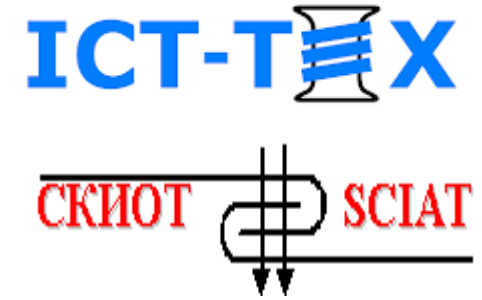




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TOPIC 1. FUNDAMENTALS OF ENTREPRENEURSHIP IN THE TEXTILE AND CLOTHING INDUSTRY

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

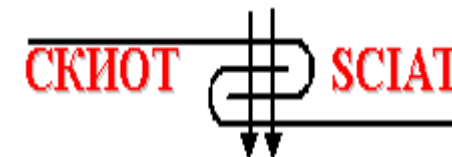
Project Nr. 612248-EPP-1-2019-1-BG-EPPKA2-KA

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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 staff trainees 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 staff trainees 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 the staff trainees 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.

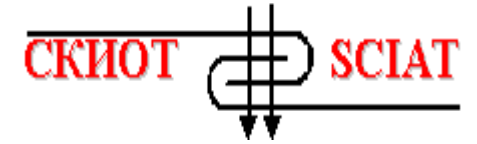
“Entrepreneur is someone who takes resources from a lower level of productivity and raise them to a higher level.” J. Schumpeter

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





Advantages and disadvantages of being entrepreneur

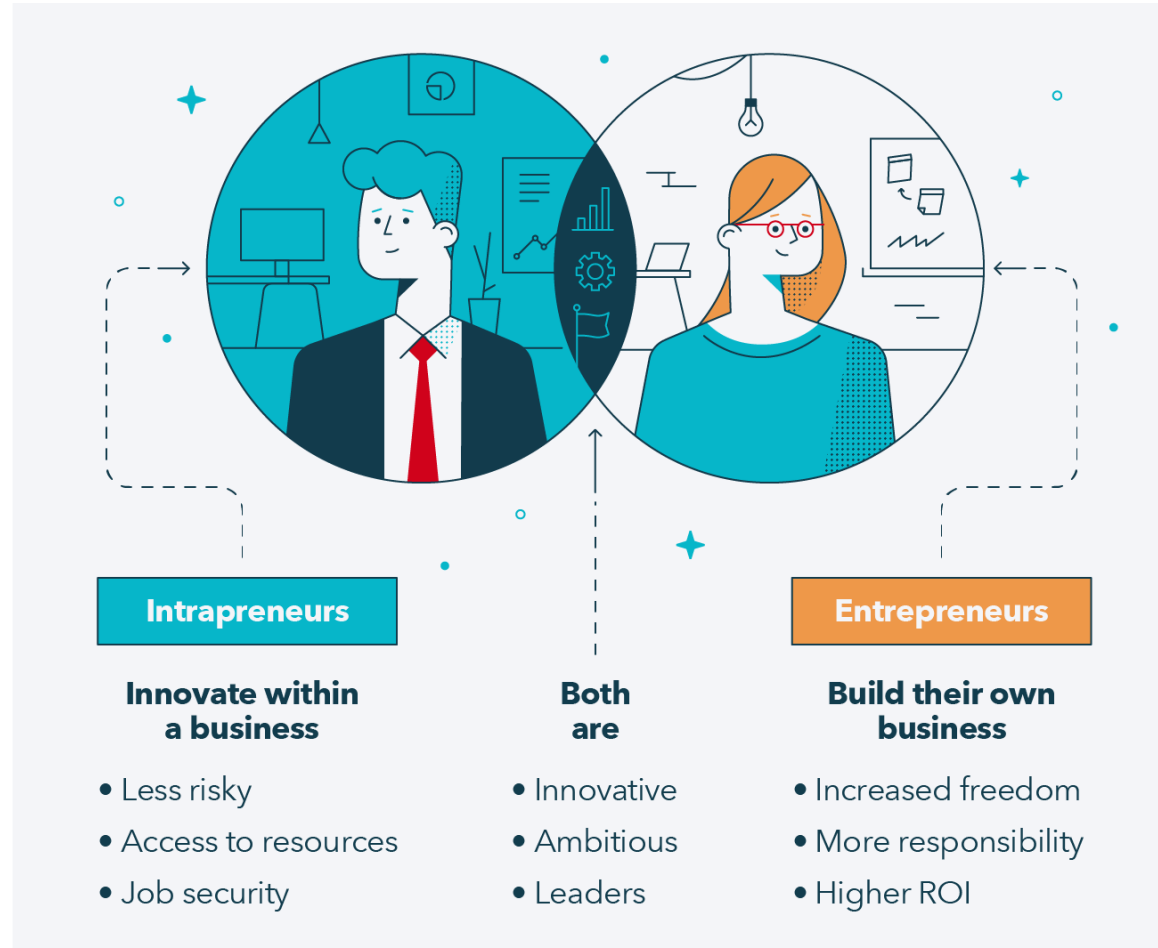


- Starting your own business can be an exciting and rewarding experience. It offers numerous advantages like being your own boss, setting your own schedule, and making a living doing something you enjoy.
- Entrepreneurship brings with it a variety of challenges. Becoming a successful entrepreneur requires 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

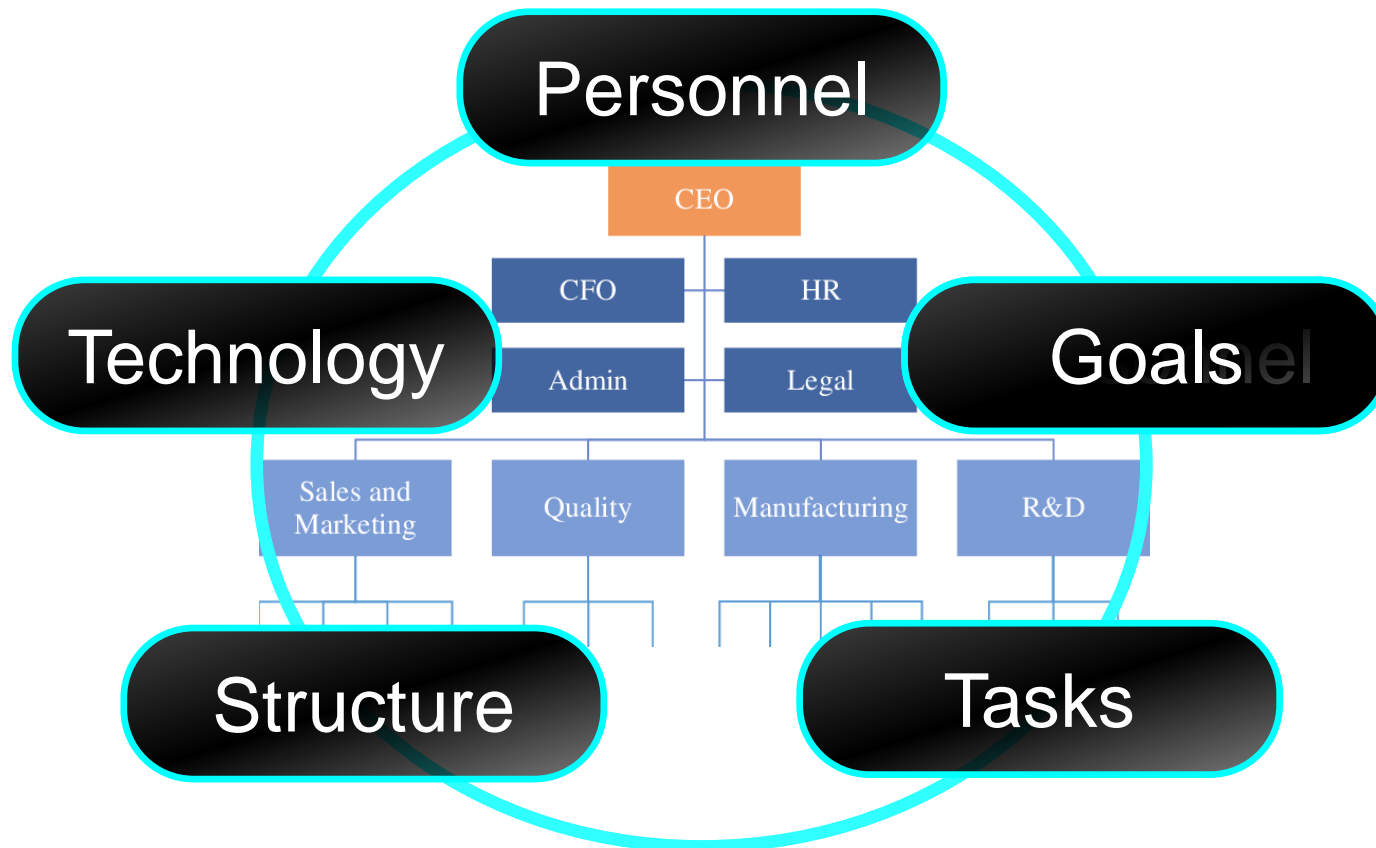
The successful entrepreneur possesses a combination of traits that show both innovation and leadership qualities:

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





Inner factors of the TCI enterprise



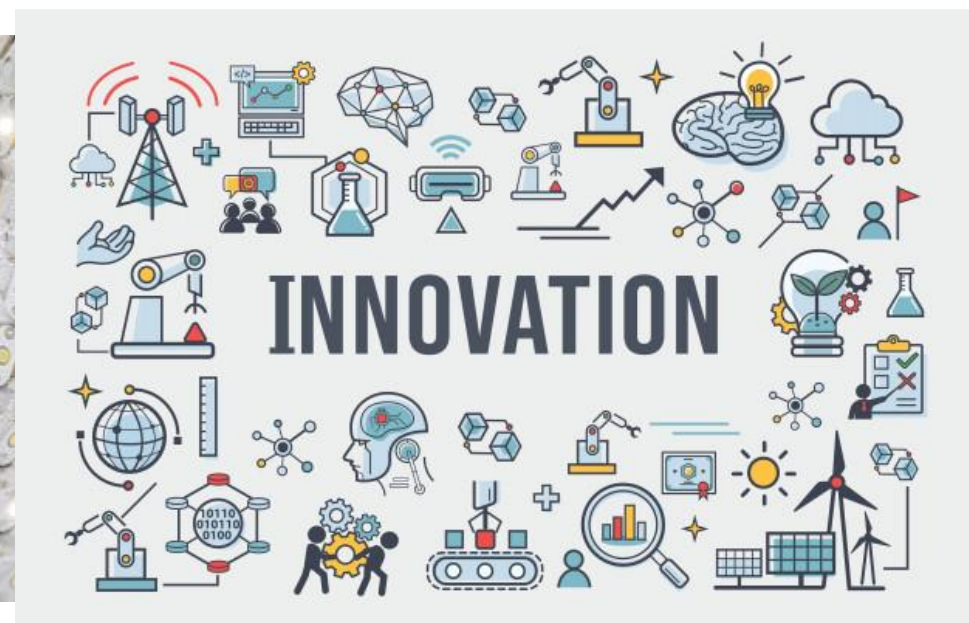
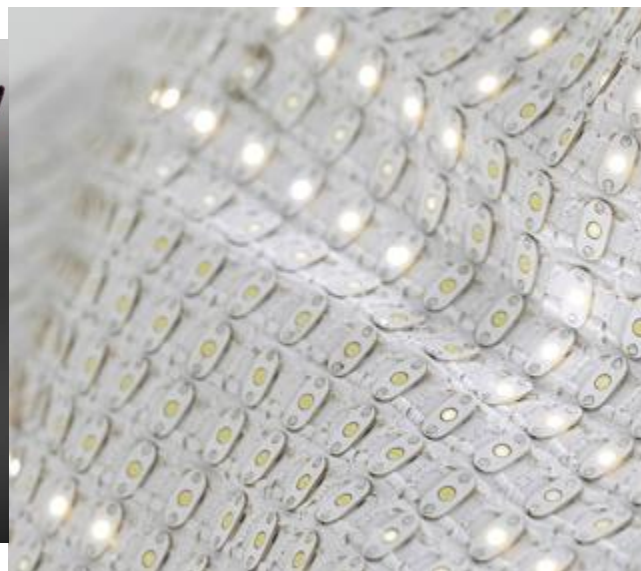
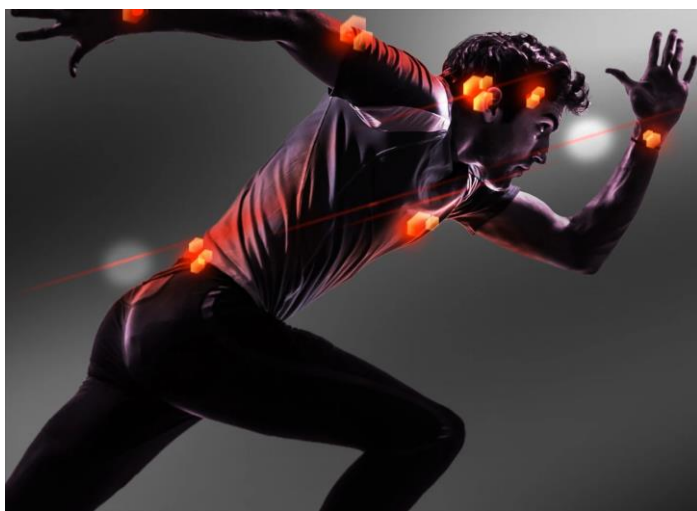
The main inner factors of the textile and clothing enterprise are:

- 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

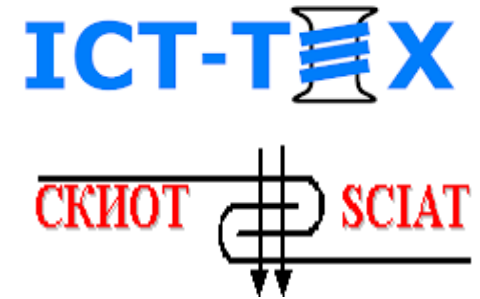


BY SECTOR

	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

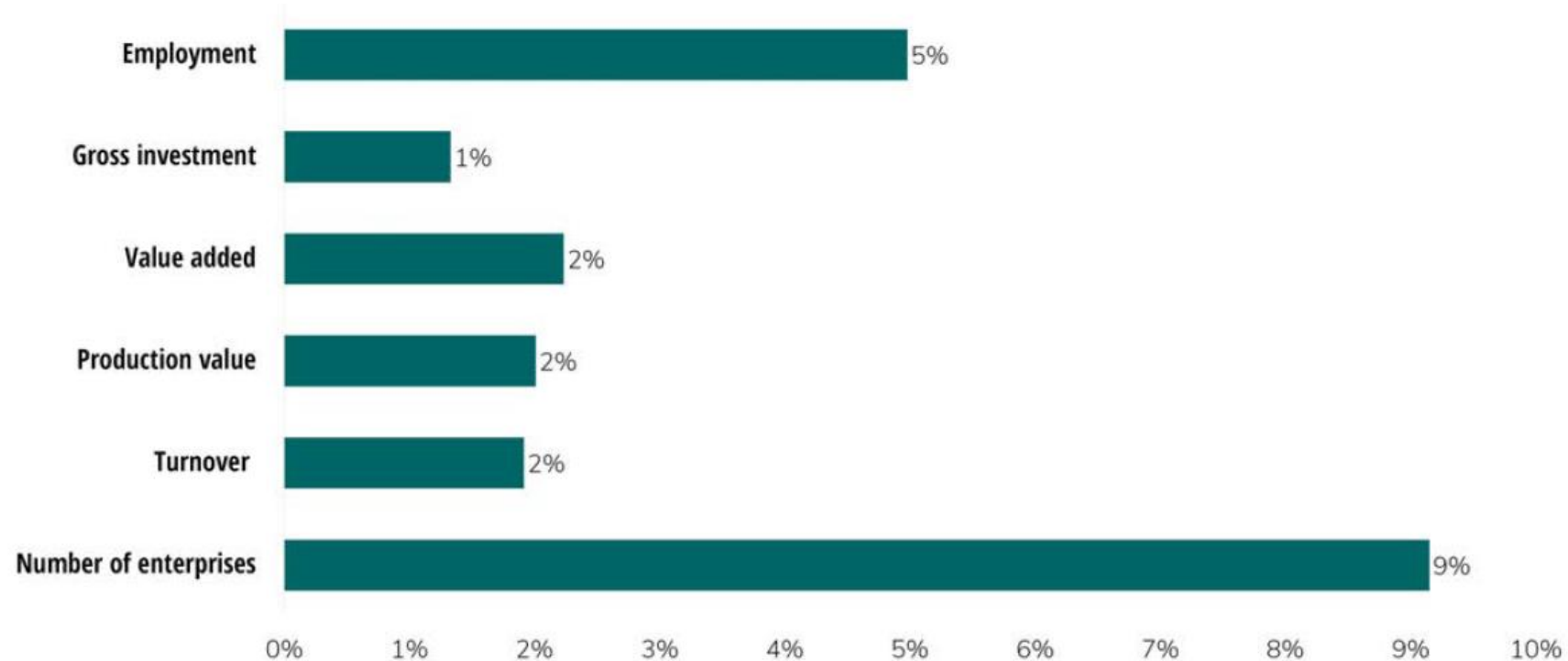
Data based on UE27
Numbers in white circles show the 2019/2018 percentage change
Source: EURATEX based on EUROSTAT





T&C share in total manufacturing activities, 2018

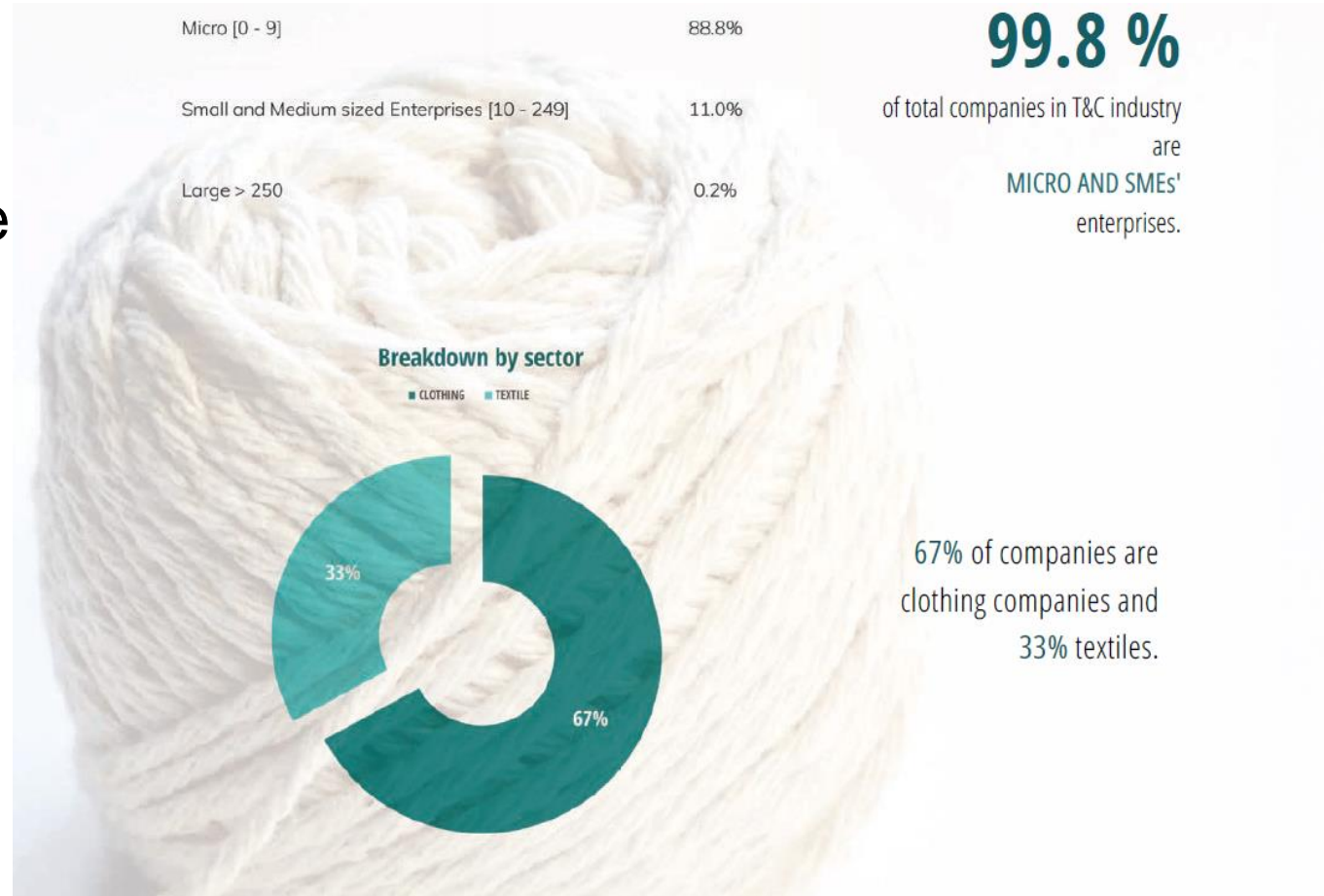
Nearly 1 out of 10 manufacturing companies in EU belongs to the T&C sector.





Size of companies (number of employees), share

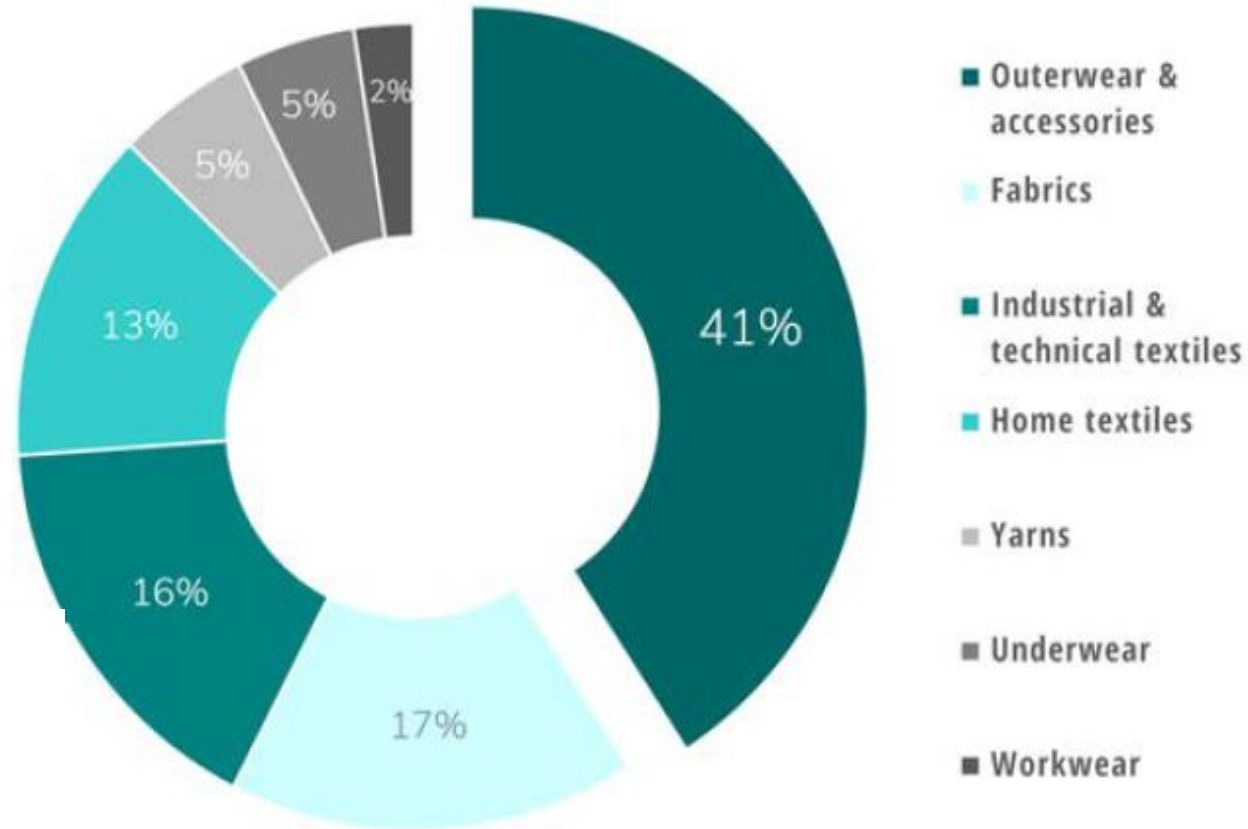
Small and medium sized enterprises are at the core of the industry.





Product share by sub-sector

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





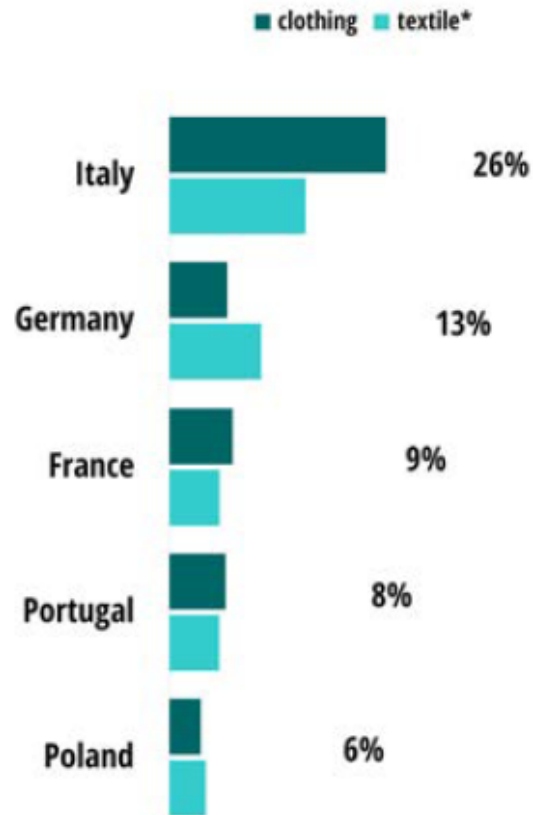
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Investments

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.



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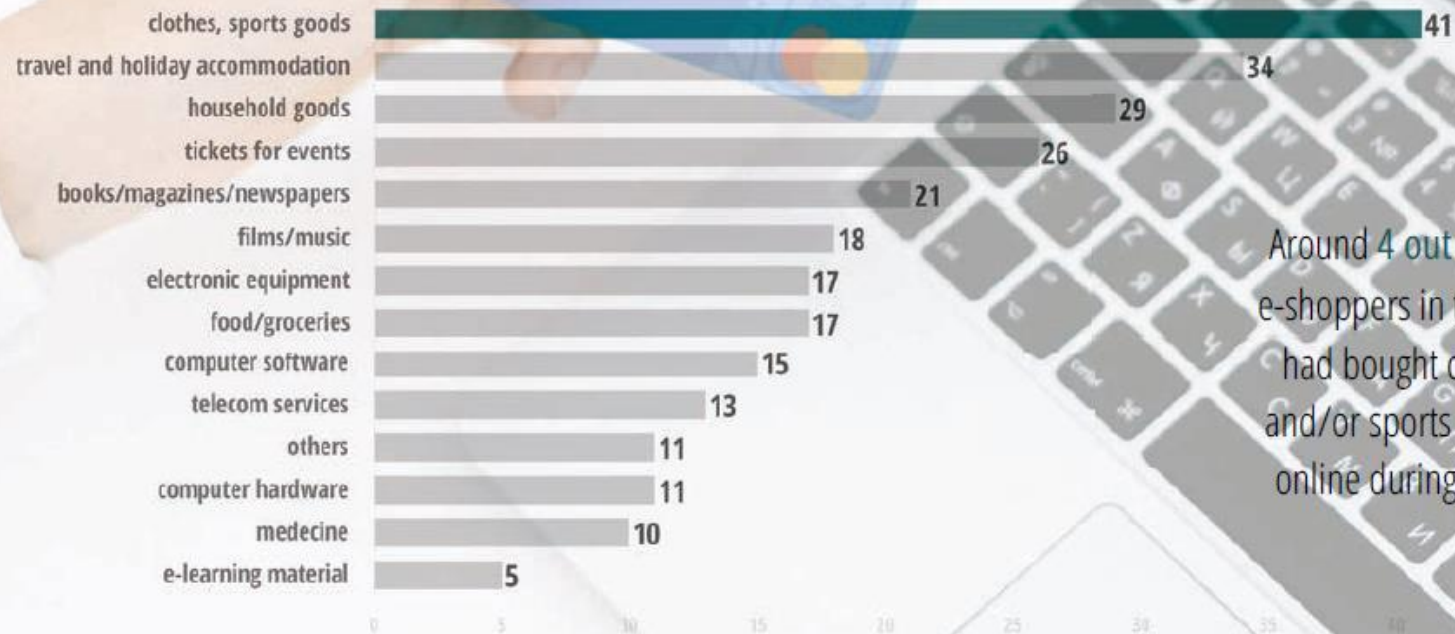
Source: Euratex



E-Commerce

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

Online purchases per product category*

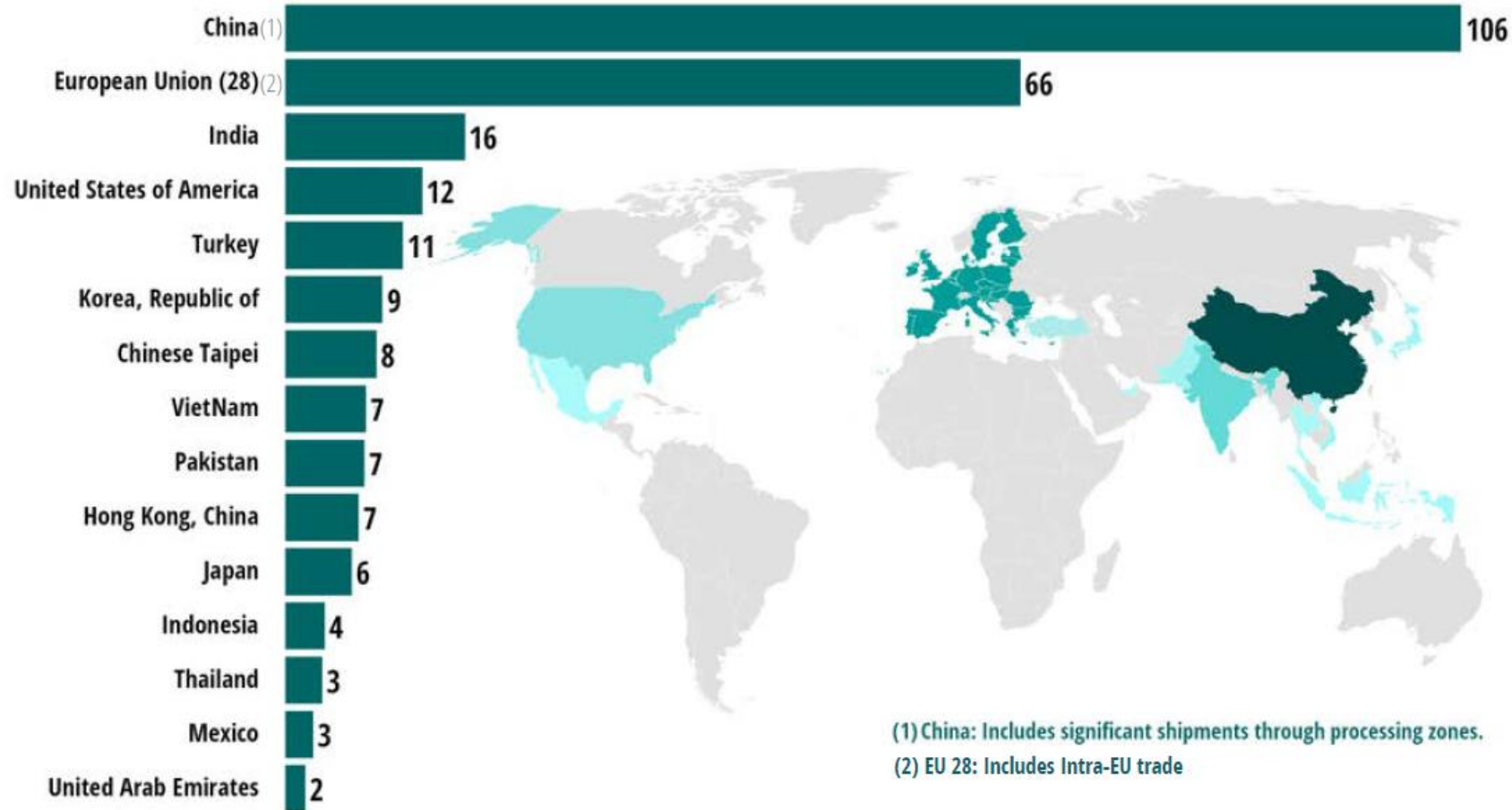


Around 4 out of 10 e-shoppers in the EU had bought clothes and/or sports goods online during 2019.

* 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

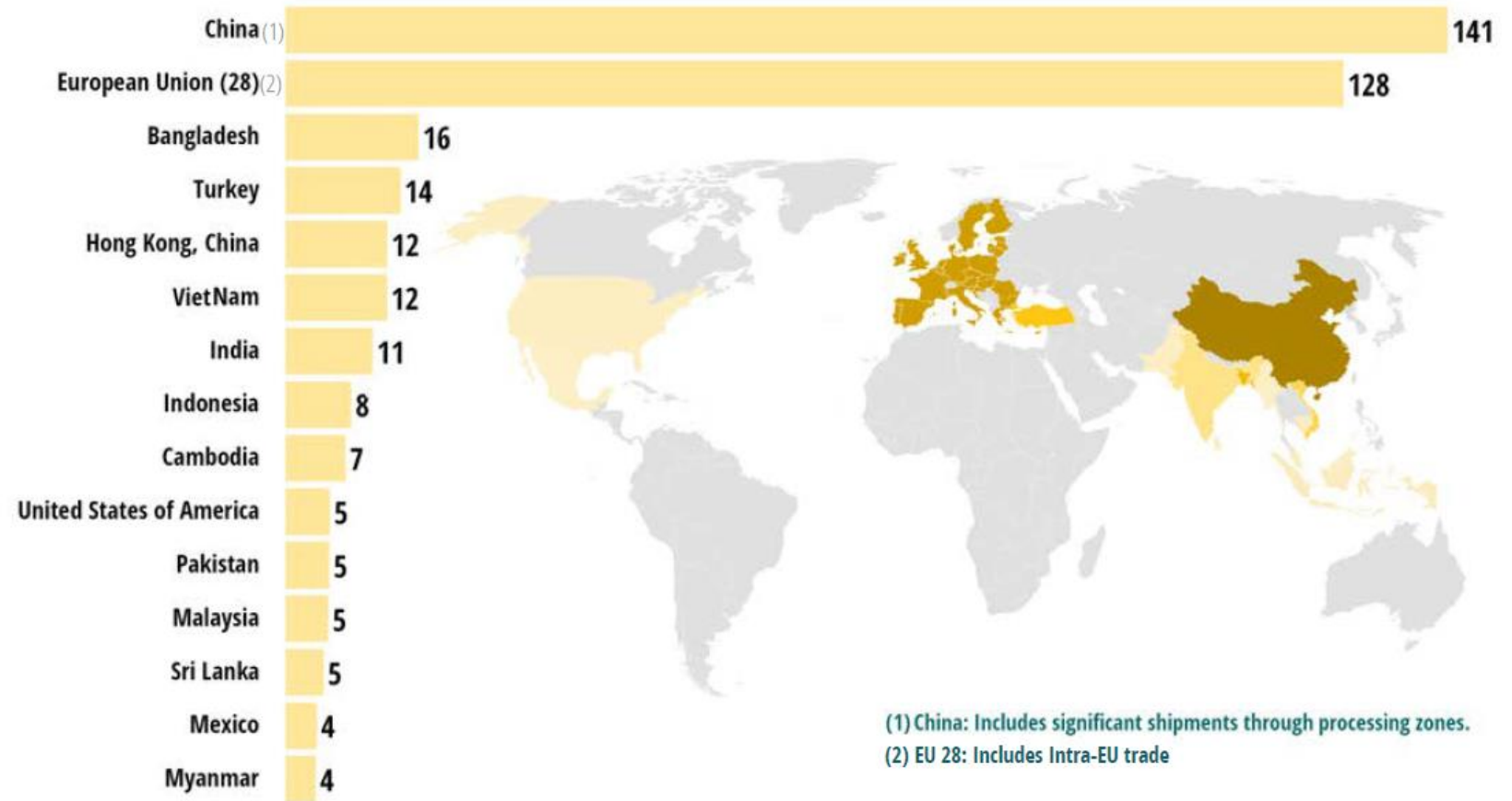
Europe is the world's 2nd exporter in our industry.

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 2nd
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in our industry.

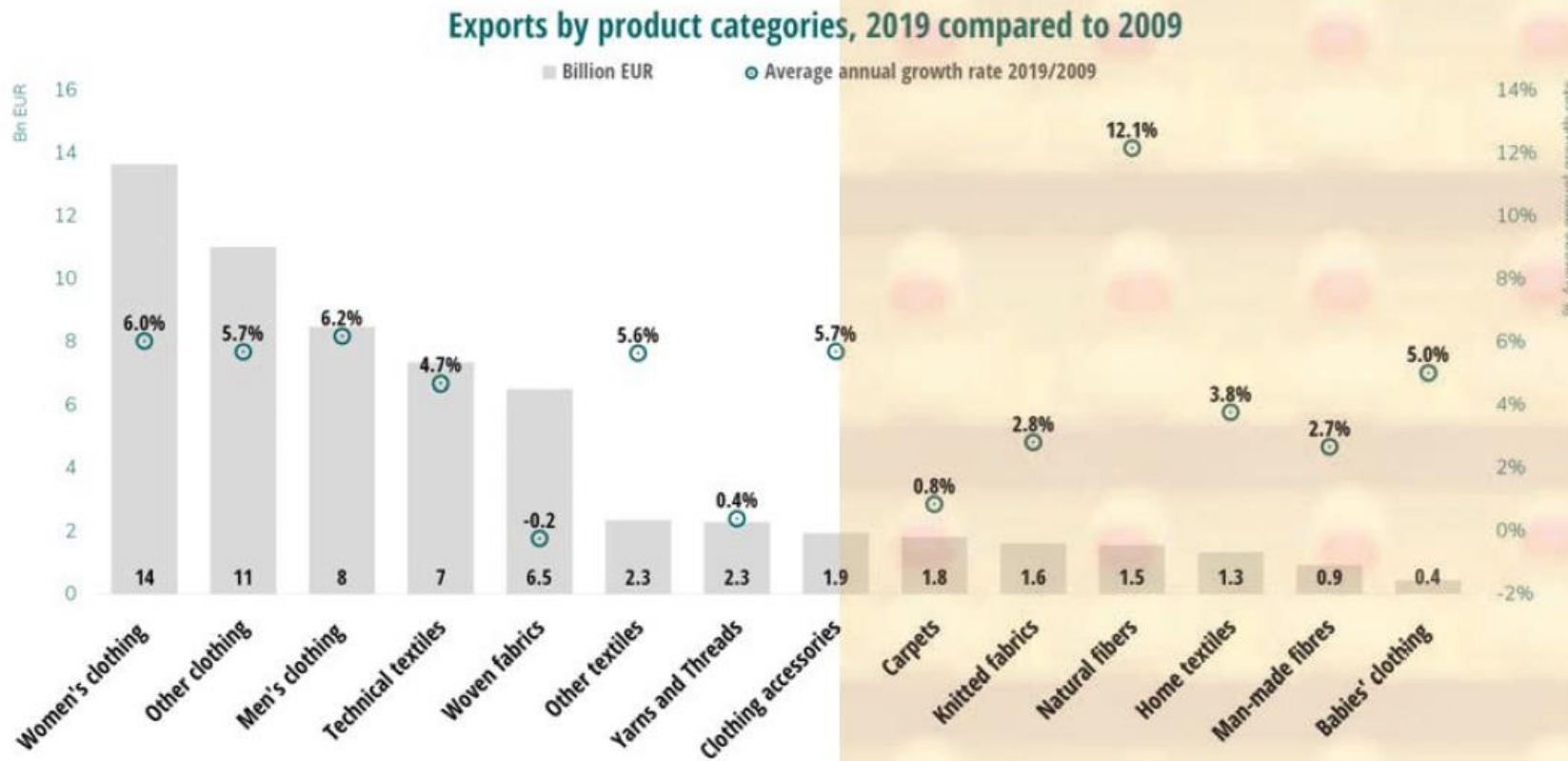


(1) China: Includes significant shipments through processing zones.

(2) EU 28: Includes Intra-EU trade



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 inner 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

Coordinator:

Technical University of Sofia
Department of Textile Engineering

Project Manager of ICT-TEX:

assoc. prof. Angel Terziev, PhD
aterziev@tu-sofia.bg

Web-site: ICT-TEX.eu



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