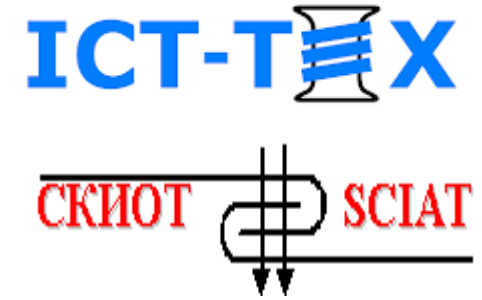




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# TOPIC 1. FUNDAMENTALS OF ENTREPRENEURSHIP IN THE TEXTILE AND CLOTHING INDUSTRY

The course is developed under Erasmus+ Program Key Action 2:  
Cooperation for innovation and the exchange of good practices [Knowledge Alliance](#)

**ICT IN TEXTILE AND CLOTHING HIGHER EDUCATION AND BUSINESS**

Project Nr. 612248-EPP-1-2019-1-BG-EPPKA2-KA

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## AGENDA

- Fundamentals of Entrepreneurship
- The Business Enterprise as a System
- Invention and Innovation
- Facts and Key Figures of the European Textile and Clothing Industry



## Learning goals and objectives

In this topic the students will acquire general knowledge about the entrepreneurship and the personality of the entrepreneur. They will understand the essence of the textile and clothing industrial (TCI) enterprise as an open system, as well as its external and internal environment. The students will learn about the terms: invention and innovation, and what are the differences between them. The attractiveness of the TCI in Europe will be presented.

## Short summary of content

Entrepreneurship and an entrepreneur definitions. The differences between intrapreneur and entrepreneur. The TCI enterprise as a system and its environment. Definitions of invention and innovation. The present situation in the TCI in Europe, according to the European apparel and textile confederation - EURATEX.

## Expected results

The expected results will be that students will understand the importance of the TCI entrepreneurship and innovation for the development of the local economy and to discover what their future role as entrepreneurs in the textile and clothing industry may be.



## Entrepreneurship definition

**Entrepreneurship** refers to the process of creating a new venture and bearing any of its risks, with the view of making the profit. It is an act of seeking investment and production opportunity, developing and managing a business enterprise, so as to undertake production function, arranging inputs like land, labour, material and capital, introducing new techniques and products, identifying new sources for the enterprise.

The entrepreneur can create a new business or develop a strategy to revitalize mature organisation in response to a perceived opportunity.





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## Entrepreneur definition

**Entrepreneur** is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and a business model and procedures. The entrepreneur undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods.

“Entrepreneur is someone who takes resources from a lower level of productivity and raise them to a higher level.” J. Schumpeter

The entrepreneurs impact and help the development and the growth of the economy.



## Entrepreneur and economic development

The entrepreneur, who is a business leader, looks for ideas and puts them into effect in fostering economic growth and development.

The entrepreneur:

- Promotes capital formation;
- Creates large-scale employment opportunities;
- Promotes balances regional development;
- Creates and distributes wealth;
- Increases Gross Domestic Product.





## Advantages and challenges of being entrepreneur

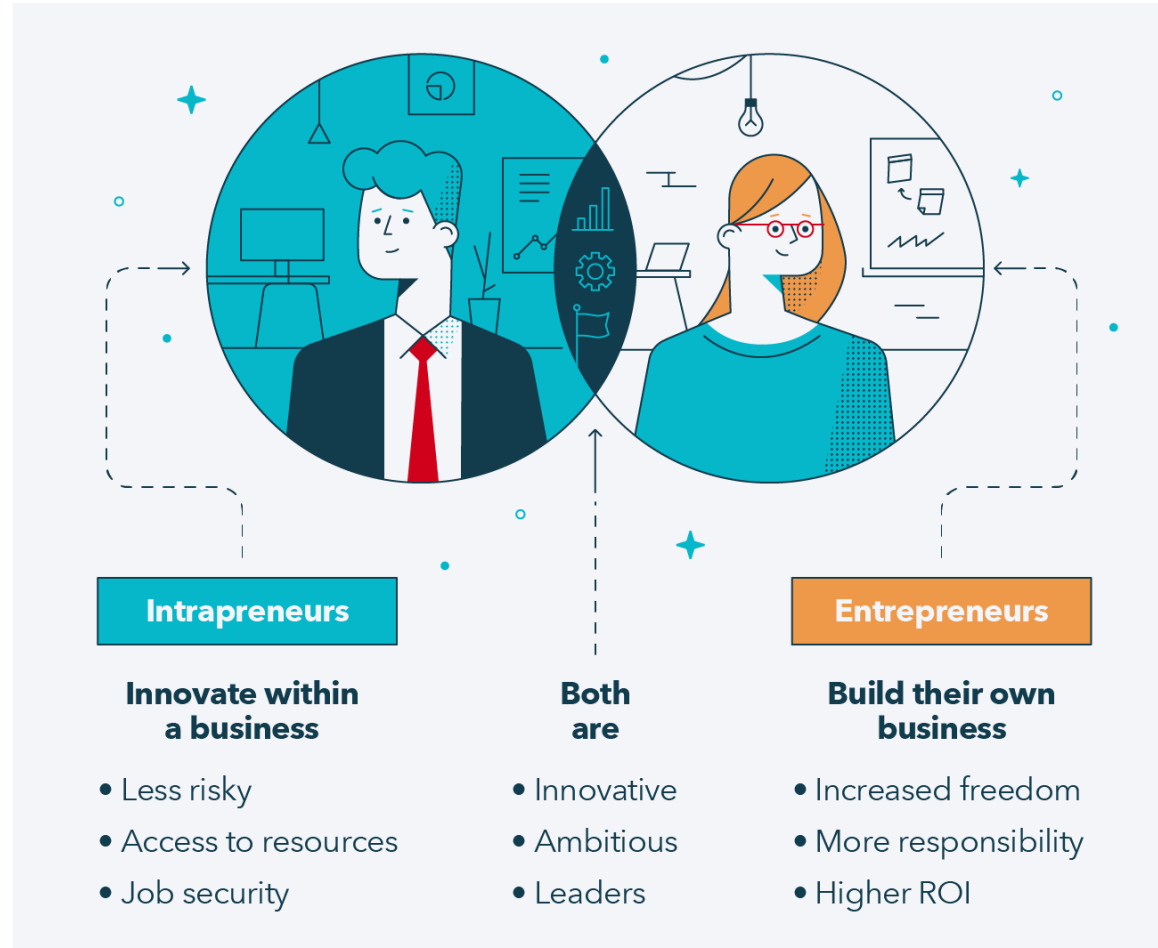
- Starting your own business can be an exciting and rewarding experience. It offers numerous advantages like being your own boss, setting your own schedule, and making a living doing something you enjoy.
- Entrepreneurship brings with it a variety of challenges. Becoming a successful entrepreneur requires sound planning, creativity and hard work, and it also involves taking risks, because all businesses require some form of investment, usually time or money.







# Entrepreneurs Vs intrapreneurs







## Entrepreneurs Vs intrapreneurs

Entrepreneurs	Intrapreneurs
Provide the spark.	Keep the flame going.
Are found anywhere their vision takes them.	Work within the confines of an organisation.
Face many hurdles and they are sometimes ridiculed and riddled with setbacks.	May sometimes have to deal with conflict within the organisation.
May find it difficult to get resources.	Have their resources readily available to them.
May lose everything when they fail.	Still have a paycheck to look forward to if they fail.
Know the business on a macro scale.	Are highly skilled and specialized.



## Characteristics of an entrepreneur

The successful entrepreneur possesses a combination of traits that show both innovation and leadership qualities:

- Ambition;
- Enthusiasm;
- Creativity;
- Problem-solving;
- Decision-making;
- Perseverance;
- Discipline.





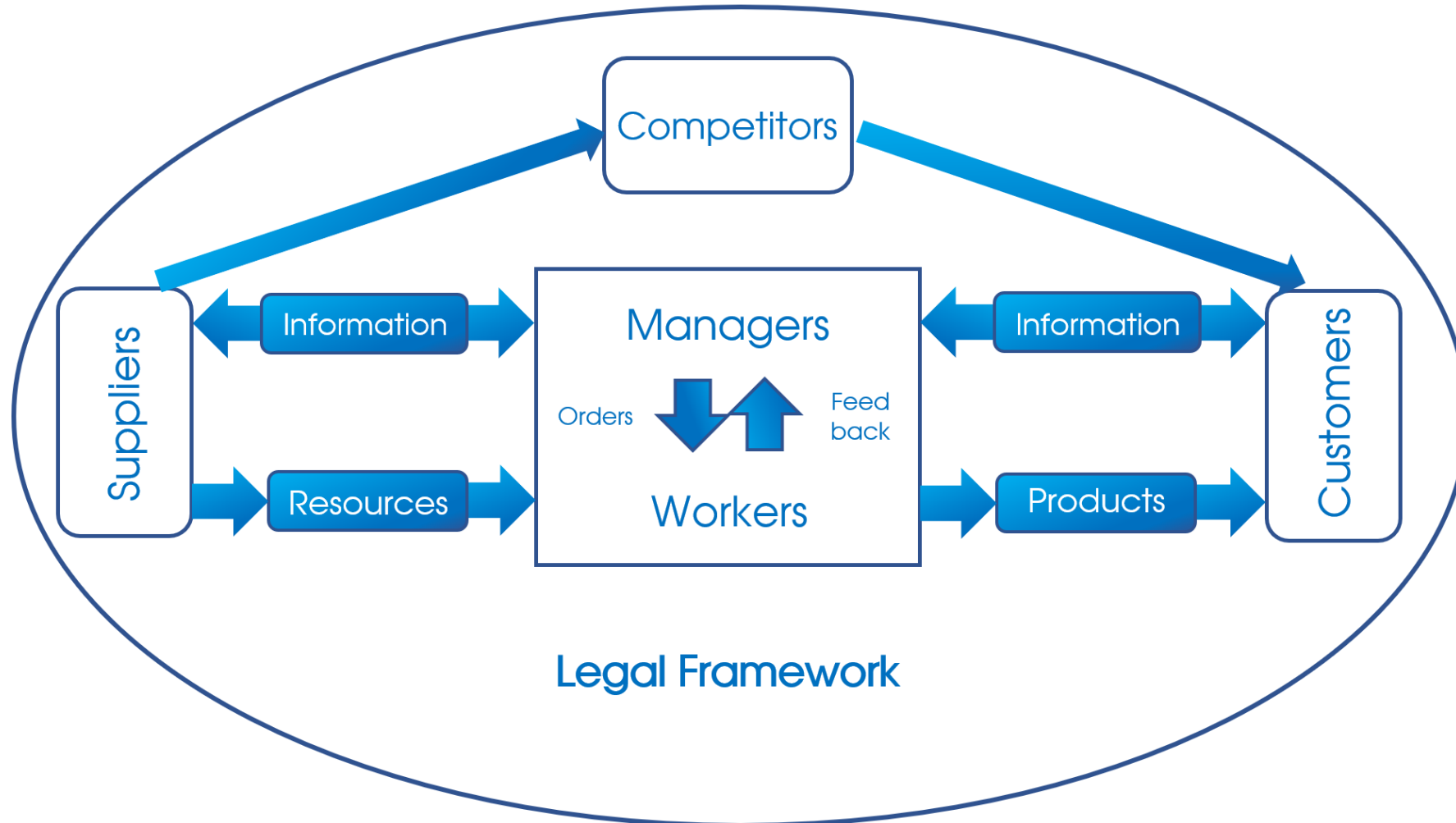
## TCI enterprise as a system



The TCI enterprise is an aggregation of processes and activities for production and distribution of goods and services in the textile and clothing industry. It is a way of organizing the economic activity of individuals with common goal.

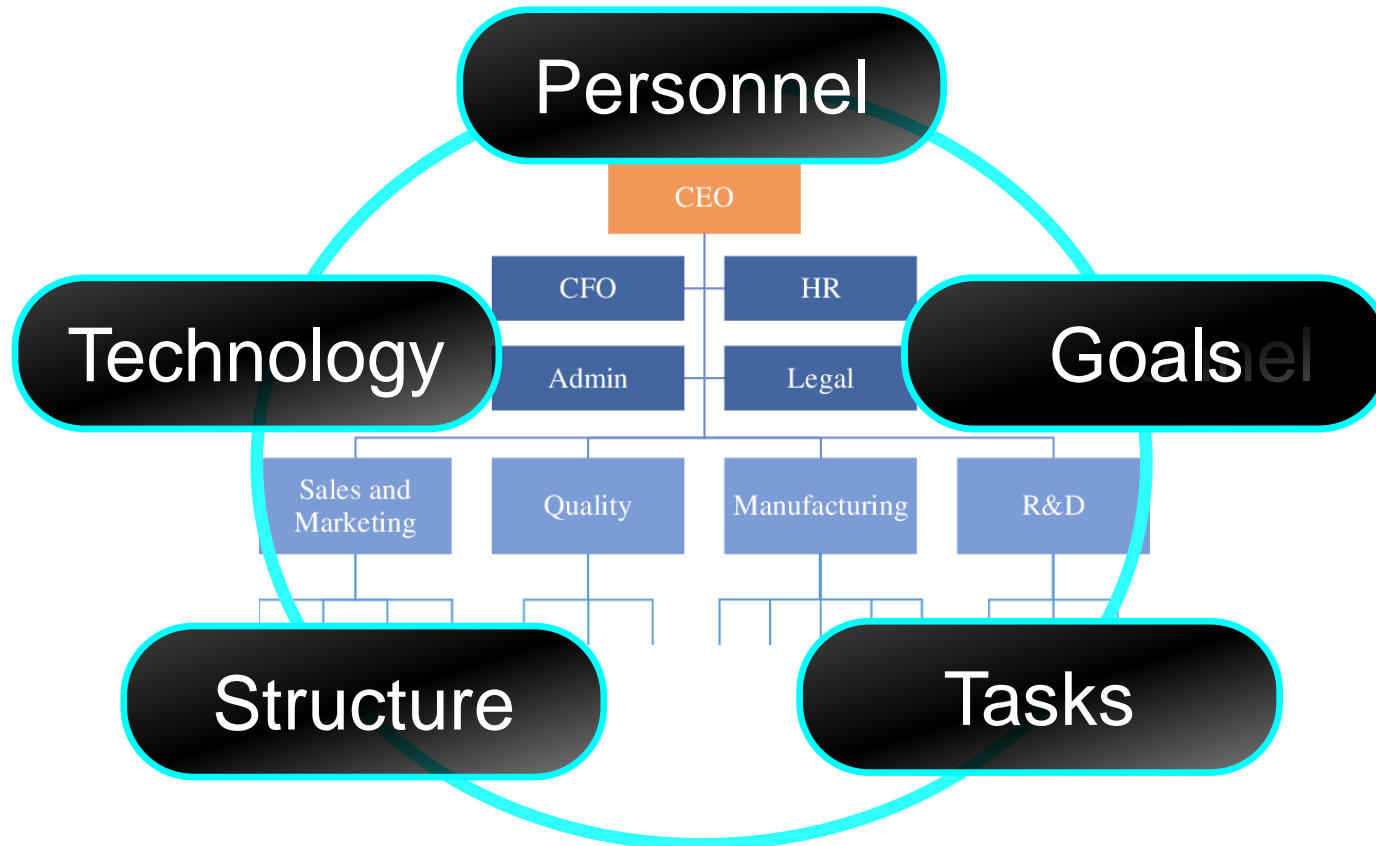


## External environment of the TCI enterprise





## Inner factors of the TCI enterprise



The main inner factors of the textile and clothing enterprise are:

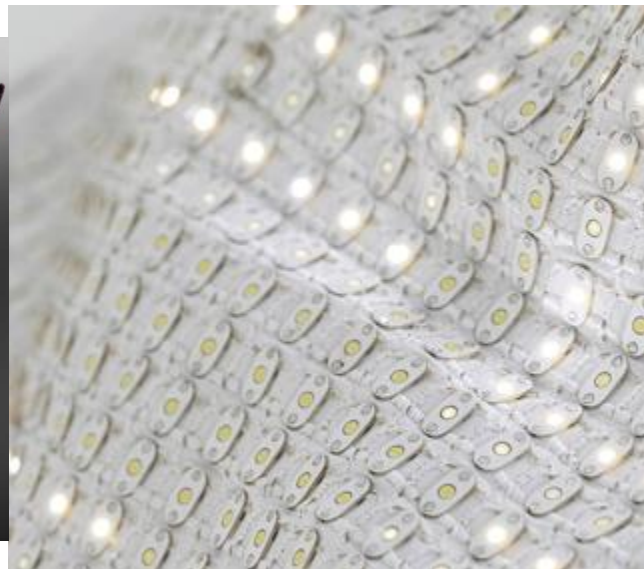
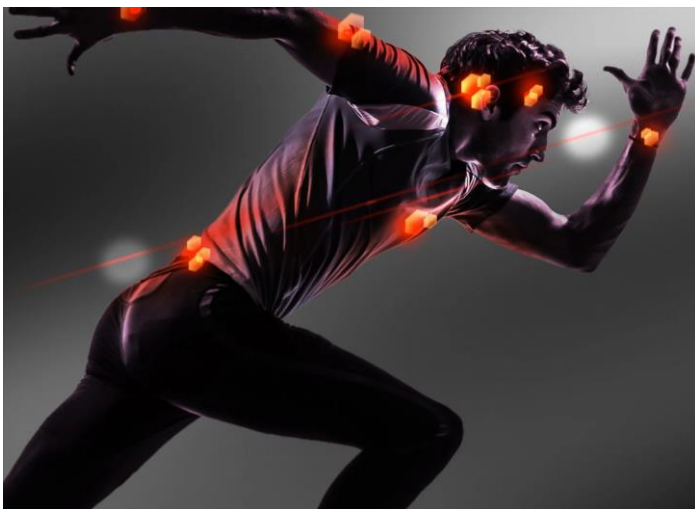
- Goals;
- Tasks;
- Personnel;
- Structure;
- Technology.





## Innovation in TCI

**Innovation** refers to something new or to a change made to an existing product or field in the TCI. An innovation is a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process). *Oslo Manual, 2018*





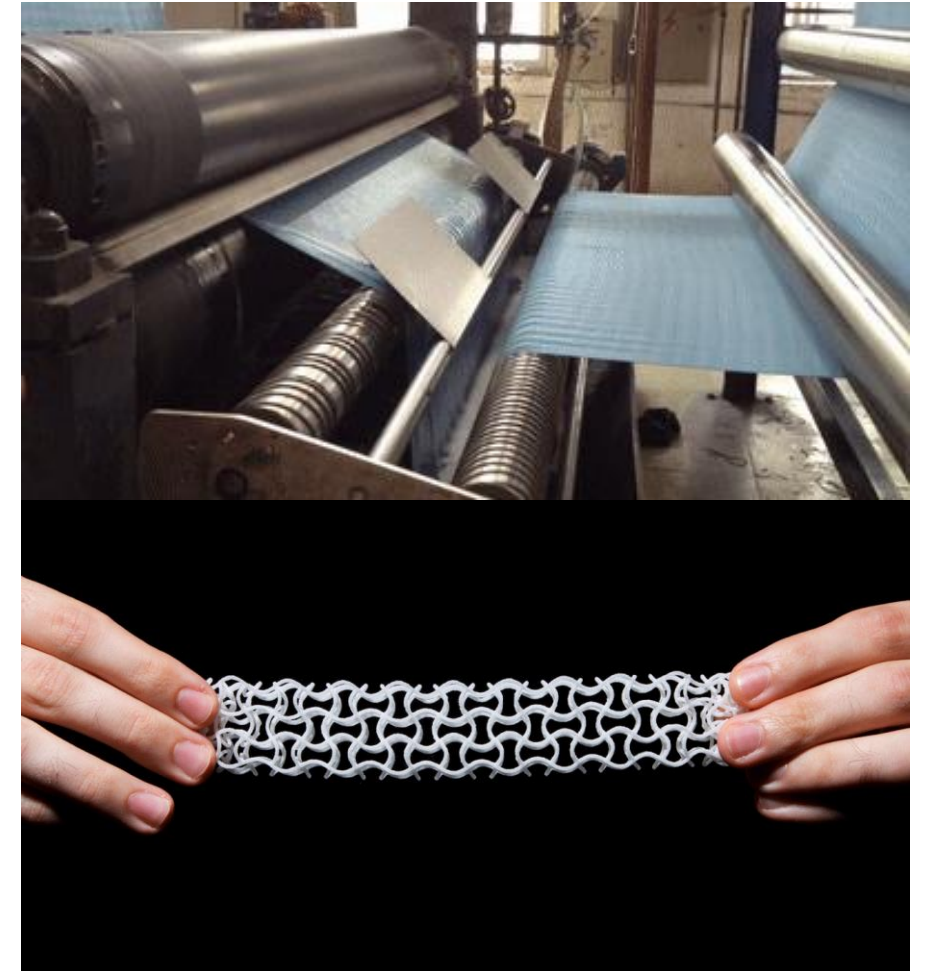
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## Invention in TCI

An **invention** is a unique or novel device, composition or method. It may be an improvement upon a machine or product or a new process for creating an object or a result. An invention is a result of a study or experiment. An invention that achieves a completely unique function or result may be a radical breakthrough. It is something that did not exist before.



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## Invention vs innovation

Invention	Innovation
Refers to the occurrence of a new idea for a product or process that has never been made before.	Refers to the implementation of the idea for the product or process for the very first time.
Creation of a new thing. Technical solution.	Adding value and transforming the new thing into a product.
An original idea which strikes the inventor. Technical and scientific skills are required.	A need for the product or its improvement is felt. Marketing, technical and management skills are required.
Single solution or process.	A combination of various solutions and processes.
Limited to the R&D function.	Spreads through the whole organization.



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## Key figures of the European textile & clothing industry, 2019

The European Textiles and Clothing sector is a very globalized industry, with annual exports exceeding €61 bln and imports well over €109 bln.

# KEY FIGURES

2019 estimated

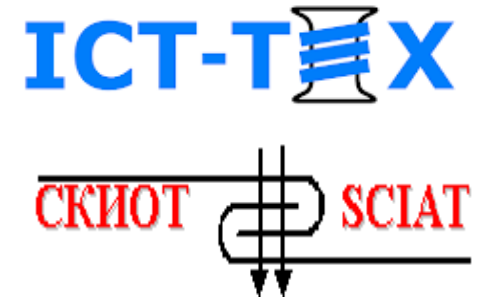


**BY SECTOR**

	2019e	UNIT	TEXTILE*	CLOTHING
Turnover		billions €	88.8	72.8
Investment		billions €	3.4	1.40
Companies		number	50,947	108,758
Employment		1000 pers.	593	922
Exports		billions €	26	35
Imports		billions €	29	80
Trade Balance		billions €	-4	-44

\* include Man-made fibres

Data based on UE27  
Numbers in white circles show the 2019/2018 percentage change  
Source: EURATEX based on EUROSTAT

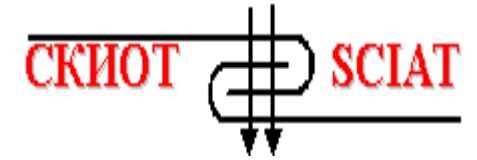
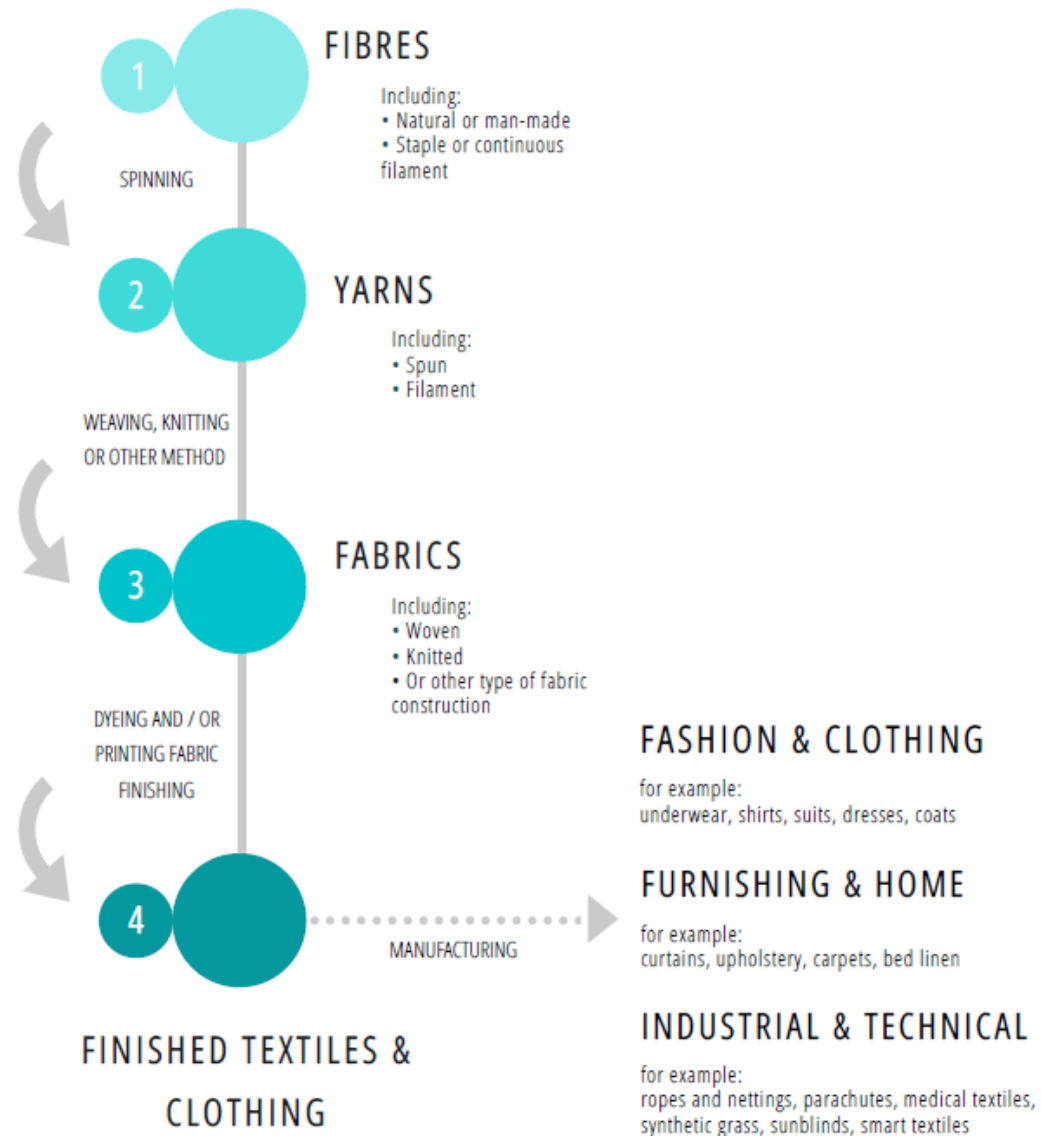




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# The textile manufacturing process

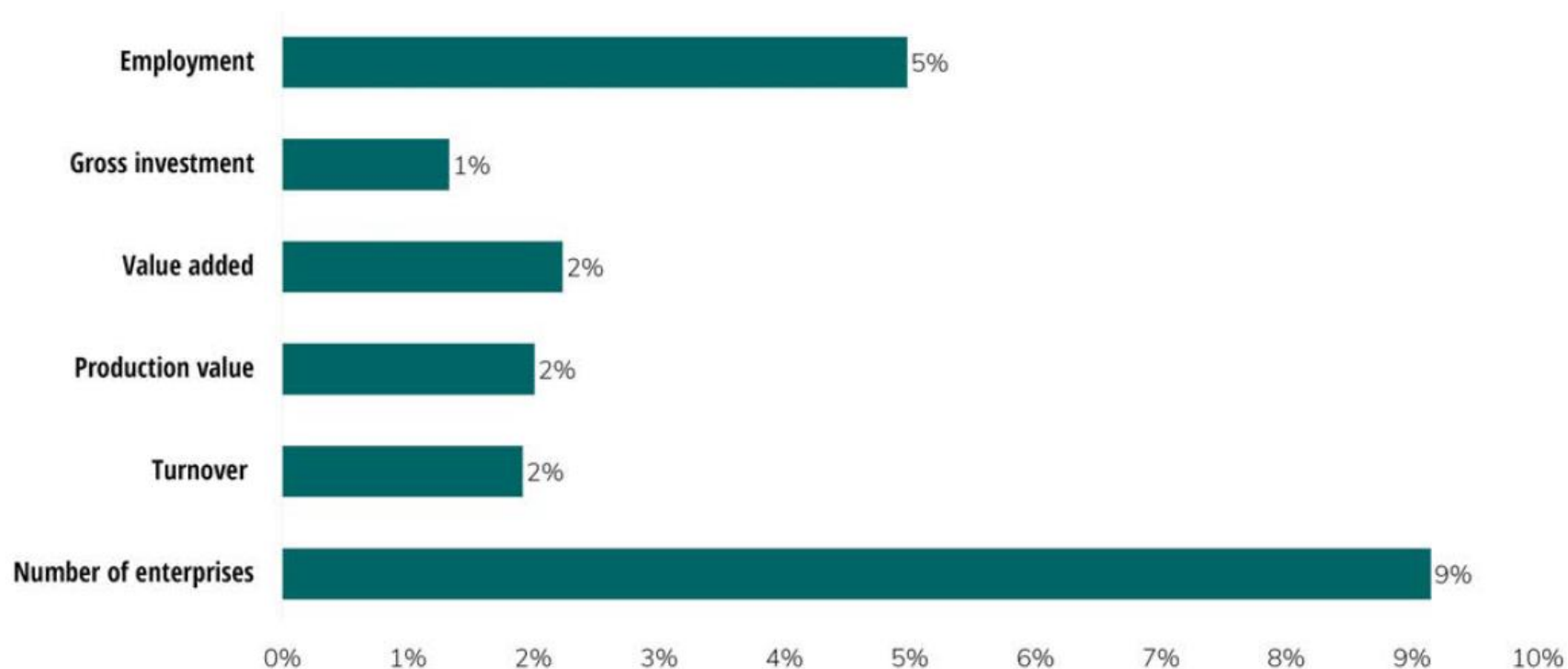
A complex value chain  
and diversity of product





## T&C share in total manufacturing activities, 2018

Nearly 1 out of 10 manufacturing companies in EU belongs to the T&C sector.

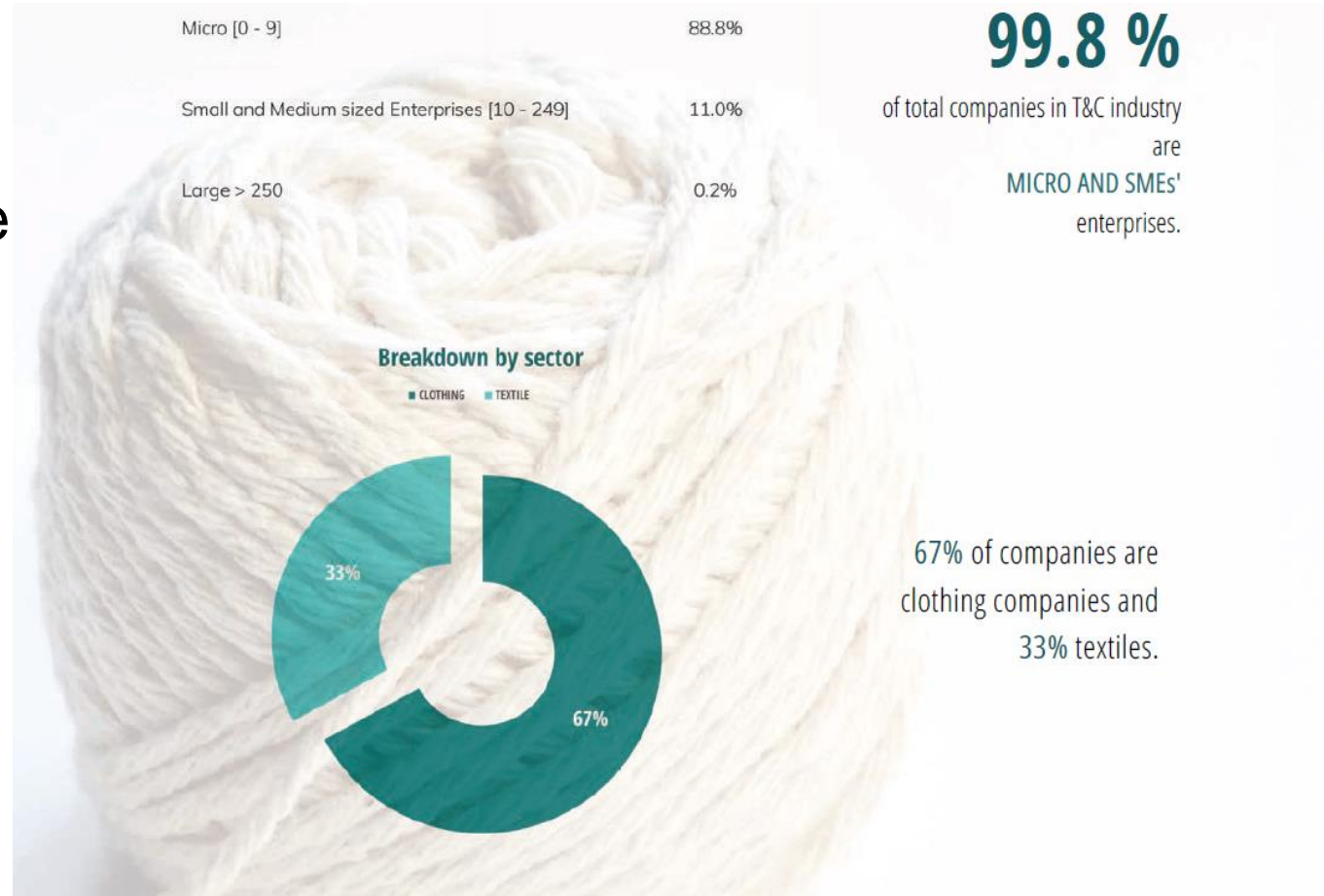






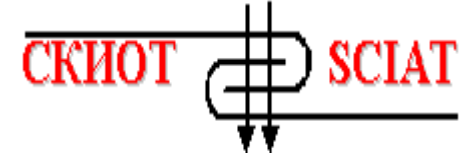
## Size of companies (number of employees), share

Small and medium sized enterprises are at the core of the industry.

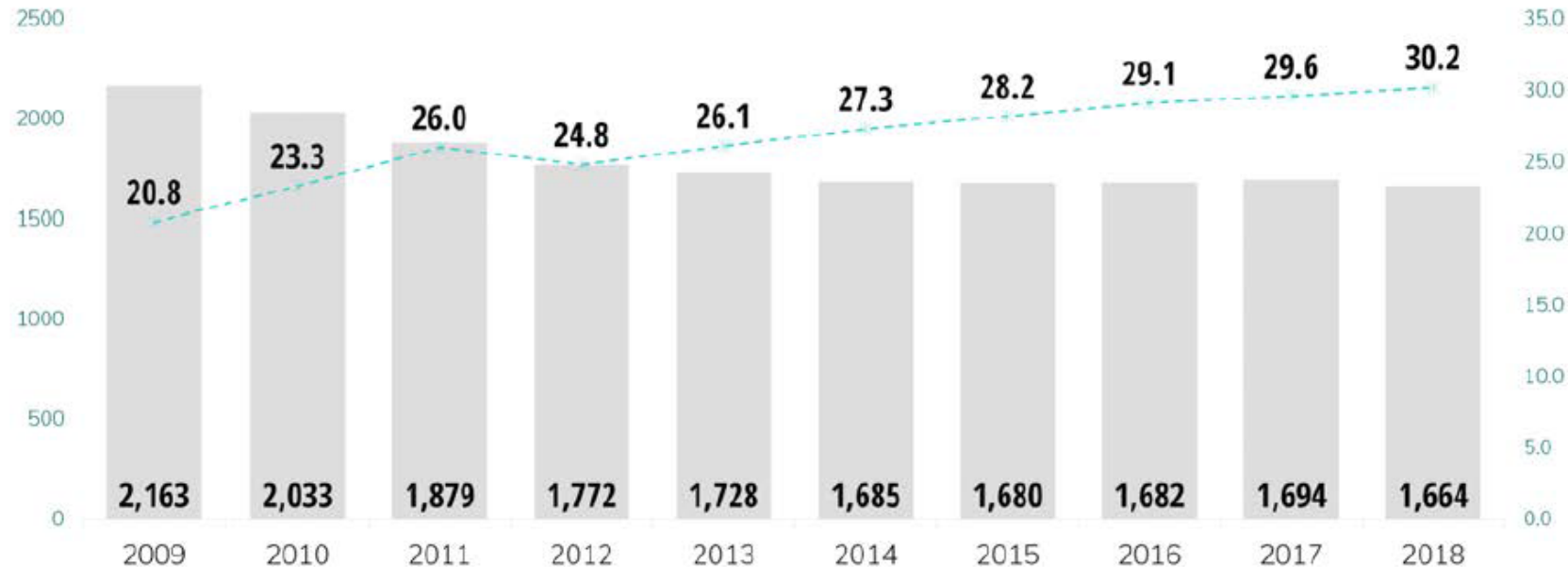




# Evolution of labour force and productivity per employee



The EU T&C industry has achieved considerable gains in productivity per employee over the years.





## Employment in the TCI by gender, 2018

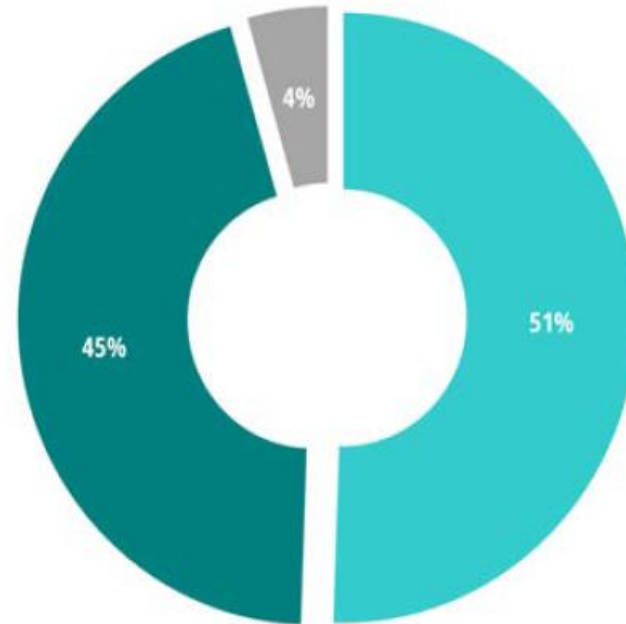
Woman represent  
more than 70% of  
all employees in  
the sector.







## Share of turnover by sector, 2019e



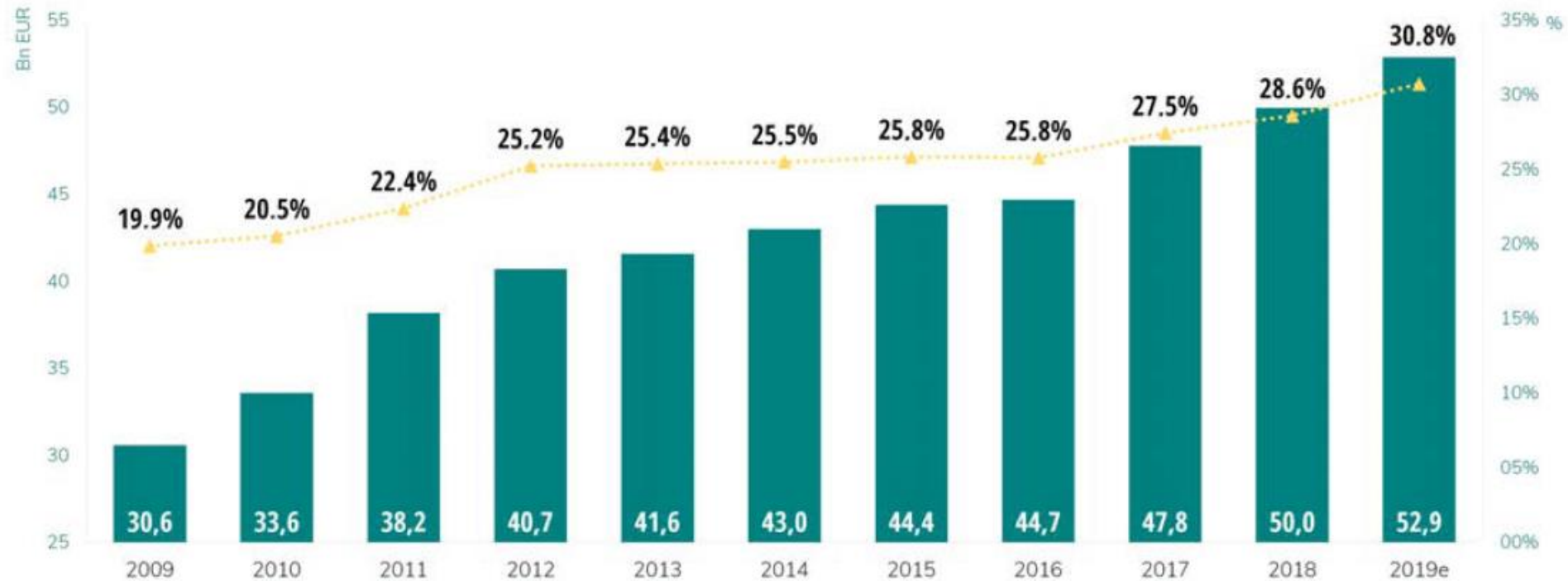
Textiles and man-made fibres  
represent 55% and  
clothing 45% of total T&C  
turnover:

162 billion EUR



## EU28 yearly evolution of exports to turnover ratio

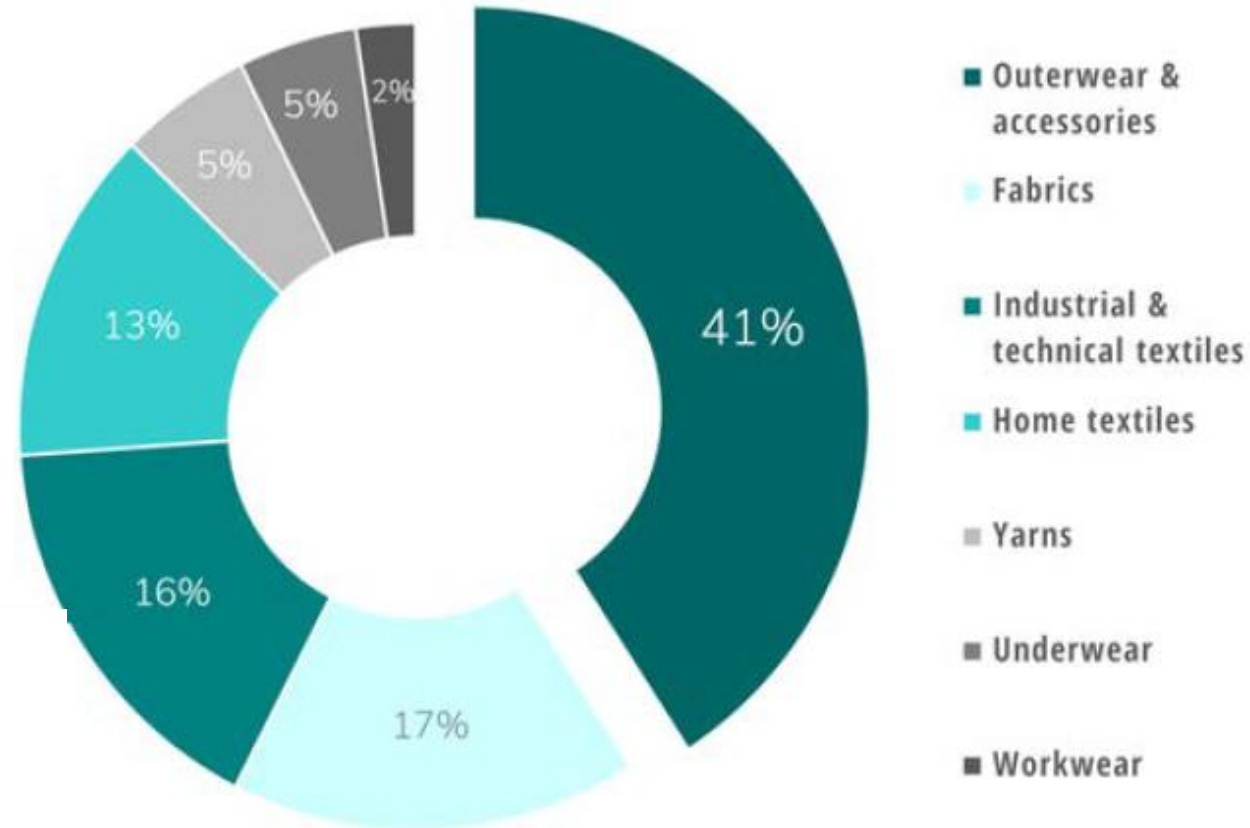
The T&C industry becomes more competitive on global markets.





## Product share by sub-sector

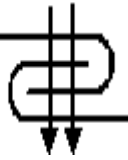
The clothing manufacturing is the main contributor to the total production and technical textiles is growing importance.





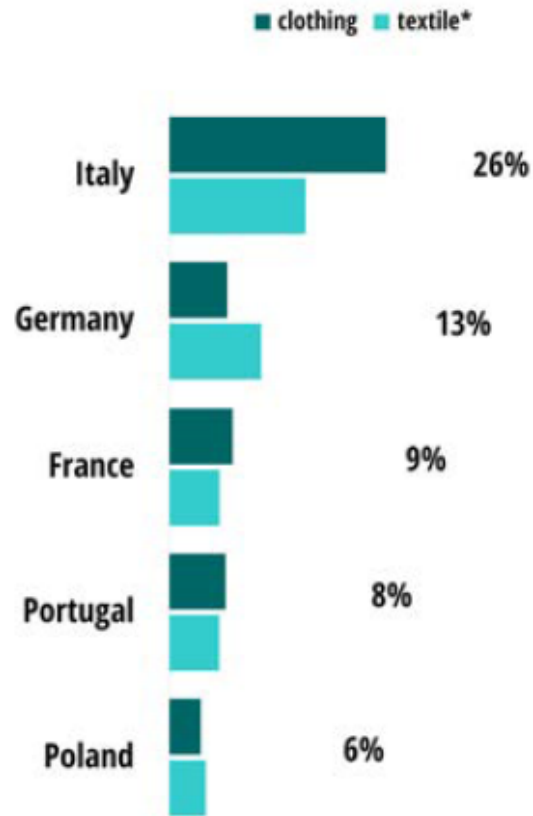
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## Investments

The T&C industry  
continues to invest  
in its future.



In 2018,  
62% of total investment is  
made by the top 5 EU  
Member States.



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## Household consumption

EU is a key market for fashion.



Europeans spend  
on average  
**600 EUR**  
per year for  
their clothes.

In 2018, households in the European  
Union spent almost € 264 bn on clothing  
articles, an increase of 10% over the  
decade.

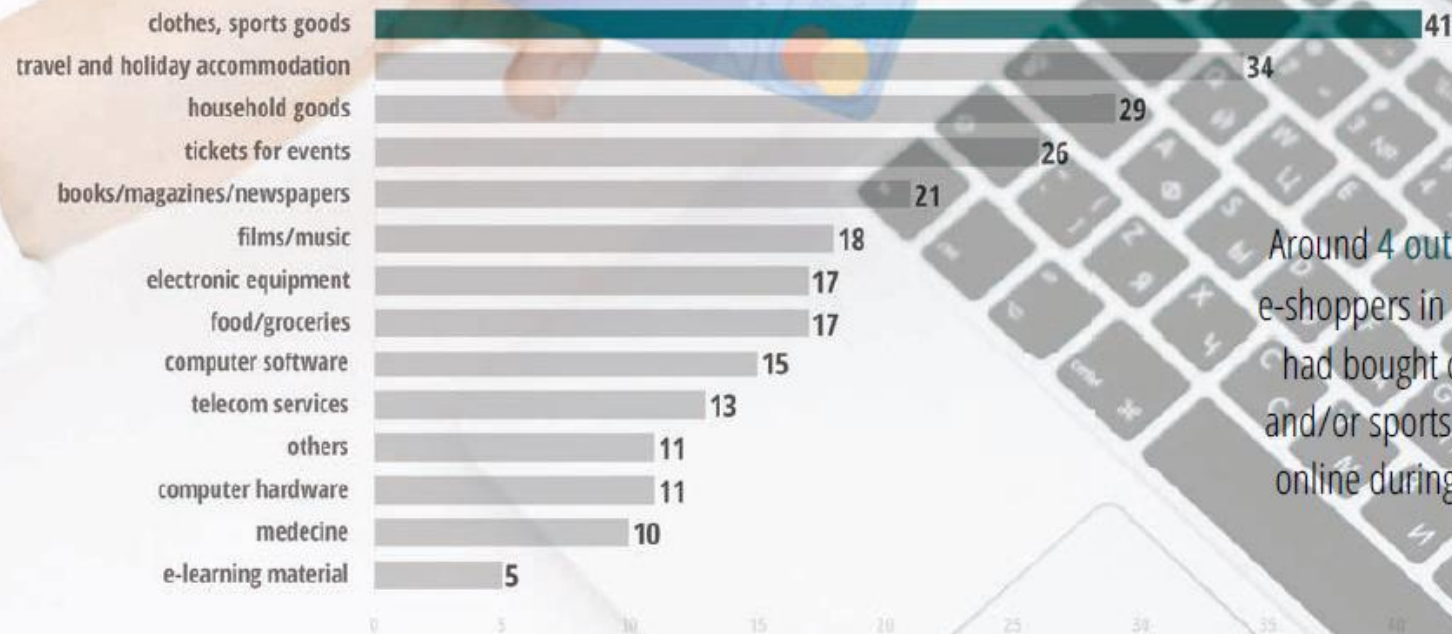




## E-Commerce

Clothing and sports goods: most popular online purchases by E-shoppers in the EU.

Online purchases per product category\*

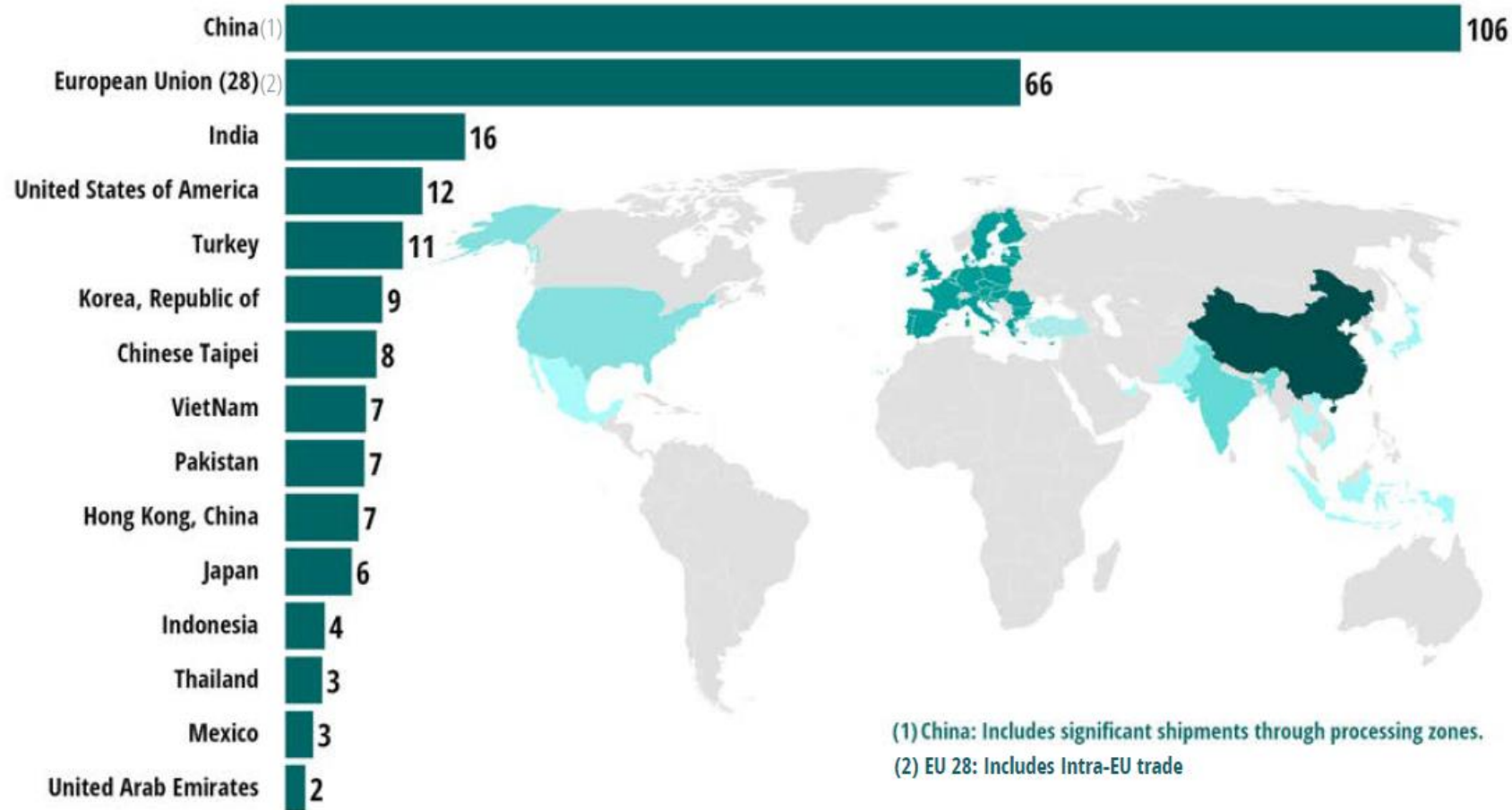


Around 4 out of 10 e-shoppers in the EU had bought clothes and/or sports goods online during 2019.

\* as % of people who ordered goods/services online during 2019



# World exports of textile



(1) China: Includes significant shipments through processing zones.  
 (2) EU 28: Includes Intra-EU trade

Europe is the world's 2<sup>nd</sup> exporter in our industry.

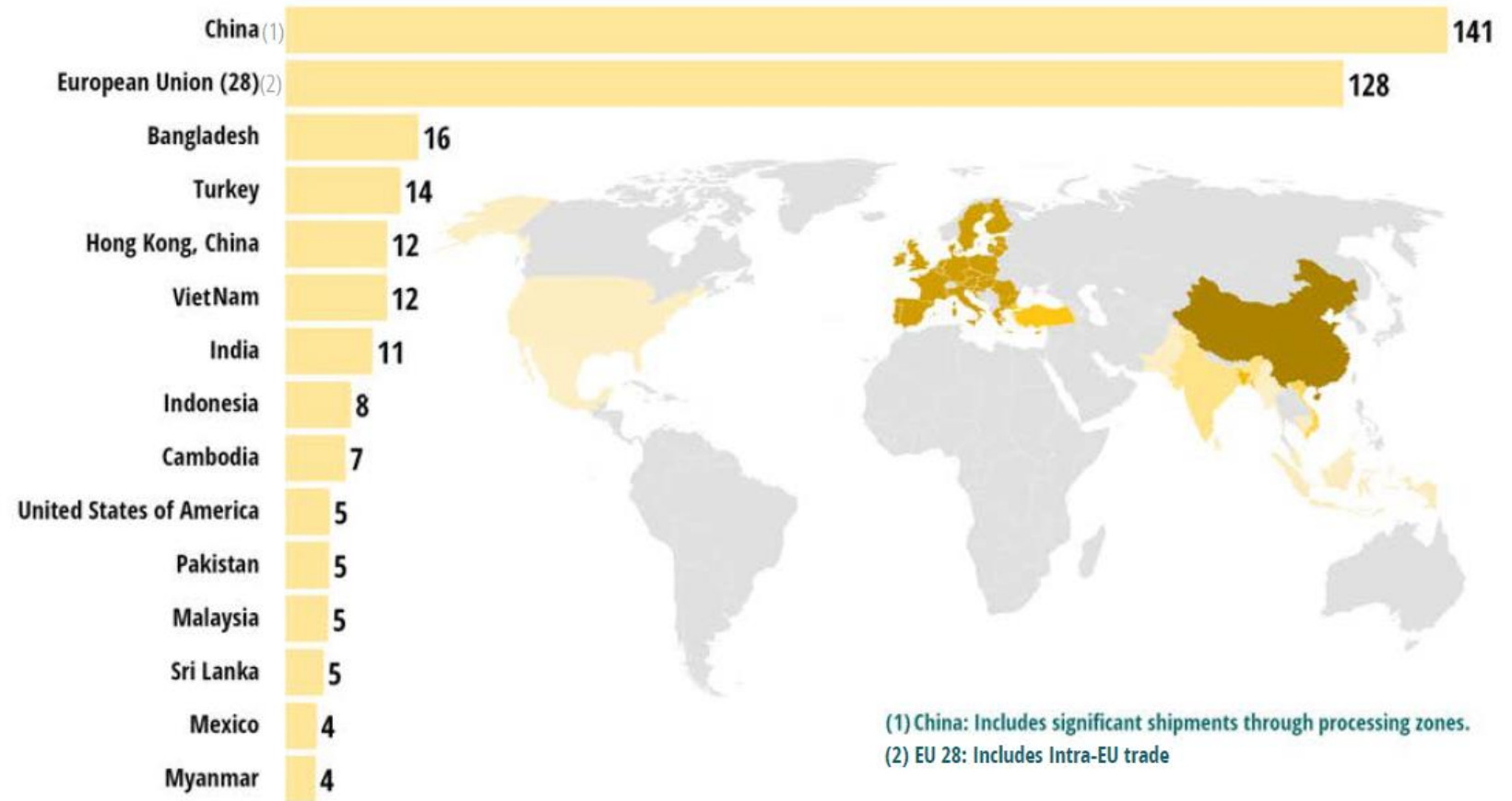
38% of the industry's turnover is sold on global markets, whereby SMEs are particularly active (covering more than 50% of those global sales).





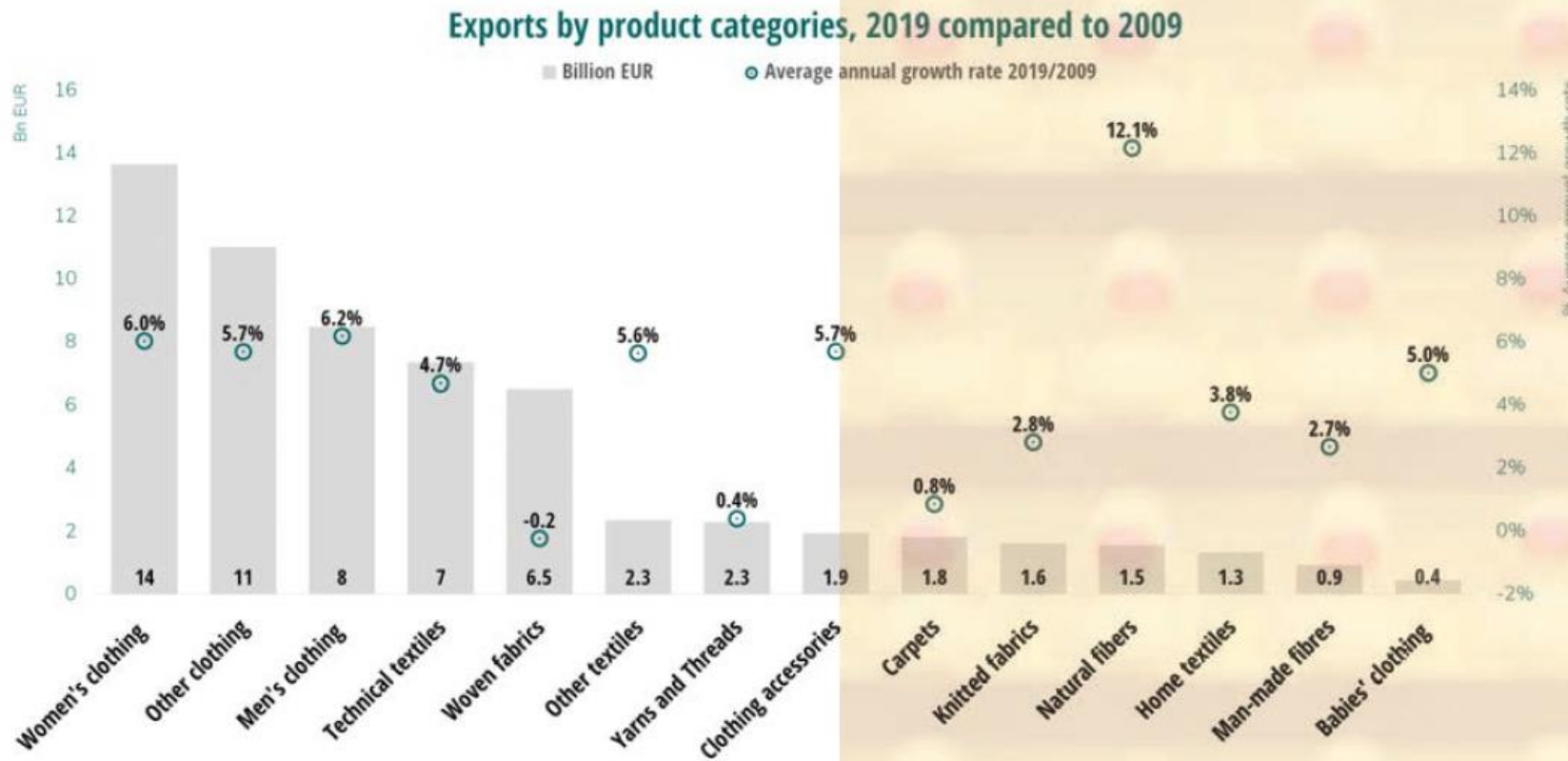
## World exports of clothing

Europe is  
the world's 2<sup>nd</sup>  
exporter  
in our industry.





# EU exports by product



EU trade exports' growth in Europe has been driven by the clothing sub – segment.



## Questions for discussion

- What is entrepreneurship?
- Who is an entrepreneur and how does he/she influence the business economics?
- What are the differences between an intrapreneur and an entrepreneur?
- What are the external factors of the TCI enterprise and how they influence its activities?
- Name at least five personal characteristics that an entrepreneur needs. Think about some characteristics of an entrepreneur and determine if entrepreneurship is really right for you.
- List several personal characteristics that might hinder someone from becoming an entrepreneur. In what ways could these characteristics also prevent someone from becoming a valued employee?
- What is innovation and what is invention? Give examples for the TCI.
- Which are the most developed sub-sectors of the textile and clothing industry in your country and town?

# CONTACTS

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