenue) and how much you spent (expenses). Here are basic terms of income statement:

- **Revenue** – how much you earned from selling your products/services,
- **Cost of Goods Sold (COGS)**: the total amount it cost you to make the products/services,
- **Gross Profit** (tells you how profitable your products are):
 - **Gross Profit = Revenue – COGS**
- **Operating Expenses**: the cost of running your business, not including COGS,
- **Net Profit** (tells you how profitable your business is):

$$\text{Net Profit} = \text{Gross Profit} - \text{Operating Expenses}$$

When you subtract the COGS from revenue, you see just how profitable your products are. This is very useful. If your COGS and revenue numbers are similar, that means you're not making very much money per sale. Just because your products are profitable, doesn't mean your business is profitable. You could be making a big profit on every product/service but spending so much on advertising that you walk away with nothing.

Question

Does your income statement tell you...

- ...how much money you have in the bank? **No.**

- ...how much money you owe to your credit card company? **No.**
- ...how much equity you have in the business? **No.**
- ...how much money you had one month ago vs. six months or a year ago? **No.**

To get that info, you need snapshots of your business's finances. You get those from the balance sheet. Most small businesses track their financials only using balance sheets and income statements. However, depending on how you do your financial reporting, you may need a third type of statement.

The **cash flow statement** tells you how much cash entered and left your business over a particular time period. The cash flow statement has three parts:

- **Cash Flows from Operations** – this is what you make and spend in the normal course of doing business,
- **Cash Flow from Investing Activities** – this is money you invest – in this case, by purchasing new equipment for your business,
- **Cash Flow from Financing Activities** – this includes money the owner invested in the business, as well as taking out and repaying loans.

Your cash flow statement will show you a different side of your business – the cash flow side, which is not visible on your balance sheets and income statements.

Once a year you are obligated to report to your state authority or companies' office, but most likely you will also need financial reports during the year for banks and other financial institutions.

Question

Ask yourself: "Can I do this work / reporting by myself, or, the other hand, is it better to hire an accountant?"

1. **"Smaller" SMEs:** as the owner / manager you are responsible for finance as well as managing all other aspects of the business. If this is the case with you:
 - a. know legislation in relation to financial reports (form, deadlines, obligations, etc.)
 - b. have an accountant, solicitor or consultant ready for any questions that might arise.
2. **"Bigger" SMEs:** here the owner also manages the business, but most likely, they have an internal administrator or finance person and an external accountant to deal with their finance, which also includes the reporting.

You can find more information regarding financial statements here:

<https://corporatefinanceinstitute.com/resources/knowledge/accounting/three-financial-statements/> and <https://www.sec.gov/reportspubs/investor-publications/investorpubsbegfinstmtguidehtm.html>.

3.1.4 **Legal Issues**

Before starting a business is good to understand the context involving national legal requirements. A further question to consider is the connection between the national legal system and international or EU legal systems?

International law: EU law - EU law is transnational law and it has to be applied as a matter of priority. EU member countries must comply with EU law and incorporate it into their legal systems. EU law consist of regulations, directives and case law of the Court of the EU.

National law: Take Slovenia for example. In the Slovenian legal system, the highest legal act is the Constitution of the Republic of Slovenia. Basic national legal acts that every entrepreneur must know are Code of Obligations (contracts, obligations and rights of contract parties, rules regarding the offer, etc.); Companies Act (economic entities, accounting, balance sheets, relations within companies and others); Consumer Protection Act (regulates the business and conduct of the company towards the consumer as a natural person) and laws and regulations in the field of tax legislation and accounting. Practically all countries will have similar systems.

1. TAX LAW

Question

What do I need to know about tax law?

- In **Slovenia**, the main regulations are Zdoh-2, ZDavP – 2 and ZDDPO – 2. Every entrepreneur has the obligation to fill in tax returns and accounts, and generally to fulfil tax obligations. These regulations contain rules about accounting, assessment, payment, refunds, control and enforcement of taxes, the rights and obligations of taxpayers, regulates the system and introduces the obligation to pay personal income tax and also regulates the obligation to pay corporate income tax.

You can find relevant information for this topic here:

<https://zakonodaja.com/zakon/zdoh-2>

<https://zakonodaja.com/zakon/zdavp-2>

<https://zakonodaja.com/zakon/zddpo-2>

- For **Ireland** you find relevant information for this topic here:

<https://www.revenue.ie/en/starting-a-business/index.aspx>

- For **Italy** you find relevant information for this topic here:

<https://www.agenziaentrate.gov.it/portale/>

- For **Spain** you find relevant information for this topic here:

https://www.agenciatributaria.es/AEAT.internet/Inicio/Ayuda/Manuales_Folletos_y_Videos/Manuales_practicos/Ayuda_Folleto_Actividades_economicas/5_Impuesto_sobre_el_Valor_Anadido/5_Impuesto_sobre_el_Valor_Anadido.html

<https://www.agenciatributaria.es/AEAT.internet/IRPF.shtml>

https://www.agenciatributaria.es/AEAT.internet/Inicio/Ayuda/Manuales_Folletos_y_Videos/Manuales_practicos/Ayuda_Folleto_Actividades_economicas/4_Impuesto_sobre_Sociedades/4_Impuesto_sobre_Sociedades.html

https://www.agenciatributaria.es/AEAT.internet/Inicio/La_Agencia_Tributaria/Campanas/Campanas_comp_Sociedades_comp_Sociedades.shtml

https://www.agenciatributaria.es/AEAT.internet/Inicio/Ayuda/Manuales_Folletos_y_Videos/Manuales_practicos/Ayuda_Folleto_Actividades_economicas/5_Impuesto_sobre_el_Valor_Anadido/5_Impuesto_sobre_el_Valor_Anadido.html

2. EMPLOYMENT LAW

Question

Why is labour law or employment law so important and what are the main points that must be considered?

- In **Slovenia**, the main regulation is ZDR-1. Employment law is a set of laws, administrative decisions and precedents that protect and deal with the rights and obligations of workers and their employers. Employment law addresses the relationship between trade unions, employers and employees. Every worker has to be provided with the minimum standards of ZDR-1, which are:
 - contract of employment (elements of the employment contract are: duties and rights of the contracting parties, determination of the duration of the employment relationship, type of work, payment of the employee),
 - determination of annual leave,
 - special protection of employees (such as parenting, youth, disabled people, older workers, etc.).

You can find relevant information for this topic here:

<https://zakonodaja.com/zakon/zdr-1>

- For **Ireland** you find relevant information for this topic here:

https://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/employment_rights_and_duties/employee_rights_and_entitlements.html

- For **Italy** you find relevant information for this topic here:

<https://www.lavoro.gov.it/Pagine/default.aspx>

<https://www.anpal.gov.it/centri-per-l-impiego>

<https://www.inps.it/>

- For **Spain** you find relevant information for this topic here:

[Estatuto del Trabajador](#)

[Convenio colectivo de Burger King España](#)

Question

What are other important aspects of employment law?

- In **Slovenia**, the main regulation is ZVZD-1. This framework also includes the law on safety at work, which regulates the obligations of employers in ensuring a healthy working environment.

You can find relevant information for this topic here:

<https://zakonodaja.com/zakon/zvzd-1>

- For **Ireland** you find relevant information for this topic here:

<https://www.hsa.ie/enq/Legislation/>

- For **Italy** you find relevant information for this topic here:

<https://www.inail.it/cs/internet/home.html>

For **Spain** you find relevant information for this topic here:

[Ley 31/1995, de 8 de noviembre, de prevención de riesgos laborales](#)

3. INDUSTRIAL LAW AND INTELLECTUAL PROPERTY RIGHTS

It is important that every entrepreneur protects their intellectual property rights.

Intellectual property rights includes patents, supplementary protection certificates, designs, trademarks, geographical indications, copyrights and related rights, and other items such as registered topographies of semiconductor circuits, plant variety rights, etc.

Note: For the protection of intellectual property rights, the procedures by which we exercise our rights in the event of an infringement are more important than the acquisition of rights itself.

- For **Slovenia** you find relevant information for this topic here:

<https://www.gov.si/drzavni-organi/organi-v-sestavi/urad-za-intelektualno-lastnino/zakonodaja-urada-za-intelektualno-lastnino/>

- For **Ireland** you find relevant information for this topic here:

<https://www.ipoi.gov.ie/en/>

- For **Italy** you find relevant information for this topic here:

For small entrepreneurs: <https://uibm.mise.gov.it/index.php/it/>

For big entrepreneurs: <https://www.cameracommercio.cl.it/fare-impresa/deposito-di-domande-di-brevetti-marchi-disegni-o-modelli/>

- For **Spain** you find relevant information for this topic here:

<https://www.boe.es/legislacion/codigos/codigo.php?id=67&modo=2¬a=0&tab=2>

<https://www.oepm.es/es/index.html>

For more information regarding **EU legal framework** visit:

<https://www.europarl.europa.eu/factsheets/en/sheet/36/intellectual-industrial-and-commercial-property>

4. DATA PRIVACY AND SAFETY

Question

What is data privacy?

Data privacy relates to how a piece of information — or data — should be handled based on its relative importance. Data is one of the most important assets a company has.

Question

How to protect data privacy?

Through the use of data security, which is securing sensitive data. The combination of data privacy and security is essential for a successful strategy for data protection. Data security is primarily focused on preventing unauthorised access to data, via breaches or leaks, regardless of who the unauthorised party is. To deter unauthorised access, organisations use tools and technology such as firewalls, user authentication, network limitations, and internal security practices, etc..

Transparency and agreement of the information owner

Privacy is concerned with ensuring the data any given organisation processes is managed compliantly and with consent from the owner of that sensitive data. This means informing individuals upfront of which types of data will be collected, for what purpose, and with whom it will be shared. Once this transparency is provided,

an individual then must agree to the terms of use, allowing the organisation managing the data to use it in line with its stated purposes.

- The main regulations in **Slovenia** are ZVOP-1 (which is the current regulation in the field of personal data protection, soon there will be ZVOP-2) and GDPR (applies to all EU Member States, which strictly regulates the protection of personal data).

You can find relevant information for this topic here:

<https://zakonodaja.com/zakon/zvop-1>

<https://e-uprava.gov.si/drzava-in-druzba/e-demokracija/predlogi-predpisov/predlog-predpisa.html?id=10208>

- For **Ireland** you find relevant information for this topic here:

<https://enterprise.gov.ie/en/Who-We-Are/Corporate-Information/Data-Protection/>

- For **Italy** you find relevant information for this topic here:

<https://www.interno.gov.it/it/amministrazione-trasparente>

- For **Spain** you find relevant information for this topic here:

https://ec.europa.eu/taxation_customs/business/vat/existing-eu-legal-framework_en

For more information regarding **EU legal framework** visit:

https://ec.europa.eu/taxation_customs/business/vat/existing-eu-legal-framework_en

3.2: Useful Material for the Entrepreneurs

Links to Materials and Further Reading are provided below:

Planning & Control	https://radjenovicsasa.wordpress.com/2014/01/05/planning-and-control-in-sme/
Business Strategies	https://www.become.co/blog/types-of-business-level-strategies/
Financial Statements	https://corporatefinanceinstitute.com/resources/knowledge/accounting/three-financial-statements/ https://www.sec.gov/reportspubs/investor-publications/investorpubsbegfinstmtguidehtm.html
EU Legal Framework	https://ec.europa.eu/taxation_customs/business/vat/existing-eu-legal-framework_en

Key terms:

Key terms	
Management control	Management control is steering an organization toward its strategic objectives and competitive advantage. It involves management accounting, resource allocation decisions and is therefore related to and requires contribution from economics especially managerial economics and communication.
Action plan	An action plan is a detailed plan outlining actions needed to reach one or more goals. A business action plan is an internal business document that lists the actions you must take within a certain timeline, while running your business, to achieve a goal.
Business budget	A business budget is a spending plan for your business based on your income and expenses. It identifies your available capital, estimates your spending, and helps you predict revenue.
Financial statements	Financial statements are written records that convey the business activities and the financial performance of a company.
Balance sheet	Balance sheet is a statement of the assets, liabilities, and capital of a business or other organization at a particular point in time.
Income statement	An income statement is one of the three important financial statements used for reporting a company's financial performance over a specific accounting period. It is primarily focuses on the company's revenues and expenses during a particular period.
Cash flow statement	A cash flow statement is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company.
Legal issues	Legal issues in business will arise when you are not in line with certain laws. There are certain legal standards that you need to uphold as a business, which is all clearly outlined by governmental laws.
Tax law	Tax laws are the rules and regulations that stipulate how, when, and how much must be paid in taxes to local, state, and federal authorities.
Employment law	Employment law is the state and federal laws that protect worker rights, prevent discrimination, and promote safe work environments.
Industrial law	Industrial law relates to the laws governing industrial enterprises. These can include a wide range of legal topics, from employment laws to environmental concerns, contracts, industrial relations, and worker safety regulations. Industries vary widely and the policies for each is as unique as the business to which it relates.
Intellectual property rights	Intellectual property rights are the rights given to persons over the creations of their minds. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.
Data privacy and safety	Data privacy defines who has access to data, while data protection provides tools and policies to actually restrict access to the data.

4. ROADMAP & ACTION PLAN

Having completed the Diagnostic evaluation and having identified key issues of concern or knowledge gaps in terms of supporting a business, your Trainer will have been able to set out a Training Roadmap on specific issues to do with Staying on the Right Side of the Law.

As outlined in [Section 2.2.2](#), the Training roadmap (learning path) is a structured sequence of training activities proposed to teach a topic. While it should be comprehensive, it also needs to be practical, in order to organise the learning over a series of sessions. It will ensure that you do not omit crucial content because lack of time and that you will achieve fluency in key elements of the topic. Steps:

1. Set the goals derived from the **BIC for SME** diagnostic needs check (see [Section 2](#))
2. Set out the Roadmap and Action Plan by selecting the elements of the Module to be covered and timelines (see [Section 2](#))
3. Select pedagogy (how the selected elements of the Module are to be covered in terms of lectures, reading material, exercises, etc.,) (see [Section 2](#))
4. Set sequence: organize topics based on importance (as per the Diagnostic evaluation), impact, interactions, etc.. (see [Section 2](#))
5. Confirm Action plan and Milestones - KPI
6. Output: assess the result achieved

Having understood and having demonstrated how to use the various tools contained in the Module (steps 1 – 4 above), you should confirm a set of action items including a timeline indicating: what is to be done, by whom, when and how. Examples are provided below:

4.1 Action Plan

What	Who	When	How
Set a management control and action plan	Owner / manager	In 2 weeks	Evaluate my current business activities – how are they performing?
Create my business budget	Owner / manager	In 4 weeks	Follow the five steps in section 4.2
Decide who will take care of my financial statements	Owner / manager	ASAP	Initially using my own knowledge on this subject

Understand the context of my national legal system	Owner / manager	In next 6 weeks	Consult with the Trainer
Etc.			Etc.

The BIC for SME Diagnostic / Assessment Tool and Roadmap can provide a 'take away' in the form of a handout thereby giving you a practical guideline on tasks to be completed.

4.2 Countermeasures

Not all Action Items will progress as planned. It is therefore important that you consider some Countermeasures.

- Difficulties in creating a business budget due to unstable market situation (discuss alternative approaches with your trainer for this issue),
- Difficulties in communication with financial authority due to lack of knowledge of financial statements (perhaps hire a specialist),
- Problems with legal issues because of the complex structure of legal system (discuss alternative approaches with your trainer on this issue),
- Etc.

5. FOLLOW-UP & OUTPUTS

It is important that you monitor output achieved against the original Diagnostic evaluation, Roadmap and Action Plan (you can undertake this with the support of your Trainer / Mentor / Consultant):

What	Outcome (Date)
Action plan	To do
Creation of business budget	Work in progress
Financial statements	Done
Etc.	

6. APPENDICES

N/A