



EW E POLAND

MODEL AND PROCEDURE

MODEL: THE NETWORK

1. Partners:

- 1.1. FFR – Fundacja Firmy Rodzinne (not for profit organization – private sector) and
- 1.2. PARP – Polish Agency for Enterprise Development (government agency – public sector).

2. Target group:

- 2.1. Small and medium-sized enterprises (SMEs) from all over Poland with special focus on 7 regions which include 12 out of 16 voivodships of Poland: dolnośląskie, wielkopolskie, mazowieckie, małopolskie, lubelskie, podkarpackie, śląskie, opolskie, warmińsko-mazurskie, podlaskie, świętokrzyskie, dolnośląskie.

3. Network and organization of FFR:

3.1. 4 people in FFR:

- 3.1.1. One person – project and mentors network coordinator (3 man-days per week) – the President of FFR – responsible for project coordination, mentors recruitment and keeping the mentors support network functioning and effective.
- 3.1.2. One person – mentors development coordinator (2 man-days per week) – business trainer and coach – responsible for coordination of the learning process of mentors during the trainings and network meetings and matching process between the mentee and potential mentor.
- 3.1.3. One person – Accountant (½ man-day per week).
- 3.1.4. One person – New media specialist (½ man-day per week) – responsible for EWE PR activities via new media.

4. Network and organization of PARP:

4.1. 4 people in PARP:

- 4.1.1. One person – National coordinator (½ man-day per week) – Deputy Director of the Department of Human Resources Development in Enterprises – responsible for the project coordination (strategic level) as the PARP representative, responsible for strategic decisions, including decisions concerning the partnership with FFR.
- 4.1.2. One person – Coordinator/Expert (1 man-day per week) – Head of Unit in the Department of Human Resources Development in Enterprises – responsible for the project management (on a daily basis), including reporting process, companies and consultants recruitment and also responsible for working cooperation with FFR and other partners of the consortium.
- 4.1.3. One person – Consultants Coordinator/Lawyers Network Coordinator (2 man-days per week) – Expert in the Department of Human Resources Development in Enterprises – responsible for cooperation with the restructuring advisors and consultants and responsible for supervision over the results of their work, also



responsible for cooperation with the companies and project finance documentation.

- 4.1.4. One person – Consultant/Consultants Coordinator (2 ½ man-day per week) – Chief Expert in the Department of Human Resources Development in Enterprises – responsible for cooperation with the companies as a part of PARP’s administrative staff and as a consultant (conducting advisory services).

5. Mentor volunteers: professionals, experienced entrepreneurs and business experts – some of them still professionally active and some retired.

5.1. Mentor volunteers online recruitment tool – mentor volunteers declare their interest in taking part in the project via a website application consisting the following:

5.1.1. Data sheet.

5.1.2. A questionnaire with probing questions: regarding mentor volunteers motivation to participate in the project, their strengths and passions.

5.1.3. The FFR phone or personal contact with a potential mentor volunteer allows to gather crucial information about the candidate (for example information which could exclude a candidate from the project or ones that are needed to identify the candidates training needs). When a candidate is chosen an invitation to the initial training for volunteer mentors is done by email.

5.1.4. Testing a mentor volunteer’s capabilities – persons who are chosen to participate in the EWE Project as the mentor volunteers obtain a personalised DiscClassic 2.0 test and an individual assessment on the mentor’s resources and limitations which can be important in the mentor’s work.

5.2. Obligatory initial training course for volunteer mentors:

5.2.1. Taking into consideration that volunteer mentors are working pro bono, the only motivation except the satisfaction from the fact that they can help to save their colleagues, other entrepreneurs, is their personal development. We are aware that helping others in trouble is a difficult task, therefore, in order to support motivation of our mentors we strive to keep the network as interesting and as affective as possible.

5.2.2. So the development of mentors is a crucial factor for us.

5.2.3. Each candidate for a mentor volunteer passes the obligatory initial training course for organized by FFR

5.2.4. The training has two parts – each lasts two days – all together 4 days with one month gap.

5.2.5. The Volunteer mentors have the opportunity to be trained together with EWE consultants and the members of the EWE team.

5.2.6. 4 training editions were planned between 2017 and 2018 .

5.3. Part 1 - The first two-day training meeting goals:

5.3.1. To introduce them with the entrepreneurs support process in the EWE Project.

5.3.2. To know the roles, tasks and tools at a Mentor’s disposal and to make a clear division of those and a manager’s roles, tasks and tools.

5.3.3. To accept the code of ethics of the Early Warning.

5.3.4. To explain the mentoring in line with the GROW methodology.

5.3.5. To develop the communication adjustment skills depending on the partner in the communication process according to the DiscClassic 2.0.

5.3.6. To know how to contract and set targets with Mentee.



- 5.3.7. Photo session – taking pictures of all the Mentors in order to publish them on the EWE website in Poland and also on the FFR's and PARP's sub-websites.
- 5.4. Part 2. The Mentors' training and networking processes - The second two-day training meeting – goals:
 - 5.4.1. Practicing the communication skills:
 - 5.4.1.1. Empathy,
 - 5.4.1.2. Active listening,
 - 5.4.1.3. Giving feedback,
 - 5.4.1.4. Asking questions,
 - 5.4.1.5. Confronting their clients,
 - 5.4.1.6. Situational management.
 - 5.4.2. Aknowledge with the Andy Hudson's dealing with loss and grief work model:
 - 5.4.2.1. Differences between the first and the second level of change,
 - 5.4.2.2. The behaviours of people dealing with grief,
 - 5.4.2.3. Supportive and denying behaviors of the volunteers.
 - 5.4.3. Meeting with the representatives from Mentor countries – discussion panel about the international EWE experience.
 - 5.4.3.1. Team building session - to teach the team members how to cooperate and to make them feel a part of the team.
- 5.5. The network of mentor volunteers is made up of approximately 77 professionals specialized in different areas:
 - 5.5.1.29 entrepreneurs - among them top managers and owners of leading companies of the Polish SME sector, for example: Yes, Gowork, Grant Thornton.
 - 5.5.2.13 - business advisors: sales, e-commerce, marketing and managerial experts, business trainers and coaches.
 - 5.5.3.12 – financiers and tax advisors
 - 5.5.4.11 – lawyers of retail trade among them 4 mediators
 - 5.5.5.11 experts - of retail trade
 - 5.5.6.1 psychologists

The network will continue to grow.
- 5.6. Joint documents which are signed by volunteer mentors:
 - 5.6.1. The ethical codex for volunteer mentors, mentee (company owner), and EWE team.
 - 5.6.2. Agreements between PARP, FFR and volunteer mentors regulating cooperation rules.
 - 5.6.3. Contract regulating the cooperation between the Mentor and mentee – it's not obligatory.
- 5.7. Documents for the mentors:
 - 5.7.1. Certificate of EWE Volunteer Mentor - signed by President of FFR and the representative of PARP – each Mentor who completes a 4 day training with good feedback receives such diploma.
 - 5.7.2. The confidentiality compliance statement signed by volunteer mentors – needed for access to the confidential information.
- 5.8. Network meeting - For each three months FFR and PARP organize the network meetings for mentors and consultants, mainly in two locations: in Poznań and in Warsaw.



- 5.8.1. During these meetings we update the status of EWE project, the news are passed, the supervision of the cases is organized and it is also the possibility to get to know each other: volunteer mentors, consultants and EWE team.
- 5.8.2. Every two months we send a newsletter containing information about the status of the project and some interesting news to the whole Polish EWE community.
- 5.9. Consultants – professional business consultants, psychologists, coaches, business practitioners, trainers with extensive experience in working with entrepreneurs.
- 5.10. Documents which are signed by the consultants:
 - 5.10.1. Agreement between PARP and the consultant, regulating their duties and mechanism of payments;
 - 5.10.2. The Confidentiality compliance statement – required in order to grant consultants access to the confidential information;
 - 5.10.3. Consultants have to register their work in an electronic way, in the database (SWOT analysis and recommendation for the company needs to be uploaded), additionally an entrepreneur with whom the consultants works with has to confirm the number of hours reported in the database by the consultant.
 - 5.10.4. Consultants are responsible for collecting financial data of the company. In Poland there are two systems of collecting financial data which differ in dependence of the company size – these differences are seen in the excel sheets.
 - 5.10.5. All the information about the company and provided support are registered by the consultants and mentors in the database (dates of meetings, hours of work, notes and recommendations). It is very easy to get information about the status of the service and about each company that has joined to the project. The database is managed by PARP.
 - 5.10.6. Information which are collected in the database and in excel sheets:
 - 5.10.6.1. Name of the company
 - 5.10.6.2. Registration number of the company
 - 5.10.6.3. Name of the company's contact person
 - 5.10.6.4. Email
 - 5.10.6.5. Telephone
 - 5.10.6.6. Address of the company
 - 5.10.6.7. Status (diagnosis, looking for a mentor, mentoring, deal closed);
 - 5.10.6.8. Date for initial contact;
 - 5.10.6.9. Date for final contact;
 - 5.10.6.10. Type of initial contact (email, telephone/hotline, face-to-face);
 - 5.10.6.11. Industrial sector and main "family" products / services;
 - 5.10.6.12. Company type;
 - 5.10.6.13. Number of employees;
 - 5.10.6.14. Turnover of the last three closed financial years;
 - 5.10.6.15. Main causes of the crisis;
 - 5.10.6.16. SWOT analysis and recommendations;
 - 5.10.6.17. Result of intervention (saved, closed down, declared bankrupt);
 - 5.10.6.18. Register of the meetings (personal meetings, skype meetings etc.) with the company;
 - 5.10.6.19. EW contact consultant name;
 - 5.10.6.20. EW volunteer (s);
 - 5.10.6.21. (optional) EW restructuring adviser;



5.11. Areas to be recognized by the consultant:

5.11.1. Market situation

- 5.11.1.1. Industry: basic / additional
- 5.11.1.2. Services / products: basic / additional
- 5.11.1.3. Strategic areas of activity and processes
- 5.11.1.4. Business relations: (customers / suppliers)
- 5.11.1.5. Characteristics of the competition: (what is the competition we do not have and we would like to have?)

5.11.2. Organizational situation

- 5.11.2.1. Employment structure (number of employees and employment)
- 5.11.2.2. Management structure in the enterprise (business planning and internal controlling)
- 5.11.2.3. Capital expenditures in the last 3 years (value)

5.11.3. Personal situation (does it affect the state of the company?)

5.11.4. Plans for the future

- 5.11.4.1. Have any major organizational changes been made in the company over the last 3 years?
- 5.11.4.2. What plans the entrepreneur has for the next 3 months, 12 months, 3 years?

5.11.5. Financial situation of the company - (turnover, revenues, costs, stocks and credits).

5.11.6. Depending on the entrepreneur's openness, the consultant decides when to ask for financial data that would supplement the knowledge about the company's condition. Proposed financial data for analysis in the table attached.

5.11.7. Every entrepreneur participating in the diagnosis process is required to complete and sign a project application, which includes data on the size of the enterprise, type of company, enterprise category. In order to recreate the structure of the company's operation, the Consultant may use the Canvas model.

5.11.8. The participation of the entrepreneur in the first meeting confirms the entrepreneur's entry into the project.

5.11.9. The diagnostic process ends with the entrepreneur being given a diagnosis in the form of a SWOT analysis along with a recommendation of actions contributing to the change in the company's situation.

5.11.10. The consultant send the email with the request for mentorings to FFR with: name of the company, location, number of employees, and mentoring needs, eventual choice of voluntary mentors made by entrepreneur on basis of project webpage.

The FFR match the entrepreneur with the best for his case and expectation mentor.

The entrepreneur - accept the mentor and after it the voluntary mentor is asked for agreement and willingness to work with the mentee.

After having the agreement of both sides the three sides meeting is organized by consultant.

During the three sides meeting the consultant introduce the mentee to a mentor and present the conclusion of diagnosis and goals for mentoring.

The mentor present the ethical contract of the project which is signed by both parts and the mentoring contract which regulate the cooperation between mentor



and mentee. The contract is signed by both sides mentor and mentee The mentoring starts from that moment.

6. Communication for beneficiaries recruitment:
 - 6.1. Project opening conference in December 2016 and the Early Warning Forum in April 2018 – presentation of the project to the public authorities, regional stakeholders, entrepreneurs and presentation of the first project results;
 - 6.2. Breakfast for press in Adam Smith's Centre – presentation of the EWE project – for journalists and entrepreneurs;
 - 6.3. Participation in 23 events dedicated to entrepreneurs – presentation of the EWE idea in Poland – in order to recruit the companies in distress and volunteers;
 - 6.4. Promotion of the EWE service and entrepreneurial culture in TV, Radio and press:
 - 6.4.1. 1 TV broadcast,
 - 6.4.2.3 radio broadcasts,
 - 6.4.3.37 newspaper articles,
 - 6.4.4.14 articles in newsletter sent to 16000 entrepreneurs.
 - 6.5. Bulk email with information about the project sent to over 500 000 Polish entrepreneurs (has been sent 3 times till November 2018).
 - 6.6. Promotion of the EWE project in social media:
 - 6.6.1. Facebook: 82 posts,
 - 6.6.2. Twitter: 6 posts,
 - 6.6.3. LinkedIn: 23 post.
 - 6.7. Creation of the EWE sub-websites by FFR and PARP. The websites are linked between each other. They also contain links to government website concerning the second chance policy.
 - 6.8. Promotional materials:
 - 6.8.1. leaflets about EWE,
 - 6.8.2. videos about EWE,
 - 6.8.3. interviews with Mentors and Mentees.
7. Eligibility criteria
 - 7.1. The project is aimed at SMEs as defined by the European Commission.
 - 7.2. Conditions:
 - 7.2.1. The support for the Project may apply to micro, small or medium entrepreneurs (SMEs) operating in Poland, who as a result of market dynamics, the impact of various external or internal factors lost the ability to run a business or, in the entrepreneur's opinion, there is a risk of a slowdown in the future.
 - 7.2.2. The company must be formally registered. The company or business must be active. They may also be close to bankruptcy.
 - 7.2.3. Only "honest" entrepreneurs. Any indication of fraud or fraudulent intention will interrupt their status as a beneficiary at any time of the process and by any collaborator within the network.
 - 7.2.4. The assistance will be offered both to the companies and to the entrepreneurs who require such assistance and commit themselves in collaborating with the volunteer mentors.
 - 7.2.5. They may show signs of financial and/or assets stress, lack of liquidity to face structural expenses, loss of assets or insufficient assets to cover the liabilities, losses of main clients or late payments.



- 7.2.6. Regulatory changes and regulatory risks that affect the main activity of the company are also reasons for participating in EWE.
- 7.2.7. Structural changes such as loss of partners, key personnel's or corporate or family conflicts that could jeopardize the viability of the company in the future are also features EWE SMEs may have.
- 7.2.8. Illness, death, impossibility of succession or successions and conflicting transmissions that affect the viability of the business or the company are also reasons for participating in EWE.



PROCEDURE

8. FIRST PHASE (Consulting process):

8.1. The entrepreneur may apply to the project by filling out the application form on the project website at <http://www.parp.gov.pl/zglos-sie-3> or directly by the consultant who is on duty at the hotline + 48 664 316 709.

8.2. The average time of cooperation with a consultant should not exceed 10 hours.

9. Consulting process:

9.1. Every entrepreneur who intends to join the project (by calling the helpline) or registers himself via the application is informed by the consultant who is on duty at the helpline about project assumptions, individual stages of work, terms of joining the project (the entrepreneur must belong to the SMEs sector), assigned to the lead consultant. At this stage, the entrepreneur also receives the first support under the Early Warning project.



9.2. Entrepreneur entering the Early Warning project is being registered in the Redmine system, which automatically notifies (via email) the relevant consultant about the reception of a new application.



9.3. The consultant, who received the application, arranges a personal meeting. The place of the meeting is agreed by both parties. This place should be secluded and provide a sense of security and confidentiality of the information provided.



9.4. At the meeting, the consultant starts to diagnose the situation of the entrepreneur. The first meeting usually serves to determine the problem. It is very important that the entrepreneur tries to define the problem. The next questions serve the purpose of obtaining information that will help to recreate the way the company operates.



9.5. After each meeting / contact the entrepreneur receives an information about the further steps of the proceedings.



9.6. All subsequent meetings, telephone consultations / via the Internet are registered in the Redmine system.

9.7. When addressing a project, an entrepreneur defines a problem / reason / why does he feel that his business is at risk / where he sees difficulties in doing business?

10. Recommendations

10.1. When the consultant finishes the process of cooperation with the entrepreneur, he is obliged to provide him with recommendations.



- 10.2. Recommendations provided to the entrepreneur are obligatory entered to the Redmine system.
- 11. SECOND PHASE (Matching, Actions, Mentoring and Evaluation) - Work with a restructuring advisor or mentor.**
- 11.1. If the diagnosis carried out by the consultant indicates the necessity of conducting restructuring or bankruptcy proceedings, the entrepreneur will be recommended to cooperate with a restructuring advisor with a license from the Ministry of Justice.
- 11.2. PARP acts as an intermediary in the process of selection of a restructuring advisor for an entrepreneur.
- 11.3. The entrepreneur chooses the restructuring consultant himself, based on a list of advisers who have declared their willingness to provide their services in the project.
- 11.4. Under the project, the restructuring advisor will provide 2 hours of support free of charge. The costs of consecutive hours of restructuring advisory work will be covered directly by the Entrepreneur.
- 11.5. In a situation where a consultant diagnoses the need to support an entrepreneur by a business mentor, it is required that the "transfer" of the entrepreneur's matters takes place at the meeting, in the presence of a mentor (so-called tripartite meeting – participants: entrepreneur, mentor and consultant).
- 11.6. Data collection:
- 11.6.1. The entrepreneur has to sign the statement (in paper) that his company is a part of the SME sector.
- 11.6.2. Financial table – consultant should collect from the entrepreneur a table with basic financial data (preferably in an electronic version). The consultant uploads the completed table into the Redmine system.
- 11.6.2.1. Recommendations and activities completed by the volunteer mentor which may include some excel tables / other working tools are bound to be uploaded into the Redmine system.
- 11.7. The average time of cooperation with a volunteer mentor is 3-6 months.

SUPPORTING COMPANIES IN DISTRESS (CURRENT STATUS) : 491 SMEs