

Tool 1 // Classifying (segmenting) self-employed micro, and small, entrepreneurs/enterprises

| Type of economic activity | Indicative number of jobs affected ² | Entrepreneur's objective/ aspiration/ financial strength | Main financial challenges | Assessment of the coach/ Mentor and assessment of potential to graduate | Self-assessment of entrepreneur of his/ her present situation and indication of aspirations |
|---|---|--|--|---|---|
| Survival and self-employed out of necessity (might as well be in combination with gainful employment or social welfare benefits) | Less than 1 FTE | Not focusing on economic expansion but aiming at survival; survival mentality by combining personal and business finance | Struggling to make ends meets, mixing personal with business finance; various sources of household income | | |
| Solo Self-employed – opportunity driven | 1 FTE | No real vision to expand; investing (relatively small) own funds; sense of ownership; prudent control over funds | Striving to get control over financial matters; difficulty on setting prices based on costs; debt collection problems; weak administration | | |
| Micro entrepreneur – opportunity driven; Activity often related to professional qualities of owner; and opportunities in the marketw | 1 to 4 FTE | Exploiting opportunities in the market with gradual, organic growth if chances occur; technical skills and ability to adjust to new opportunities; costs consciousness | Focus still on obtaining financing from traditional sources that are less interested in this category, some control over liquidity; problems in bookkeeping and accounting | | |
| Self-employed / lifestyle Growth oriented; Often in hybrid form and sometimes even virtual | 1 FTE | Combination of focus on fast earning and self-development; not necessarily with longer term horizon; own funds and assets; capability to operate on the internet | Often tempted to solve problems on their own; seeking financing on the internet; short horizon | | |
| Micro-enterprise – growth oriented | 1-5 FTE | Growth orientation and capital accumulation; Stabilization of income; accumulated reserves and savings; business experience and relations with third parties such as accountants, advisers, financiers | Interested in complete financing packages and need of well-balanced growth and financing plan; over optimism might be bottleneck | | |