

## National Report Research Intellectual output O1

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### **Research about crafts entrepreneurship teaching and crafts entrepreneurial skills demand according to representatives from the sector**

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## Contents

<b>Introduction</b>	<b>4</b>
<b>1. Research phase details</b>	<b>5</b>
<b>2. Research among educators</b>	<b>8</b>
<b>3. Research among businesses</b>	<b>18</b>
<b>3.1 Focus group 1</b>	<b>19</b>
3.1.1 Participants	19
3.1.2 Beginnings of business activity	20
3.1.3 Support for craft enterprises in Poland	20
3.1.4 Market – specificity of historical crafts, limitations	21
3.1.5 Advice – what to do in the old crafts market to find yourself?	22
3.1.6 Knowing the customer	22
3.1.7 Challenges and problems	22
3.1.8 Changes caused by covid-19 pandemics	24
3.1.9 Training topics that interested the participants	26
3.1.10 Proposed solutions to training needs	26
3.1.11 Conclusions from Focus Group 1	27
<b>3.2 Focus group 2</b>	<b>28</b>
3.2.1 Participants	28
3.2.2 Preparation for business activity	29
3.2.3 Motivation to run a business	30
3.2.4 Acquiring the skills of a craftsman-entrepreneur	30
3.2.5 Challenges, specificity of doing business in Poland	31
3.2.6 Training – proposed scope of topics, suggested needs	33
3.2.7 Conclusions from Focus Group 2	34
<b>3.3 Interviews</b>	<b>36</b>
3.3.1 Background information on interviewees	36

3.3.2 Motivation to engage in craft and start a company	36
3.3.3 Opening a company	37
3.3.4 Obstacles and challenges	38
3.3.5 Education in business and soft skills	40
3.3.6 Mistakes and lessons learnt from them	41
3.3.7 Ways of self-development	42
3.3.8 Educational needs	43
3.3.9 Preferred form of education and support	44
3.3.10 Covid-19 and its influence on craft business	44
3.3.11 Advice to beginners in craft entrepreneurship	45
3.3.12 Conclusions from interviews	47

## Introduction

Entrepreneurs are the engine of economic growth in Europe. It is a well-known fact that SMEs are the most important form of business organization in Europe, representing 99.8% of all enterprises. What is much less known is that most SME are in fact micro enterprises: more than 19 million employ less than 10 people. Many of these enterprises, mainly from the crafts and artisan sector, are run by the owner and together employ around 1/3 of the European workforce.

Therefore, the craft company plays a fundamental role in people's quality of life and dignity and, as it can have an impact on the stability and cohesion of society; it is an indispensable part of the future. However, in a highly competitive economy, a good know-how is not always enough to develop a successful business project.

The main objective of STARTCRAFTS is to address the training needs of crafts entrepreneurs in key transversal skills based on new updated research and strengthen their business activities. STARTCRAFTS is an EU partnership designed to develop core and innovative learning methods that best encourage success in business activities, answering the need for education and training thanks to an innovative proposal based on participation and ICTs.

This national report is the reference document for the implementation of the final report research within Intellectual Output 1 – Mobile report about crafts entrepreneurship teaching and crafts entrepreneurial skills demand according to representatives from the sector. All partners have participated in the research in their respective countries.

The research consists of two parallel studies, to be performed among two groups: VET and C-VET educators, especially those specialised in the crafts and business fields of teaching, and among entrepreneurs that successfully run their businesses in the craft sector.

Startcraft is a project involving 7 partners from 6 European countries, all linked to education, crafts sector, and business support.



## 1. Research phase details

### Research phase details

Partner organization and country: Association for the Promotion of Old Crafts and Culture “WICI”, Poland

#### Survey – research among educators

Ongoing process from 28<sup>th</sup> of December 2020 till 12<sup>th</sup> of February 2021.

Number of participants and their profile: 50 participants, some of them representatives of the VET sector and others specialized in providing training in the craft sector in various CVET forms.

#### Focus group n°1

Date and location: 08/02/2021, Online Interview via Jitsi

**To protect the personal data and anonymity of the interviewees (as agreed with them during the interviews), initials instead of full names will be used.**

Number of participants and their profile: 6 participants

LC – man in his 30s, blacksmith, lives in Warsaw;

EP – woman, 33, weaver, lives in Gdańsk, runs an e-shop on Etsy;

AR – woman, 33, sculptor by education, currently runs a company in ceramics and textiles;

AW – woman in her 40s, ceramic artist, entrepreneur since 2004;

MM – man in his 40s, maker in ceramics and shoemaking; He supplements the offer of his wife's company, history lecturer;

MO – woman in her 40s, basket weaver, educator; She runs a company with craft workshops;

MO and MM are married. During summer months, MM and MO work together in historical education centers in Norway.

### Focus group n<sup>o</sup>2

Date and location: 11/02/2021, Online Interview via Jitsi

Number of participants and their profile: 5 participants

SJ – woman, 28, graduate of graphic arts at the Academy of Fine Arts, works with graphics and basket weaving;

KD – woman, 32, psychologist and entrepreneur in Łódź, in the process of registering her own company in which she will create soy candles;

AK – woman, 33, professional photographer and knitter in Gdynia / Bełchatów. In 2020 she founded her mobile photo studio;

MC – man, 32, graphic designer, 4 years of experience in business;

KN – woman, 17, basket and macrame weaver in Łódź. In 2020 she founded a company that produces things from wicker, actress by profession.

### In-depth interviews

10 in-depth interviews were conducted with entrepreneurs of the crafts and creative sector. Interviews lasted from 45 to 80 minutes, all were recorded and transcribed upon the consent of the interviewees. To protect the personal data and anonymity of the interviewees (as agreed with them during the interviews), initials instead of full names will be used. 3 interviewees participated also in the focus groups, while 7 were interviewed

individually as this form suited them better. All interviewees except one, operate in cities larger than 200.000 inhabitants.

	Initials	Gender	Age	Place of operation	Sector	Role
1.	AR	F	34	Łódź	Design, non-formal education, art	Entrepreneur, educator
2.	EP	F	34	Gdańsk	Textile production	Entrepreneur
3.	AB	F	41	Warszawa	Photography	Entrepreneur
4.	AK	F	33	Gdynia, Łódź	Photography	Entrepreneur
5.	WS	M	34	Warszawa	Industrial design	Entrepreneur
6.	MMB	F	33	Wrocław	Industrial design (bags)	Entrepreneur
7.	EL	F	64	Pabianice, Łódź	Ceramics, non-formal education	Entrepreneur, educator
8.	JJ	M	26	Łódź	Textile, design, fibre art	Aspiring entrepreneur
9.	AL	F	43	Łódź	Artistic jewellery	Entrepreneur
10.	KK	F	40	Łódź	Ceramics, non-formal education	Entrepreneur, educator





## 2. Research among educators

An online survey among educators took place from 28th of December 2020 until 12th of February 2021.

**Note: In all multiple choice questions the percentage exceeds 100% as respondents could choose more than one option.**

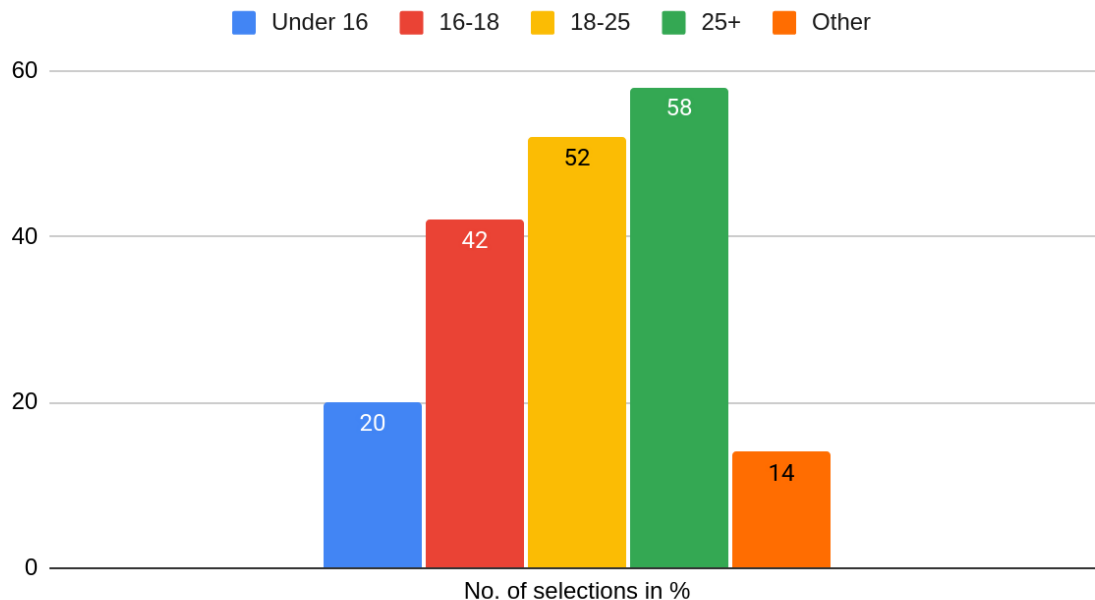
*Q1. In which country do you live?*

50 persons participated in the survey. All carry out their activity in Poland. The survey was distributed among VET teachers, course trainers, and independent educators across Poland, using email, relevant Facebook groups and direct contact through the network of the WICI Association. All surveys were filled in online.

*Q2. Which age group do you teach?*

58% of respondents teach adults over 25 years old. This group is followed closely by the number of participants who teach to the age group 18 to 25 years (52%) and to 16-18 year olds (42%). 20% of educators teach children under 16, 14% chose 'other' and specified the age group: 30+, 50+ and 65+. 46% of respondents chose only one answer, 54% chose more than one.

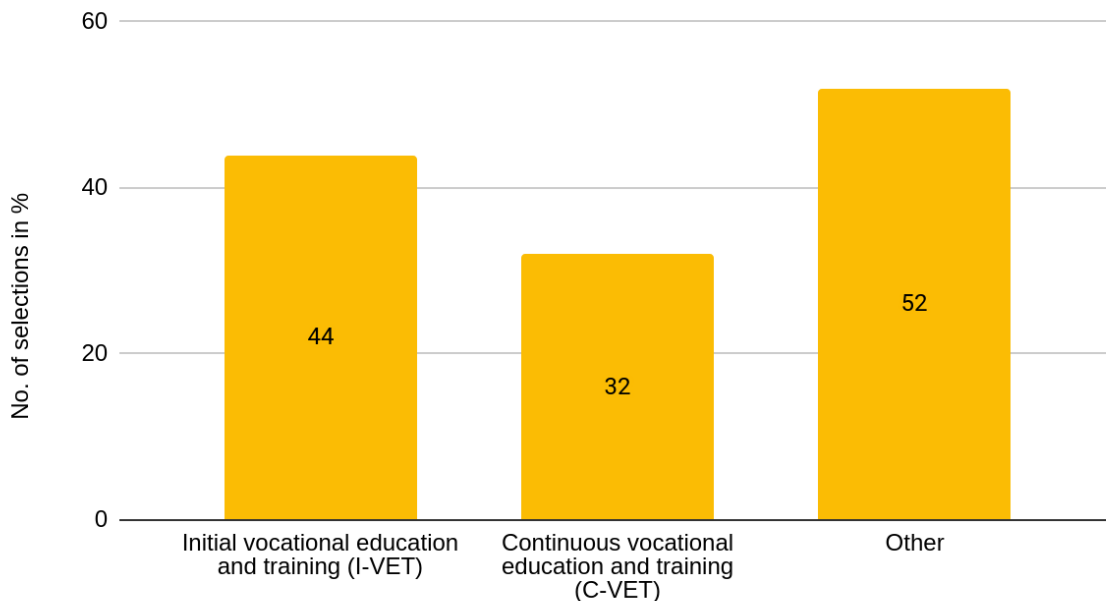
### Q2. Which age group do you teach?



*Q3. What kind of training do you provide?*

Almost half of respondents (44%) works in initial vocational education and training, 32% in continuous VET, while 52% provides their services in other forms, such as extracurricular classes, hobby courses for adults, weekend courses, individual and group courses, classes at Arts Academy, occasional workshops, vocational/professional qualifying courses. 16% of respondents chose more than one answer.

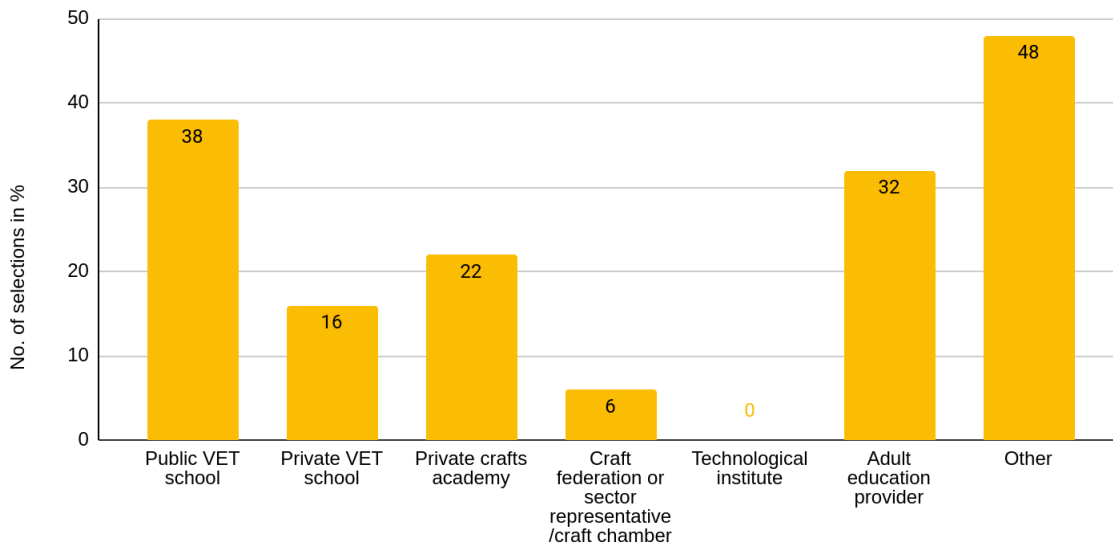
Q3. What kind of training do you provide?



*Q4. What kind of training organization are you teaching at?*

38% of respondents teach at public vocational schools and 32% in institutions which provide adult education. Interestingly, there is a large group who works in private craft academies (22%). Only 16% work in private vocational schools. The 'other' category was selected by a high number – as much as 48% of respondents. Most frequent answers in this category include: non-governmental organization, University of the Third Age, city culture house, own company, university post-graduate programme. 60% of respondents chose more than one answer.

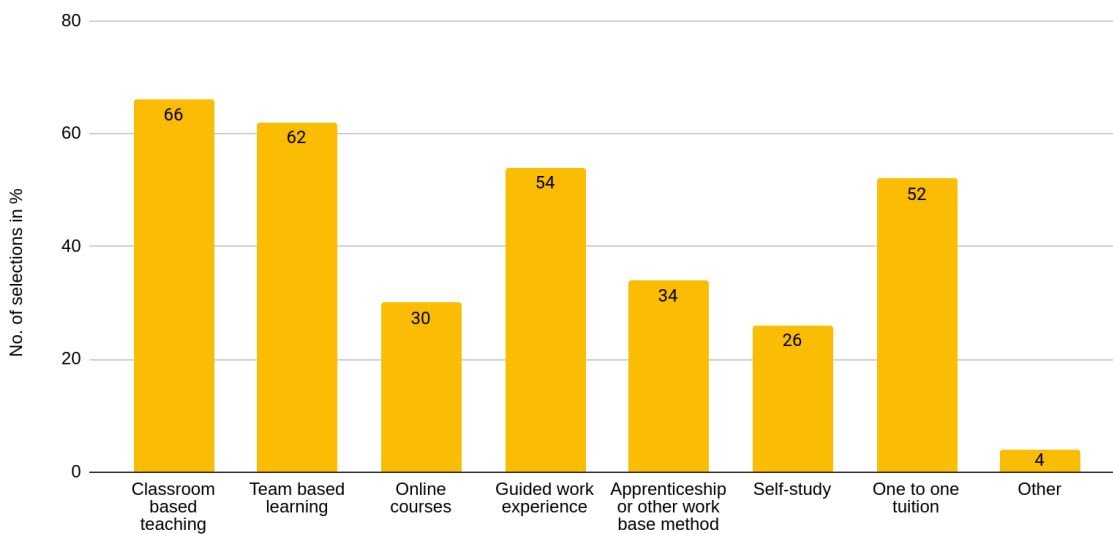
Q4. What kind of training organization are you teaching at?



Q5. What methods and approaches do you offer for teaching your subject?

The most popular teaching method is classroom-based teaching (66%), closely followed by team-based learning (62%). Guided work experience and one-to-one tuition are practiced by respectively, 54% and 52% of respondents. One third offers apprenticeship. Only 30% reported using online courses, while the least popular is self-study (26%). 90% of respondents chose more than one answer.

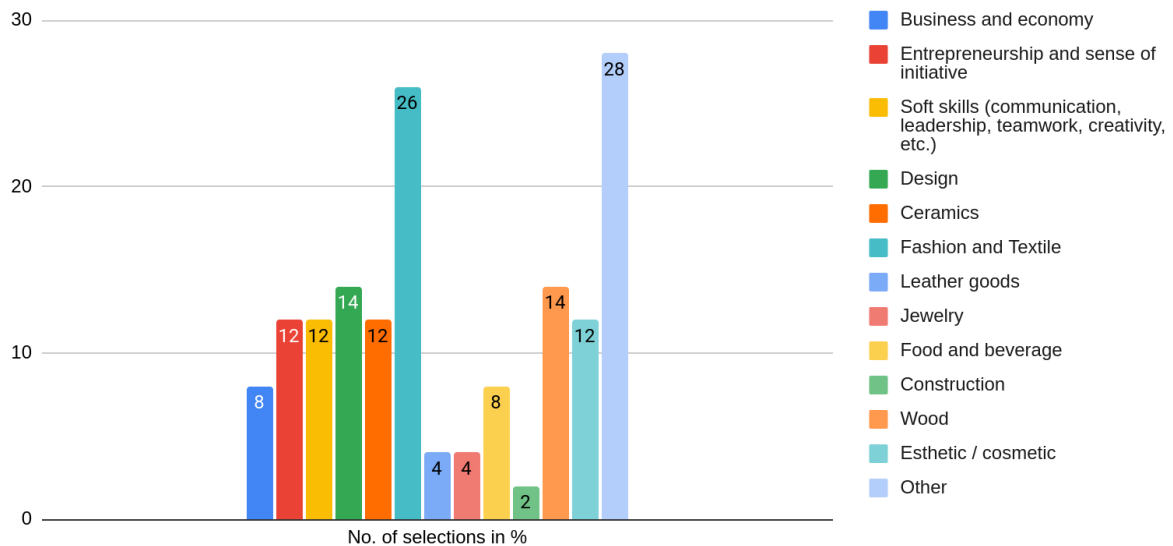
Q 5. What methods and approaches do you offer for teaching your subject?



**Q6. Which field do you teach?**

As many as 26% survey participants teach in the fashion and textile field. This can be related to the fact that the survey was sent to educators in the Łódź county which has traditionally been a textile production region. There is a similar number of participants who teach entrepreneurship and initiative, soft skills, design, ceramics, wood and esthetic/cosmetic. 8% teaches business and economy, as well as in the food and beverage field. Only 2% of survey participants represent the construction sector. The ‘other’ category, chosen by 28%, is composed of educators active in crafts and arts fields such as weaving, handicrafts, basketry, glassworks, fine arts, photography, blacksmithing, hairdressing, and floristics; and soft skills teachers – public speaking, acting and performing, advertisement, hospitality, self-confidence. 56% of respondents chose one answer and 44% selected more than one.

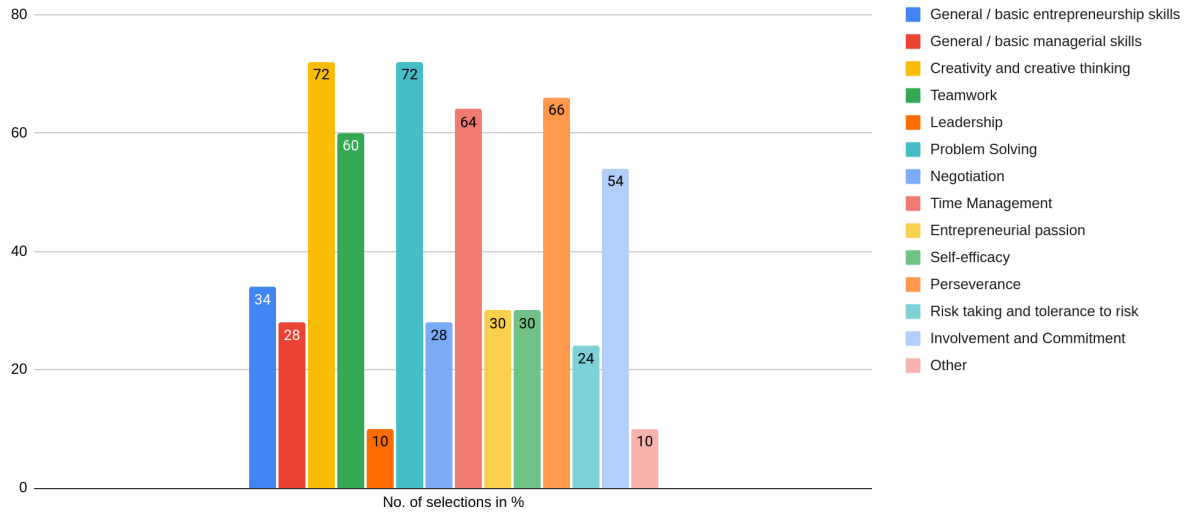
Q6. Which field do you teach?



**Q7. Do you address, directly or transversally, one of the following aspects during the courses that you deliver?**

Creativity and problem solving are the two most frequently addressed skills, as many as 72% of respondents selected them. Teamwork, time management, perseverance and risk taking was addressed by over half of the respondents. Only about one third of educators addresses general / basic entrepreneurial and managerial skills, negotiation, entrepreneurial passion and self-efficacy. 10% of respondents teach leadership. 1 in 10 teaches none of the listed skills or teaches yet different skills: graphic software, stress resistance, motivation and satisfaction, and public speaking.

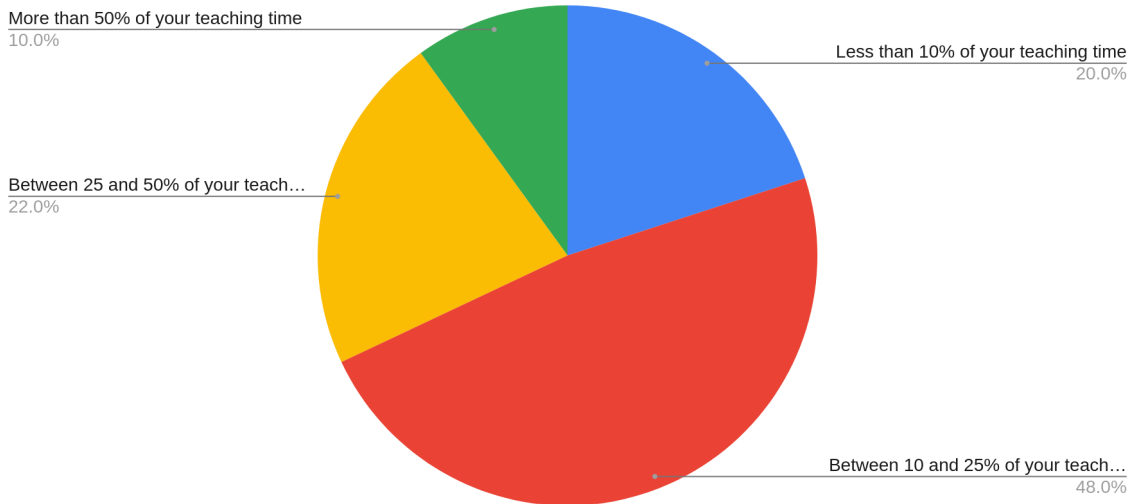
Q7. Do you address, directly or transversally, one of the following aspects during the courses that you deliver?



Q8. How much time do you dedicate to those topics?

Almost half of survey participants spend from 10 to 25% of their teaching time on the above mentioned topics. 22% declared between 25 and 50%, and 10% as much as 50% and more. 20% reported they spend less than 10% of their teaching time on these skills.

Q 8. How much time do you dedicate to those topics?



Q9. What importance do you attribute to the instilling of those skills in your courses? (1 being the lowest importance, and 5 the highest)

The three most important skills to be taught were creativity and creative thinking, perseverance and involvement and commitment. They were closely followed by time management, problem solving and self-efficacy. Least important skills, according to survey participants, were leadership, managerial skills and entrepreneurship. Participants were undecided about negotiation skills.

	1	2	3	4	5
General / basic entrepreneurship skills	26%	22%	20%	10%	22%
General / basic managerial skills	34%	14%	26%	6%	20%
Creativity and creative thinking	0%	0%	18%	20%	62%
Teamwork	12%	12%	18%	24%	34%
Leadership	32%	20%	18%	20%	10%
Problem Solving	6%	4%	22%	28%	40%
Negotiation	16%	12%	38%	16%	18%
Time Management	10%	0%	20%	22%	48%
Entrepreneurial passion	12%	10%	22%	28%	28%
Self-efficacy	2%	2%	28%	40%	28%
Perseverance	2%	4%	12%	32%	50%
Risk taking and tolerance to risk	10%	16%	24%	26%	24%
Involvement and Commitment	8%	4%	14%	30%	44%

*Q10. How do you address these different skills?*

Interestingly, for every skill the option 'other' was very often selected which might mean that the participants either do not teach the skill or choose yet another teaching method. Regarding all the skills listed, the most frequently selected method was classroom based teaching, while the least chosen was online courses.

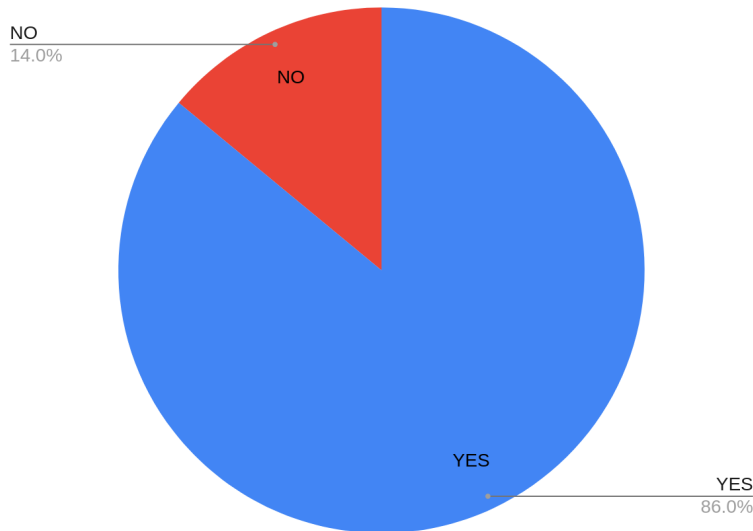
	Classroom based teaching	Team based learning	Online courses	Guided work experience	Apprenticeship or other work-based method	Self-study	One to one tuition	Other
General/ basic entrepreneurship skills	26%	10%	2%	10%	2%	4%	6%	40%
General/ basic managerial skills	18%	10%	2%	12%	4%	0%	8%	46%
Creativity and creative thinking	30%	22%	2%	14%	8%	2%	14%	8%
Teamwork	10%	46%	0%	8%	8%	2%	6%	20%
Leadership	12%	16%	0%	10%	4%	2%	6%	50%

Problem Solving	30%	18%	2%	12%	14%	2%	12%	10%
Negotiation	18%	22%	0%	8%	12%	0%	6%	34%
Time Management	24%	12%	2%	12%	20%	6%	8%	16%
Entrepreneurial passion	22%	2%	2%	6%	6%	8%	16%	38%
Self-efficacy	22%	6%	2%	8%	14%	8%	10%	30%
Perseverance	20%	8%	2%	12%	18%	6%	16%	18%
Risk taking and tolerance to risk	22%	6%	2%	8%	18%	2%	10%	32%
Involvement and Commitment	24%	12%	2%	10%	20%	4%	8%	20%

*Q11. Do you work with online tools?*

As many as 86% of respondents declared using online tools.

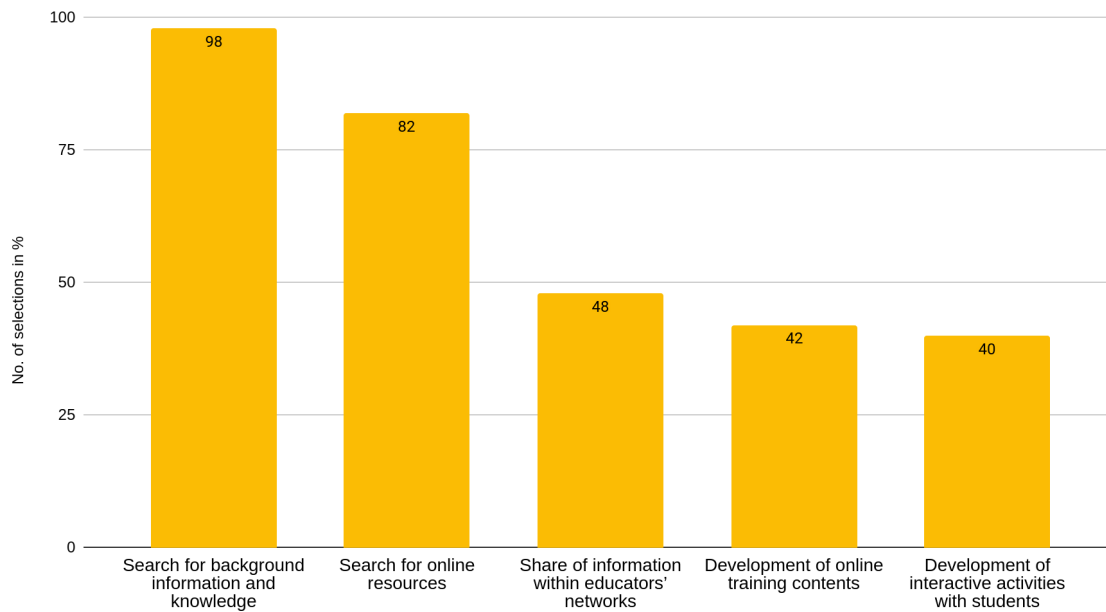
Q 11. Do you work with online tools?



*Q12. If yes, at which stage?*

Almost all participants (98%) who use online tools, search the Internet for background information and knowledge. 82% search for online resources. Much smaller number reported sharing information within educators' networks (48%), 42% develop online training courses, while 40% use the web to develop interactive activities with students. 84% of respondents chose more than one answer.

Q12. If yes, at which stage?



Q13. As a teacher, what are your tips for self-development?

Survey participants provided a great variety of self-development ideas. Most common include:

- self-teaching – books, online materials (including social media like YouTube) and platforms such as EPALÉ;
- formal education – certified courses, post-graduate studies;
- peer learning: knowledge exchange with other educators online (Facebook groups, forums) and offline (specialised courses);
- observing more experienced educators, mentoring;
- feedback from students;
- self-development courses to maintain commitment and passion;
- soft skill courses;
- informal talks with people of the same field;
- visiting museums and travelling.

One respondent reported self-development as a response to new teaching requirements at school.

Q14. According to your perspective, what are the most demanded skills on the craft market? Rank from 1 to 5, one being the most important, the relevance of these topics.



According to the respondents, the most demanded skills on the craft market are General / basic entrepreneurship and managerial skills, time management and involvement and commitment – all received more than 64% of positive answers (score 1 and 2 combined). Least demanded skills (score 4 and 5 combined) were teamwork, problem solving, entrepreneurial passion and self-efficacy.

	1	2	3	4	5
General / basic entrepreneurship skills	48%	16%	14%	6%	16%
General / basic managerial skills	38%	26%	14%	10%	12%
Creativity and creative thinking	36%	18%	18%	14%	14%
Teamwork	20%	30%	16%	22%	12%
Leadership	36%	12%	30%	12%	10%
Problem Solving	40%	18%	8%	24%	10%
Negotiation	24%	24%	22%	16%	14%
Time Management	58%	8%	8%	14%	12%
Entrepreneurial passion	32%	12%	22%	16%	18%
Self-efficacy	30%	24%	6%	26%	14%
Perseverance	42%	20%	10%	16%	12%
Risk taking and tolerance to risk	40%	22%	14%	8%	16%
Involvement and Commitment	50%	18%	8%	10%	14%

*Q15. According to your perspective, which ones are the most needed skills by (future) craft entrepreneurs. Rank from 1 to 5, one being the most important, the relevance of these topics.*

When asked about the most needed skills in craft entrepreneurship, participants pointed to perseverance and general / basic entrepreneurial skills – 70% of positive answers (score 1 and 2 combined). However, all other skills, except for leadership, received between 54 and 68% of positive answers, which shows that the participants consider them all necessary. Entrepreneurial passion, problem solving and creativity received the lowest score (score 4 and 5 combined), but again, the differences in percentage for all skills (score 4 and 5 combined) were small.

	1	2	3	4	5
General / basic entrepreneurship skills	44%	26%	12%	4%	14%
General / basic managerial skills	36%	30%	16%	4%	14%
Creativity and creative thinking	54%	14%	6%	10%	16%

Teamwork	30%	24%	24%	14%	8%
Leadership	20%	22%	34%	10%	14%
Problem Solving	60%	6%	8%	12%	14%
Negotiation	44%	16%	20%	8%	12%
Time Management	60%	8%	10%	6%	16%
Entrepreneurial passion	48%	10%	14%	12%	16%
Self-efficacy	42%	24%	10%	10%	14%
Perseverance	58%	12%	8%	4%	18%
Risk taking and tolerance to risk	40%	28%	8%	12%	12%
Involvement and Commitment	50%	16%	10%	8%	16%

*Q16. What is the minimum level that students should achieve in those fields to become a successful crafts entrepreneur?*

The respondents were asked about the level of expertise that beginner entrepreneurs should achieve to increase their chances for success. A group of skills which received high scores – between 70 and 80% ('medium to high level' and 'expert' combined) were: creativity and creative thinking, problem solving, time management, self-efficacy, perseverance, risk taking and tolerance to risk, as well as involvement and commitment. Basic level should suffice in skills such as leadership and teamwork. The respondents estimated that their students should have a medium level of entrepreneurial and managerial skills to succeed as craft entrepreneurs.

	Basic level	Medium level	Medium to high level	Expert
General / basic entrepreneurship skills	18%	42%	28%	12%
General / basic managerial skills	22%	46%	24%	8%
Creativity and creative thinking	8%	14%	32%	46%
Teamwork	26%	34%	38%	2%
Leadership	30%	28%	38%	4%
Problem Solving	16%	12%	28%	44%
Negotiation	18%	26%	36%	20%
Time Management	10%	10%	32%	48%
Entrepreneurial passion	16%	22%	18%	44%
Self-efficacy	8%	16%	46%	30%
Perseverance	6%	14%	34%	46%
Risk taking and tolerance to risk	12%	18%	26%	44%
Involvement and Commitment	6%	14%	38%	42%

*Q17. What are the changes that COVID-19 situation might introduce, according to your opinion, regarding the soft skills needed by the craft professionals and the training practices?*

Most respondents pointed out the role of the Internet in gaining new skills. They reported that the pandemic of COVID-19 may force but also inspire craftsmen's development. Most needed soft skills reported are:

- risk taking,
- restructuring the company's profile,
- Internet sales and marketing,
- flexibility,
- creative problem solving,
- online communication with teams and clients,
- seeking new target groups,
- market research tools,
- online advertising and marketing,
- brand building,
- running craft workshops online,
- product design and development.

*Q18. Additional comments*

The respondents pointed out that the scale questions were confusing, especially no 9, sometimes 1 meant highest importance and sometimes lowest importance. In question no 10 'none' answer was missing – the question implied that educators need to address all the listed skills in one way or another. The language of the survey differs from the professional language and vocabulary used in the vocational education sector in Poland. Questions tended to repeat, especially no 15 and 16 were too similar.

### 3. Research among businesses

#### 3.1. Focus group 1

Host: Anna Kepa, WICI Association

Date: February, 8 2021

Duration: 2h

Form: online meeting on Jitsi

##### 3.1.1. Participants

LC – man, blacksmith, lives in Warsaw; engaged in making replicas of historical weapons, such as shields, knives, before that he ran different companies in services.

EP – woman, weaver, lives in Gdańsk, has been running a company in Estonia since 2017. She creates woven belts modeled on archaeological finds and runs an e-shop on the Etsy platform, where she sells handicrafts in the field of weaving and knitting, made by her and other women.

AR – woman, sculptor by education, currently in ceramics / textiles; Since 2020 she runs Hap Hap studio, which promotes sensory education and produces cushions and ceramic objects.

AW – woman, ceramics, has been running the company since 2004, at the beginning it was a dance school, she has been dealing with ceramics for 6 years, she has employees supporting marketing

MM – man, maker in ceramics, shoemaking, and other crafts related to historical reenactment; He supplements the offer of his wife's company, works at the university as a history lecturer.

MO – woman, basket weaver, educator; She has run an educational company since 2015, in which she offers workshops of old crafts.

MO and MM are married. During summer months, MM and MO work together in historical education centers in Norway.

##### 3.1.2. Beginnings of business activity



The participants have built their knowledge on running a company primarily on the **observation of other entrepreneurs** and friends, as well as on their own research. LC met on his way *at least a few mentors and people who were active in various fields.*

Some participants mention formal education (high school, studies), but consider it **ineffective**, e.g. LC: *During my studies I had the opportunity to study management, so I remember there were lectures about small business, but it was a long, long time ago and I don't remember practically anything anymore.*

MM and MO emphasize that their beginnings were simple **because they already had their product** – original workshops they had created and tested within local government institutions, as well as a **stable target audience**.

The interlocutors pointed out that at the beginning they needed to make a substantial investment in equipment that was necessary to conduct business in the field of old crafts. Starting a company depended a lot on available finances. LC gave an example of blacksmithing, he said: *to equip a forge you need PLN 40.000.* Makers in ceramics confirmed, AW: *without a furnace you can do nothing.*

### 3.1.3. Support for craft enterprises in Poland

Based on the experience and opinion of LC and MO, **business incubators are not an effective form of support** for novice entrepreneurs. They provide a place, an accountant, but not continuous support in the process or practical knowledge on how to set up and run a business. Consequently, after the incubation period, many entrepreneurs give up the idea of running a business on their own.

The respondents searched for support in various forms but express **disappointment with the support system**. For example, MM mentioned LAGs – Local Action Groups (Polish: Lokalne Grupy Działania) – he moved to the countryside, because their range of activities is much wider there. However, already at the first meeting about co-financing the studio, he encountered a **problem – his idea for a ceramics studio was not innovative enough** and did not meet the indicators of the programme.

MM: *I crashed at the first meeting. I was thinking of a village workshop, pottery, and then the question of what innovation I will use appears... I said, but madam, I'll be making country pots.*

LC confirmed that regarding the possibility of financing his ideas, *hitting a specific box with your idea is really difficult, because old craft is not compatible with what we are talking about now.*

MO drew attention to the fact that **highest level officials who make decisions, do not know the needs of the crafts sector and do not support its professionalization.**

MO: *But this is even higher, in ministries, at the level of strategy making. I will tell you about an example of Łowicz courses. There is a school there which organises weekend courses once a month. The classes are very intensive but free of charge, subsidized by the ministry. It has been going on already for 7 years, the school has already educated such a number of graduates that they reported a need to do the next level, advanced classes. They found out in the ministry that sorry, but there will be no money for it. She emphasized that it is "from the top" where the prevailing opinion comes that craftsmen should work in other professions and do craft as a hobby.*

Participants are also **aware of various support programmes**, e.g. employing an employee for a work practice whose cost could be, at least partially, financed from the Unemployment Office. What prevents them from using it is the complicated system and unclear rules. The problem is illustrated very well by the situation presented by AW. She was looking for employees, found a suitable, unemployed person, but she could not employ her using the public support because the funds were restricted to people living only in certain locations. She explained, *I had a person who is registered as unemployed but lives in Warsaw, I live in Radzymin near Warsaw. So consulted the employment office in Warsaw – can I hire this person? Yes of course was the answer. But I am not from Warsaw. Well, then you are not entitled to anything.*

### 3.1.4. Market – specificity of historical crafts, limitations

The vast majority of participants operate on the market intended for historical reenactors. They make products based on historical sources such archeology and ethnography, which results in a very narrow clientèle and has other consequences for running their businesses:

LC: *People rely on reputation. When you enter the market, **it is hardly possible you have an entirely new product**, because what can be new in historical reconstruction? Unless I dig something out, everyone does it and everyone will have this product.*

LC: *Now, acting in reenactment, it is so strange, such an unusual form of work, such a strange market. **This market is not affected by some rules that are common in other markets, this is not running a pizzeria.***

LC emphasizes that there are elements common to the "ordinary" market, *such as Internet marketing, while the form that is already carried out is different, **much more here depends***

*on client recommendations, on word of mouth, on cooperation between people. Paradoxically, recommendation may be more important than the product quality.*

### **3.1.5. Advice – what to do in the old crafts market to find yourself?**

The respondents recommend simply having a **great product** and its presentation, plus staying **motivated and creative** to explore and master the old models, craft techniques and resources.

*LC: You can make a product cheaper, you can do it nicer and be better and cooler, so that people recommend you.*

*AW: Hitting another world that needs to be explored and no one will teach it, there is no such thing that I will have patterns or someone will prepare me for it.*

### **3.1.6. Knowing the customer**

The respondents are aware that their customers are a **narrow and specific group**. They do not care so much about the number of customers but want to get to know their needs and preferences better and maintain long-lasting relations. *AW: It was more important for the client that I travelled around museums to make better reconstructions of ceramic objects. At the moment I have a lot of new customers who buy contemporary dishes, classic mugs, but also barber bowls.*

*AW: For example, for a person in reenactment ceramics fired in an open fire is cool and looks nice, it smells with fire which for us it is an advantage, but might not be for a barber.*

*AW: It's very specific with handicrafts. My method of selling is to find a customer who will buy from me, i.e. narrow it down and look for a specific customer.*

### **3.1.7. Challenges and problems**

The problem of economic education and pricing of own works

The participants pointed to the **problem of the lack of conversations about money** during education or between craftsmen. They experienced a problem of sharing knowledge about product pricing – both those teaching craftsmanship and entrepreneurship, as well as experienced craftsmen were reluctant to talk about prices and finances.

AR: I had five years of education at the Arts Academy, I had Entrepreneurship as a subject in secondary school, and different courses in creating your own business. Even now, before setting up the company, I was in the programme in which we had 40 hours of training on how to sell and more. In my context, I learned very little, e.g. the pricing of the things I produce is a **taboo topic**, I learnt nothing about that that would have practical implications.

LC laughed and said, *how well I know it.*

### Underpricing of crafts on the market

Another important topic was the people who create labour-intensive crafts and sell them very cheaply, "**spoiling" the craft market.** Participants shared a similar experience, such as

LC: *And then you find a student who for the shield which should cost PLN 600, will take PLN 300, will do the same and what can you do.*

AW responded: *But he doesn't have to pay social taxes, electricity bills for the premises, he doesn't have children to support. What we do are not basic necessities.*

They also expressed irritation about the **lack of respect towards their work and prices**, comparing themselves to other professional groups. MM: *Why no one discusses the price for, for example, a plumber who does not bring the material, will work a little but charge a lot. No one grumbles about it, people are thankful he even came.*

Other reasons for low prices for handicrafts were also pointed out. The respondents highlighted that **customers are unaware of the complexity and time - consuming nature of the crafting process.** MO said, *In our experience it is a matter of education, we are not talking about a workshop where children first see what they have to do, and then comes a realisation, oh my god, how much effort it takes. When we run courses for adults, pottery and wicker classes, even though the ladies do their things, they still buy our works en masse. It's like with children, only then they start to appreciate it, it is like "oh my god, now I know why it costs so much", then the orders multiply.*

### Knowledge sharing

The common problem with mastering the skills of old craft, and thus improving the product, is the **old masters' unwillingness to share the knowledge.** According to the focus group participants, they see new craftsmen as competition on the market.



MM: *"I had some talks where I was at the pottery course - **this is the paradox of the so-called "disappearing professions"** – some potters questioned the one I studied with why he runs courses at all. He responded to them that why do you tell other people that these are dying professions, that nobody wants to do them, and at the same time, you do not pass on knowledge.*

Others confirmed that they have also experienced difficulties in obtaining technological knowledge from more experienced crafters. AR talking about the Arts Academy she studied at, said: *after three years I didn't know some technologies, some technology I only came across on YouTube, YouTube is a very nice professor.*

LC told **about the disrespect towards people who want to learn the old craft** and gave the example of a friend who learnt blacksmithing – *For to years he apprenticed in a forge for less than I did in a month at home.* MM replied ironically, *apparently he was not worthy yet.*

MM: *Or, as in some project, they force the student to work in such a way that the student decides to leave.* LC confirmed, *they treat you like you mean nothing to them.*

MM dispels the old masters' fears towards the competition from the new wave of makers: *objections that the students take bread from the old masters are completely false, because there are two wicker schools where you can learn to weave baskets for free and get state certifications and somehow the old wicker centers have not gone bankrupt.*

MO pointed to the **instability in cooperation with local authorities who often make arbitrary, unjustified decisions.**

MO: *My husband and I were doing craft classes for schools and it suddenly turns out that something that works nicely stops working just because the authorities have changed. Maybe this is specific to Poland – there is no major change, the rules have not changed, the personnel has changed.*

### **3.1.8. Changes caused by covid-19 pandemics**

Most entrepreneurs reported that they had to **transfer their activities to the Internet**, e.g. run live coverage from the studio or workshop.

**Two opposite attitudes towards running a craft workshop online** emerged during the interview:

MO cannot imagine conducting online classes in basket weaving. She said, *I can't imagine that clients would like to pay for such classes, I can't imagine that logistically, how do we deliver weaving workshops to schools? Are the children at home?*

AW in an entrepreneurial spirit found a way to conduct ceramics classes in a small group. AW: *I practiced this model in a private school. I prepared clay packs, two clay beads and a piece of fishing line and it was a package. I gave 15 such packages to school and then I recorded a video and put it on YouTube.*

To the contrary, MM emphasized the nature of cooperation with public schools, the lack of logistical support on the side of institutions. MM: *No teacher would do it, have e-lessons of crafts.*

**Customer profile has changed.** This required flexibility and quick adaptation from the craftsmen.

An important element of the sale of entrepreneurs' craftsmen is participation in fairs, fairs, historical events, due to covid they lost this place of sale, which forced them to look for new outlets.

AW: *From what I have learnt from ceramics forums, a lot of people could not cope with it, sticking to their track, they found it hard to do something else (...) I just managed to do it, but of course, it was not without stress.*

### **Entrepreneurs had to come up with new products**

AW: *I do historical ceramics, although recent years have shown that it is necessary to have your second leg in slightly different products. It is still ceramics but for contemporary use. She continued, I had to learn about a new client group, for example. I am on the forum about traditional barbering. I showed there the barber bowls I made, in the spring they saved my ass, they sold very well.*

### **Temporary change of profession**

MM: *Last year was specific so I had to work as a construction worker.*

## **3.1.9. Training topics that interested the participants**

During the interview the participants expressed the following gaps in knowledge and skills they would like to address through training:

- How to price your works?
- How to make a brand based on craftsmanship?

The AW emphasized the interest in the subject in her professional community: a *ceramist from Wrocław is doing training in how to price ceramics, people listen to her in flocks despite the fact that the training is not cheap.*

- How to effectively communicate the value of craft products?

EP: *I know what my company's values are, but I cannot convey well enough in sales. (...) I would like to be able to describe my product in such a way that my clients understand it and I would like to do it systematically.*

- How to create visual materials presenting your work?

The respondents would be interested in a training that would give a picture of how to quickly process photos, but also prepare an interesting "scenery" and props for the photo shoot.

### 3.1.10. Proposed solutions to training needs

The group came up with the following forms of suitable training:

- **Knowledge exchange**, a kind of two-way study visit – a craftsman goes to another and learns, observes technologies and then the situation is reversed.
- Participants emphasize the value of **meetings in small groups or individual classes**. They value conversations with people in the same niche.

AW: *For example, four potters meet and each does something different in the next class. All learn from one another. We could get rid of this attitude: I will not show you this technique because you will copy it and sell.*

- The **need for comprehensive training was** also emphasized – product photography, as well as social media marketing – research on effective hashtags for a given category, learning the rules according to which Facebook promotes posts.

### 3.1.11. Conclusions from Focus Group 1

The group interview shows the complexity of problems faced by a craft entrepreneur. The LC's summary that *an entrepreneur must be like an octopus* reflects well the condition of a craftsman on the market. The challenge of relations with clients is described by MO: *A craftsman must be a showman, a celebrity. Not only does he do his craft well, but needs to attract the customer's attention with his performance. What does the client really want*

*to buy – handicrafts or my performances? We have stopped talking about craftsmanship, we need to do some stand-up as a result of which the client finally says – ok, I will buy it.*

Public programmes supporting enterprises seem to prefer **innovation over sustainable development**. This is very unfortunate as craftsmanship in the face of the global ecological disaster and climate change, *is* an innovation, in contrast to the mass production system. Market conditions have changed. In the past a revolution or innovation was the introduction of mechanization. Now, we need mechanisms to decrease production numbers and make fewer, but unique, good-quality goods which can last longer.

Crafts can help **mitigate the negative effect of mass production**. If the process of creation could be included in how a craft good is presented, the customers would develop a deeper understanding of the production process and consequently, would prefer a local, hand made product over an alternative from a chain store. On a larger scale such a phenomenon could have a positive impact on ecology and inspire society to make more conscious consumer choices.

What is striking is the **inconsistent attitude towards the so-called “dying professions”**. On one hand, there is a growing concern that some of the old craft professions will soon disappear, on the other hand, the craftsmen themselves, by withholding the knowledge from younger generations, contribute to this process. A substantial change needs to happen regarding the prevailing attitude towards skills and knowledge sharing. Moreover, if craftsmanship was more valued on the market and there was a larger clientèle for crafted products, experienced craft masters would not live in fear that a younger maker sells a jug with a similar glaze.

### **3.2. Focus group 2**

Host: Anna Raczkowska, WICI Association

Date: February 11, 2021

Duration: 1h 20min

Form: online meeting on Jitsi

#### **3.2.1. Participants**

SJ – 28 years old, woman, graduate of graphic arts at the Academy of Fine Arts in Łódź. She works with broadly understood graphics, in recent years she worked for the fashion industry. She creates unique prints, such as lunar calendars, which she sells via social media. Recently she is fascinated with braiding and basketry, and takes part in a master class in this field in Łowicz. She has not yet started a business.

KD – 32 years old, woman, designer in Łódź, psychologist by education. She cooperates with the Women's Association, where she implements projects of a social nature. Interested in handicrafts, especially making jewellery, which so far she has been selling at fairs. She creates natural cosmetics. At the time of the interview she was in the process of registering her own “Art Deca” company in which she will create soy candles.

AK – 33 years old, woman, professional photographer in Gdynia / Bełchatów. In 2020 she founded the mobile photo studio “Dzika Kępa”. He also works with old crafts like single needle knitting. She knits gloves, hats and mittens and sells them online.

MC – 32 years old, man, graphic designer in Łódź. His company called “Studio Warto” which he has been running for 4 years, offers services such as graphic branding. He cooperates with cultural institutions in the field of visual identification of events or places. He also designs posters printed by hand with the screen printing technique. He graduated from photography, but meanwhile he got interested in graphics and this field has remained with him to this day.

KN – 27 years old, woman, basket and macrame weaver in Łódź. In September 2020, she founded a company that produces things from wicker. An actress by profession, but currently a full-time craftswoman. She is in the middle of a wicker master class.

#### **3.2.2. Preparation for business activity**



### Economic education in Poland

While talking about the preparations to run your own business, the topic of knowledge of entrepreneurship and basic principles or obligations of a future entrepreneur appeared first. Most of the participants had the subject of "Entrepreneurship" in middle or high school, but its programme and teaching methods did not provide any practical information that they could use when setting up a business.

*KD: Economic education, education in general is non-life; If dad did not tell me how to fill in a tax declaration, if I did not bring it from home, school would not have taught it at all.*

*KD on the subject of entrepreneurship: It was useless. I do not remember anything at all from these three years that I had it at school.*

A very important problem at the university level was pointed out by MC – *Five years of studying photography, which is a very specific profession, were supposed to prepare us for something. However, there were no specialization classes related to what would come after we graduate. Nobody was interested in what would come after, they only cared that the students bring photos to get a pass.* Similarly SJ, who graduated from the Academy of Fine Arts in Łódź, indicated that her studies did not provide any practical sales skills, it was all about creating works and learning technologies. The participants agreed that students, despite their well-developed craftsmanship skills, finish their studies without sufficient and reliable knowledge about entrepreneurship. Not knowing its basics such as how to establish a company and what the obligations of an entrepreneur are, they often give up this career path.

**The lack of knowledge in the field of entrepreneurship has its unpleasant consequences** among young entrepreneurs. DN says: *There was the Entrepreneurship subject in middle school, but it really did not prepare me for it. I have such a feeling that I had to experience it on my own skin and I had to make a bad declaration to the Social Insurance Institution and lose PLN 1500 at the beginning. The tax relief you get at the start is a different box than another tax discount, I checked the wrong one – one click in this box caused me huge losses.*

The participants emphasized the **ineffectiveness of the educational system** in Poland. There was visible nervousness – they all highlighted the lack of preparation for running their own business, emphasizing that it was an indispensable element that they had to supplement with courses or their own research in adult years.

### **3.2.3. Motivation to run a business**

The participants indicated three motivations for starting a business:



- The need to be **independent** from external employment and to implement your own ideas.

*MC: I felt this was the moment. That I would not find the perfect employer, I wanted to be an employer myself.*

- **Encouragement and feedback from potential customers** or loved ones (family, friends) that their product may be interesting for a larger group.
- **Availability of a financial or mentoring support programme**, e.g. KD and AK took part in programmes where they obtained a subsidy from EU funds for starting a business and cover its monthly operational cost. SC used the support programme "Business in Women's Hands" in the form of meetings with experts and dedicated training for 60 women starting their business.

### 3.2.4. Acquiring the skills of a craftsman-entrepreneur

Two sources of knowledge are clearly visible. The first is **formal education**: studies and certified courses, the other is through **own research**, independent learning and observations of other experts in the field.

MC about his skills in the field of graphics and screen printing: *I was developing it myself – a lot of tutorials, a lot of YouTube, a lot of watching, learning my own graphic programs. I also learnt it from a friend who runs a printing house, showing up there, watching how screen printing is used and what the tools are. It started to interest me so much that I found a workshop on screen printing, and then I gathered experience from assembling my own sieve to the workshop. ... without a teacher, without a guide.*

*SJ: My background is completely different, because I graduated from the Academy of Fine Arts, my specialization is graphic arts, that is artistic graphics. I had classes related to design, allowing me to explore various techniques. I was at riso workshops in Warsaw.*

DN told **about the lack of vocational education** in the field of old crafts, in her case – wicker and jewelry, which back in the past had influenced the maintenance of the craft on the market. DN: *As for wicker, it is a difficult situation in Poland, because education in this field collapsed. (...) There is no school that teaches jewellery making, actually they teach in Warsaw, but it does not pay off, they barely spin on it, because nobody knows that you can make such jewellery. People prefer to go to Apart (chain of jewellery shops).* The participants saw **more learning opportunities in vocational or technical schools**, many of which had been liquidated as a result of the educational reform in Poland.



AK, MC and KD pointed out the **influence of new media** – they are a source of knowledge as one can acquire new skills by watching online courses, YouTube channels of craftsmen and videos on technologies, or draw inspiration from Instagram.

### 3.2.5. Challenges, specificity of doing business in Poland

The mental state of a novice entrepreneur in Poland was summed up by MC: *Imagine you are going out into a big field, you don't know what to do, whether you should be a craftsman, whether you should be a marketer, whether you should be a sales representative, or deal with accounting, and this is where the internal panic begins.*

As a challenge, the participants indicated the **first contacts with the client**. MC: *We would like to do our craftsmanship and that the client would be satisfied at the end. We want to focus on the poster, that's why we started this activity, but if you do not serve the client well, he won't recommend us. The first customer is usually someone from friends, but then you have to serve people completely unknown to you, we don't know what to hook up, how to discuss.*

Another challenge on the market is that **the customers do not understand the craft industry**. They do not understand the process of creating unique objects, and consequently demand low prices. KN: *This industry, basketry, has been terribly underestimated for years. I meet a client and he asks why my product does not cost PLN 10 as 15 years ago.*

Undervaluing crafts in society is related to the **lack of crafts continuity and access to old masters**. The economic factor – poor earnings in the traditional crafts means that the next generation does not want to learn craftsmanship and preserve the skills of their predecessors.

KN: *Craftsmanship is dying out in large numbers. In my field, the people who sell are 80 – 90 years old and they did not pass it on to their children, because their children are now in Germany, they have gone to Warsaw to work in a corporation because it is more profitable. If we do not appreciate craft, it will die out.*

Another challenge for entrepreneurs which is related to the perceived value of craft in society is **pricing policy**. KN: *Consumers are used to the fact that the cost of a product is the cost of the product, but in fact it is the cost of the material, the time of the person who produced it, the cost of storage, plus marketing support. My problem is that I do not know how to price my products well enough to avoid a situation when I have to close my company.*



The respondents highlighted that they struggle with **competition** in the form of chain stores, such as Ikea and in the case of basketry – **products imported from Asia**. KN said: you can guess that someone does not weave them in decent conditions. KN: *There was a bag woven with macrame, and there was a promotion, this bag cost PLN 30. Because I also weave macrame bags, I know that I would not be able to buy a string for such a purse for this money. I think something is wrong here.*

The issue of educating the consumers was highlighted, especially the **customers' lack of awareness of what constitutes the price**.

Many interviewees said that **documentation** related to running the company stressed them a lot. If one does not have, as MC said, *a starting point from their education, they do not really know what they are going to face.*

Participants emphasized that running a business in Poland requires a lot of time and effort put into understanding and creating documentation. They wished they could spend the same time designing and implementing new products.

AK: *I would like to take photos, but for 4 months I have been dealing with grant papers and filling in tables.*

MC: *I would like to design, print on a screen, and in the afternoons read how to tag something on Facebook. Angrily he adds, Then this thought comes to my mind that what I wanted is to sell products and meet people, NOT deal with paperwork.*

Another problem pointed out was the **unclear, complicated language of law** regulating business activities in Poland.

MC: *When you go to any official website, the official language is inaccessible to an ordinary person, a person who wants to set up a business, and it is impossible to jump over it. I still do not know, I have to contact the accountants because I do not understand, even the simplest things. This forms a barrier in my head.*

All participants were aware of the subsidies, but indicated their limitations regarding, for example, age group, origin from a given area, disability or other type of social exclusion. In their opinion many **grant programmes were far too restrictive**.

MC: *There were no programmes for men under 30, who are fine. The lady in the office told me: "if you are a healthy man before 30, you will not get any additional funding".*

On the personal level, some interviewees struggle to find the **right attitude to the works they make and their value**. The participants emphasized that apart from formal problems,

there is also a problem at the personal level that affects the price of their product or their behavior towards customers.

KN mentioned the issue of **mental relationship with money**.

KN: *You should not earn too much, because it is not ok in relation to the person who buys it. Regarding money, she often gets the feeling I don't deserve it. I'd give out my works for free because I feel honored that someone liked my work at all.*

### 3.2.6. Training – proposed scope of topics, suggested needs

The interviewees would like to learn the following skills:

- **Structuring and prioritizing work** in the company, managing individual tasks;

MC recalls the beginnings of his activity and the doubts he had: *What should I do first, design, shipping or contact, promotion and how to do it, what direction to choose.*

- **Effective use of promotional tools**, their selection, creating an action plan for the company in the field of **marketing**. Survey participants use and know **social media**, such as Facebook and Instagram, but do not know how to effectively use them to promote a company, which and when to choose.

SJ says irritated, *What is this Instagram, is it so complicated, what content should I post there?*

- **Reaching the customer**. Participants who have been running their companies for a longer period emphasize that they are not limited by the lack of ideas for products, but the time needed to reach the appropriate group of customers. This was also emphasized by the interviewees who are at the beginning of their solo entrepreneurship path, e.g. SJ already has ideas for products and how to create them, but she needs to learn about distribution channels and communication with her target group.
- **Defining the character of a brand**. Some respondents were unsure what role to take: an entrepreneur, brand or person and how to conduct this communication in the media.
- **Delegation of duties and responsibilities**. Solo entrepreneurs would like to know how to manage the company development in order to reach a stage where some formal duties can be delegated to other people. MC and KN see this as an

investment that will pay off because they gain time for designing and preparing the product.

- **Seeking additional funding for an operating company.** Although the participants are aware that there are support programmes, e.g. EU programmes, they do not know how and where to look for reliable information about them.

Everyone agreed that the best form of support for their companies **would be individual**, regular (e.g. once a month) meetings with an expert or mentor, tailored to the specificity of their business activity. General group training does not provide information which could be effectively implemented in their companies. There is a great need for experts who offer advice in individual cases and inquiries.

### 3.2.7. Conclusions from Focus Group 2

The participants of Focus Group 2 proposed a **support group** as a form of helping entrepreneurs in the craft sector. Meetings would take place in small groups of entrepreneurs at various stages of business development – at the beginning, and with many years of experience.

MC confirmed that if he had not been sent to Business Incubator, not to the institution as such, but to a group of 19 entities like him, he might not have had the strength to continue running the company. MC: *I don't know if I would mentally withstand running a business all alone.*

KN added that such a support group, based on sharing *information to help each other, rather than withholding it for oneself, empowers and builds a shared strength.*

A major limitation for entrepreneurs is the **lack of financial resources** to invest in the beginning or later, to accelerate company development. MC remarks that: *I would not make the mistake of starting a business without funding.* The participants also said that it is common to wait for appropriate funding, e.g. to the beginning of next year.

Entrepreneurs indicated that the **high cost of the obligatory Social Insurance Institution taxes (ZUS)** and other fixed costs resulting from the tax system in Poland negatively affect the price of the product.

Moreover, participants are **overwhelmed by documentation**, formalities, and Poland's complicated tax system. They give examples of other entrepreneurs who drop out because of these factors. An atmosphere of discouragement and helplessness appeared in the group as soon as the topic of the system and formalities was raised.

Clearly, the entrepreneurs express a **desire to create new products, creativity, willingness to learn new skills, and share their experiences**, but they are limited because they need to devote so much time to formalities. Craftsmen's earnings do not allow them to invest in development, thus limiting their huge potential.

The regret expressed towards the educational system is also clear. All of the interviewees pointed to the **huge, systemic gap in entrepreneurship education** in Poland.

### 3.3. Interviews

#### 3.3.1. Background information on interviewees

AR: graduated from Arts Academy in sculpture. Her solo company, opened in 2020, provides sensory education products and services. She is an artist, designer, educator, cultural activist with a 10 year experience in the culture and crafts sector.

EP: sociology graduate, researcher, never received any formal craft or entrepreneurship education. She registered her craft company in 2017. She weaves textiles and operates an online shop with her own products as well as items made by other crafters.

AB: formally trained photographer, entrepreneur with 3 years of experience.

AK: formally trained photographer and anthropologist. She opened her mobile photographic studio in 2020. She gained managerial experience while working in a corporation in the UK.

WS: brand owner and creator, self-taught industrial designer, lawyer, 15 years of experience in running a business.

MMB: bag designer with a 5-year experience in running a crafts company, solo entrepreneur.

EL: ceramic artist, her husband and she own a ceramic studio on and off since the 80s; She sells her handmade ceramic tableware to restaurants and cafés.

JJ: Arts Academy final year student (fibre art – textile and paper) who wants to combine traditional craft with modern design ideas and set up his own company with artistic home décor.

AL: jewellery designer and maker, graduated in artistic jewellery from Arts Academy, solo entrepreneur since 2016.

KK: solo entrepreneur, since 2019 has a company called “Ceramics Manufacture” opened thanks to a public grant programme.

#### 3.3.2. Motivation to engage in craft and start a company

Key motivations to engage in craft entrepreneurship mentioned by the interviewees include **passion** for the craft itself, sometimes developed in skills certified by formal education; values such as **independence** and freedom to create with **minimum bureaucracy**; **artistic and creative skills** and talents; **necessity** – learnt a craft to be able to

make necessary things or things one cannot afford; craft **heritage** in the family; **reluctance to follow the corporate career** model;

*MMB: What prompted me? I was prompted by the fact that I was going to my friend's wedding and I didn't have the financial means to go crazy with a dress, so I figured I'd make myself a purse. And I made a handbag and I liked it, and many women at this wedding liked it, and I actually thought that maybe I'll try to create, after hours, such accessories after hours.*

*AK: Taking photos makes me very happy, especially when I think about shapes and colours and how the light is placed on objects or how it changes the colours they appear in. I noticed that it resonates very deeply with my sense of aesthetics and gives me a lot of happiness.*

These differ from the **motivation to register a company**. None of the interviewees expressed the ambition to create and manage a company as a goal. The **company appears as an instrument to be able to sell their crafted items legally** and make a living from their passion and skills. Having an official company makes it easier to buy materials (companies are entitled to wholesale prices), products and sub-services from other companies. It is also easier to work with business partners and clients as companies prefer to work on the B2B basis rather than employ craftsmen or artists.

Two interviewees felt that they **would not have opened their companies without having a grant** from a public enterprise support programme.

### 3.3.3. Opening a company

Three interviewees took part in **public entrepreneurship support programmes** for the unemployed. All used **EU funding for micro-entrepreneurship**, managed locally by an agency in their county. The programme that AK (33, photographer) enrolled in was designed to support entrepreneurship in neighbourhoods undergoing revitalisation. She was inspired by a friend who also applied for a similar programme. She got qualified for the programme on the basis of an initial business plan which she later developed with a mentor. During the programme she got financial help to cover monthly operational expenses and some one-time costs such as electronic equipment. It helped her very much, she would not be able to buy all the expensive photographic equipment using her own funds only. She also had to take part in a few courses which gave her basic knowledge on how to run a company in Poland. The **courses were useful but too short and fast** to be able to master all the skills and information.

AR who also used EU funds to open a company, agreed that the courses provided were too intense and general. Moreover, she complained that **during the programme she had to stay unemployed for 5 months** and this was a challenge because she could not make a living.

Some interviewees expressed a **sceptical attitude towards state and EU enterprise support programs and funds**, arguing that they do not provide sufficient amounts of money, nor training, and they create false expectations in their beneficiaries. They encourage opening a company, especially by young and inexperienced people, yet do not support entrepreneurs in the long-run.

*WS: If I wanted to finance something with more money, I would ask my relatives, family for money. Then I would have to try and make it. If I got something for free, I would not have to try for real. The statistics show that 99% of companies started by the unemployed without preparation fail because the preparation at the Unemployment Office is poor, zero, the only thing they will teach you is to write a business plan that makes little sense. You get PLN 20,000 (about 5.000 Euro), for example. **For PLN 20,000, you can, I don't know, buy a wardrobe for your room, two desks and a computer, that's all, right? It's not a budget that can be managed in a rationally and realistically written business plan. Unfortunately, the Tax Office teaches that it is sufficient. This is completely untrue.***

### 3.3.4. Obstacles and challenges

#### Craft market problems

- Poland is a **small market** and clientèle for certain types of craft, such as industrial design. This translates into a limited number of companies that one can take as an example or model when opening his/her own business.
- **Competition** from those who sell the same products or services but do not have registered companies. As they have no business costs, they can offer lower rates.
- Quality products or services are not enough in the craft sector. Entrepreneurs need to **engage in sales, marketing and brand building**, which is often based on their private image (personal brand). Many of them do not want it, perceive it as something which goes against their values. Most of them would **prefer to focus on the craft solely**.
- It takes a lot of marketing and communication effort to find customers as most **crafted items are perceived as luxury products, not necessities**.

#### Systemic problems endemic to Polish bureaucratic context of running a company





- **Complicated bureaucracy** and many unclear obligations related to having a business, lack of online services which would make the obligations easier to follow.
- **Non-transparent, often-changing rules** of e.g. reporting, accounting etc. Monitoring it is exhausting and time-consuming, it leaves little time to focus on making products, crafting which majority of the interviewees value the most.
- **Difficulties in contact with public administration**, for example National Tax Office or Social Insurance Institution (in Polish: ZUS). Majority of the interviewees describe these institutions as operating on the basis of **control and punishment**, instead of providing support and advice. Some were very surprised when a clerk helped them to solve an issue. They avoid contacting these institutions and expect that if they reach out, they will be questioned, audited, controlled etc. Only one interviewee – WS, said this can be avoided by showing a respectful, non-demanding attitude towards public administration.
- These all transfer into **low confidence and fear** to make a mistake, especially in formal aspects of running a company.

#### Limited funds

- **High costs of operating a business.** Interviewees complained about obligatory social taxes which double after two years of operating a company. The system changes in a positive direction but the interviewees perceive the change as slow and insufficient. One interviewee compared a VAT-paying entrepreneur in Poland to a tax collector who collects tax from customers on behalf of the state.
- Most interviewees would like to engage in specialised courses and mentoring but **lack extra money to invest** in these.

#### Skills and knowledge deficit

- Lack of skills in **management, business, law**; insufficient awareness of **accounting** rules.
- **Poor entrepreneurship education** in Poland in general.
- Entrepreneurs are **not fully aware of national and EU support programmes** and investment opportunities. They do not know they can obtain micro loans or reimbursement for training, courses and postgraduate studies.

#### Time deficit and organisational challenges

- Solo entrepreneur has to be a **jack-of-all-trades and know a bit of everything**, from legal, accounting, to marketing, sales, social media. Engaging in all these activities is very time-consuming.



- Solo entrepreneur has a **lot of responsibility** and has to monitor all aspects of the business.

### Stereotypes

- Female interviewees remarked that **craft is typically associated with strength and manual work and thus, thought of as a male profession** in which women will have difficulties to succeed.
- **Vocational education is thought of as not prestigious.** Vocational schools are associated with pupils, especially boys, who have low grades and ‘would not make it’ in general secondary schools and universities.
- **“Artists are poor”** – There is a prevailing idea in society that making artistic items and handicraft is not profitable and one won’t make decent living out of it.
- **Crafting, especially handicraft and yarn crafts, is often perceived as outdated** – a grandmother’s evening activity. This is directly related to low consumer awareness of how much work and expertise such craft requires. Many consumers expect that such items should be cheap. This perception is only beginning to change in Poland.

### **3.3.5. Education in business and soft skills**

Majority of the interviewees **learnt their craft by themselves**, on courses or during work experience. Those who grew up in small towns highlighted that there were very **few opportunities to learn crafts** and arts in formal education. Most of the interviewees have mastered their skills through **practical work and experimentation**. Two received formal vocational education – in photography and phototechnics.

Lack of entrepreneurship education during school years. Although entrepreneurship is taught as a subject in the Polish education system (2<sup>nd</sup> grade) and in universities, it is often very theoretical, general and definition-based. This **education is not suited for adult life** as learners do not get to understand the practicalities of running a business.

This deficit in entrepreneurship education (especially law) may result in situations when people, encouraged by easing of regulations for micro firms, spontaneously start businesses without awareness of the obligations they take on themselves. Soon they discover they lack the knowledge and skills, get confused and fail.

Some interviewees, especially those educated in Art Academies, complained that **business-related subjects are often perceived as less important or entirely useless for artists**. The prevailing concept of an artist is that he or she creates pieces of art, takes part

in exhibitions and events, while the business behind, from finding clients to legal forms of selling art or art-based products, remains a taboo topic. Thus many Art Academy graduates have few skills and face a lot of stress related to economization of their activities.

AR (33, artist, educator): *During my studies, I did not find out how to price my work – whether hourly or on the basis of materials or yet otherwise. We had marketing classes and we made some charts, but we did not receive practical information. I would have liked that an experienced sculptor would come and say: “I take this much for this, and this is what you need to consider”. We did not learn that.*

The same **deficit of entrepreneurship education but in vocational education** was also pointed out.

AK: *No one at the end of our photography school did feel strong enough to start a company, except maybe for those who already had family businesses, where parents were already working.*

WS learnt some business skills, time management and realised the importance of knowing accounting rules by observing companies and experienced businessmen whom he had worked for as a web designer.

AR learnt soft skills like communication, negotiation, team work while working in the non-governmental sector where she organised organising festivals, cultural and art events.

### 3.3.6. Mistakes and lessons learnt from them

AK had applied for funds for starting a company before but did not get it. Back then she was not aware of the formalities and administrative and accounting procedures she is obliged to follow, as a sole proprietor.

Contrary to the majority of the interviewees who feel overloaded with accounting, WS claimed that an entrepreneur should be proficient in it because it can bring financial benefits, improve company management, and extend possibilities.

WS: *I can see that it is a **huge mistake of most entrepreneurs that they are not interested in how to manage taxes and what can be qualified as business cost, and how to run a business from the accounting side.***

He also added that **many beginner entrepreneurs make a mistake not to read acts and laws relating directly to their activity.**

The same interviewee, based on his 15 years of experience, mentioned that the major mistakes he has done were 1) going into business partnership with someone who he did not know too well and that person was not as passionate about the craft as himself; 2) lowering prices in order to compete with mass produced Chinese items; 3) wrong price calculation which did not include cost of packaging, taxes, operating costs etc. The interviewee said his major lesson was that he did not value his work enough and priced it way too low. He underlined that coming from a working class background, he had incorrectly assumed that his customers purchasing power is similar to his. **When he was a beginner, he did not understand that some customers would purchase his creations because, not despite, the high price.** He would have also invested time and money in tailor-made, practical, individual courses regarding legal regulations on running a business.

### 3.3.7. Ways of self-development

Most, in not all, of the interviewees show initiative in finding specialised **online and offline courses** that would help them run their business. Being creative people, they like to learn and get new inspiration. Some of them had done them before they registered their company. **Short or one-day courses in marketing, brand building, advertising appear popular.** AR said she had participated in an **Erasmus training in regional brand building.** She valued the international, broad perspective she gained thanks to it. Yet, she was **sceptical about the Erasmus job-shadowing for entrepreneurs** asking whether the experience of job-shadowing in a company in another country can be at all helpful and comparable to her experience in Poland.

Many respondents use **online platforms with free courses, watch YouTube channels with entrepreneurship and craft advice, and follow FB thematic groups** where they often see information and ads on education possibilities. **E-books and PDFs** are popular, too.

AK: *I prefer learning from experience. I do free and paid specialised online courses.* She is also a **member of a local professional association** where she can discuss her craft and engage in **peer-learning**. She often chooses online learning – paid entrepreneurship courses dedicated to craft professionals, where successful professionals present their marketing strategies. This is interesting but sometimes still too general as certain marketing strategies presented will work only for a narrow group of clients.

AB invested in paid professional courses in **mediation and assertiveness**, while MMB, having similar needs, found free courses in these topics. Moreover, MMB uses Etsy Assistant – it is a paid tool prepared by Etsy, an e-commerce website focused on handmade or vintage items and craft supplies where she runs her shop. This tool helps her understand current trends and gives tips for how to increase sales. For 3 months she used

**services of a marketing agency** who helped her create PR and reach influencers. She gave up as this required too much additional work.

There was **little interest in MA studies which are thought of as too theoretical and taking too much time and commitment**. Some interviewees expressed interest in **post-graduate university studies** (2 or 3 semesters) which, at least in Poland, they perceive as more market-oriented and practical than full-cycle university programmes. One exception is WS who decided to complete law studies for the purpose of better understanding of Polish business legal environment.

### 3.3.8. Educational needs

The interviewees reported the need to develop the following skills:

<b>Marketing and sales</b>	sales channels, pricing products and services; product photography and video-making; market research skills – what services and products like mine are worth on the market and who buys them; product design; Internet marketing; customer path; Internet sales; SEO marketing; website management
<b>Communication</b>	writing applications for national and EU grants for entrepreneurs
<b>Personal</b>	creativity and creative thinking; well-being and work-life balance; assertiveness
<b>Management</b>	time management; setting priorities; risk taking; creative problem solving' managerial skills
<b>Law and finances</b>	copyright law; drafting contracts; accounting; invoicing

Some interviewees complained that the courses they participated in were too generic and too basic. The information they got was not specific enough. There are **a lot of entry courses while there are very few advanced, specialised, tailor-made courses**. They would prefer to have courses with people in exactly the same sector, e.g. a ceramics studio owner would like to participate in a course with other ceramics entrepreneurs.

### 3.3.9. Preferred form of education and support

A few training forms were frequently suggested in the interviews:

- **Courses at a slow pace**, for example a couple of hours a day over a few weeks or months rather than intensive 2-day courses. The second option does not allow enough time to “digest” and think through the new information.
- Many interviewees perceive their activity as niche and specific. They express the need for **individual mentoring and case study learning** tailored to their company’s needs, profile and environment. Mentoring could take place online, on the phone or on face-to-face meetings. Optimally once a month according to the scheme: **problem diagnosis-proposed solution-implementation-evaluation**.
- **Online courses with a possibility to ask questions** (uploaded videos, live sessions).
- **Self-teaching** from best quality, up-to-date books and online materials.
- **Hands-on learning, job-shadowing, observing** more experienced companies in the same field.
- Offline, **face-to-face**, interactive courses and training.

### 3.3.10. Covid-19 and its influence on craft business

Pandemics of covid-19 caused **cancellation of some typical craft sales channels such as festivals and design and art fairs**. What is more, entrepreneurs who offer services based on face-to-face meetings were blocked almost completely. This caused the need to **change some companies’ profiles**. Entrepreneurs, especially in the field of photography, had to construct a new offer, reach out to new potential clients and generally reorganise oneself.

When it comes to sale, all interviewees agreed that the only choice was to **go completely into online sale**. As the competition is growing, success requires creativity and effort.

JJ (artist, 26): *Well, there will definitely be more emphasis on transferring everything to the Internet, so every company and this potential company of mine will have to focus primarily on the aesthetics and functionality of the website. It must be very intuitive, it must be very functional, very practical, not enigmatic, so that a potential buyer can clearly search for and find a product. Website positioning will be very important, so that my website is the buyer's first click.*

Some interviewees mentioned that their **profit decreased**. Their response to it was very diverse. One person, although noted a 20% decrease in his turnover, decided to increase the price of his products in order to reach customers whose financial situation did not

worsen due to pandemics. He also focused on improving his products design so that it matches the needs of his customers better. Finally, he invested his free time in self-teaching and building his image as an expert in his field.

AB whose company depended on events and meeting people, experienced a lot of financial difficulties in instability of her business. She decided to counteract this with **self-development such as well-being activities**, therapy, language learning. She also started to reflect on how to reconstruct her business activities and helped other people in doing so. She received governmental funds to support the company but was only enough to cover basic costs and she worked temporarily in a restaurant.

AL who makes artistic jewellery said that 2020 was not as bad as expected because customers still had resources to spend.

*AL: In spring 2020 everyone was saying we are going to be poor. But in fact May was very good for me. Maybe people were just sitting at home, bored, so they shopped online. Now I can really see that people have started saving and that was to be expected in my opinion. She continues that contrary to 2020, 2021 might be a real challenge as people's savings have melted significantly. She would expect the government to provide more financial help to enterprises now.*

EP highlighted that the main challenge for her online shop was the **international postal system disruption** caused by COVID-19 in 2020. She said she basically lost access to American customers who make the largest share of her shop's clients. The same problem has MMB, she could not buy her usual materials and had to start importing from a different country. This required her to **learn a lot about customs and international import-export laws**. After this she learnt that it is good to always have some material supply at hand. She was motivated because **in March 2020 her profit rocketed**, daily she had over 10 orders for bags, mostly custom.

### **3.3.11. Advice to beginners in craft entrepreneurship**

*AK: Your passion for craft is your stronghold. In times of difficulties, it will help you remember why you are doing this and give you strength to continue. Reach out for advice of specialists (lawyer, accountant, mentor) from the beginning. Think about getting a grant or subsidy for your company – consult your accountant for this.*

*WS: An important lesson for all of these artisans is that if they want to make money from what they create, they should sell it to people who can afford it. Don't start by registering your trademark and company. Do start with good craftsmanship and acquiring your audience: first the client, then the company. Do not be afraid of maths, especially*

*percentages and proportions, do not be afraid to read, because reading does not hurt and costs little, and do not be afraid of making your dreams come true. Never believe those who say that dreams come true in six months. Take care of your health because working with your hands is tiring and painful; mental work causes insomnia, so take vitamins and keep a good diet; sleep as much as possible. Last but not least, for generally creative people: every moment is good.*

*AR: Do a case study of your company before you register it. Try out the product, learn how to put a price on it, try to find your customers. Gain practical, not only theoretical knowledge.*

*EP: Before you start your company, make a pilot product and test your ideas. Don't be afraid to show your product to people. If you sell jewellery – go on Facebook and post in on groups for craftsmen – they not only make but also buy hand crafted goods. Ask questions, analyse the feedback. Show your things online and offline. The most important is your product – if it is good quality, beautifully made, well designed, unique, and in addition, you will sincerely present it, it will sell. Maybe you won't have a big group of clients because craft does not have a large clientèle anyway, but you will find yours.*

*AB: Don't rush with registering your business. Explore your options carefully – you can do many things as a physical person without business. You may find that, well, you can do much more than you think.*

*JJ: First of all, all those people who make products, craft products must have a passion for it. All these emotions remain in these items. Products made only to earn, without pleasure coming from the process of creation, without love, without respect for the material and resources, are visibly of worse quality.*

*AL: If you have time and strength, fight to change the regulations.*

*MMB: Act, do not give up, persevere and stay determined.*



### 3.3.12. Conclusions from interviews

Majority of craft entrepreneurs interviewed received **no or little vocational training**. They mostly **learn by themselves** or on specialised courses given by experienced craftsmen and women in their field. regarding managerial and entrepreneurship skills, all of them expressed **great disappointment towards the education system in Poland**. Even if most of them finished some business courses, they highlight that this is not sufficient as the major problem is **systemic** – there is too little education in entrepreneurship, as well as legal and financial aspects of running a company in the Polish public education system. Future crafters receive good training in technology but lack a general knowledge and picture of how to economize their crafts. They are prepared to craft but not to run a company.

Lack of education combined with the unclear and complicated financial and legal rules translate in **low confidence and frustration**. 9 out of 10 interviewees reported that they are overwhelmed by the amount of time and effort they need to put to understand the basic logic of accounting and reporting. They are also afraid of fines and controls from the public administration. All of the entrepreneurs said that they would prefer to focus on product design and craft over administrative obligations as their ambition is not to run a business as such but to **express their creativity through craft and art**. **Company is instrumental** to be able to follow their passion for craft and sell it legally.

All entrepreneurs reported the need for further training. They need a variety of skills from **management, law and accounting, communication, marketing and sales, as well as well-being and personal skills**. Preferred forms of education include **mentoring and case studies**, as well as **slow-paced courses and peer-learning** amongst entrepreneurs in the same sector. Such a diversity of demanded skills stems from the fact that **a modern craftsman needs to excel in technique but also in communication**. In the contemporary competitive market, it is not enough to make a good quality product. In words of one interviewee, **makers need to be showmen** who can attract attention by showing the process and engaging the customer. **It is not the product that sells but also the skill, process, values, lifestyles and identities it implies**.

Overall, a sense of deep commitment and passion towards craft was clear in all the research participants. They highlighted the potential of the craft market to mitigate the negative effects of mass production, provided the necessary change in customers' attitude towards craft and growth in awareness of what constitutes the cost of it.