



# Frea Project

## Joint Action Plan - Activity 1.5

### *“Model of intervention - Toolbox”*

Model step

ENTERPRISE CREATION QUICK REFERRAL GUIDE

## Index

2. Model step	3
3. ENTERPRISE CREATION QUICK REFERRAL GUIDE	4
3.1 INTRODUCTION	4
3.2 THE STEPS TO CREATE A NEW BUSINESS	4
3.3 TOURISM ENTERPRISES	13
3.4 TOURISM PROFESSIONS	16

## 2. Model step

A standard model based on financial advice documents, enterprise creation quick referral guide, synthesis on funding opportunities, communication tips&tricks, project management templates, handbook for actors will be developed. The set of tools will form a complete “toolbox”. In this document, you will find a Guide on Enterprise creation, with a particular focus on tourism enterprises and professions.



### 3. ENTERPRISE CREATION QUICK REFERRAL GUIDE

#### 3.1 INTRODUCTION

There is a double thread linking entrepreneurial initiative with the destination of a tourist resort. The ability to identify and seize development opportunities is fostered by fertile soil, where there are important tourist flows, but also stimulated by an open and welcoming local culture. Business initiatives can transform and create new destinations. In this close and fascinating relation, the future and well-being of many places are at stake. Although the chances of starting up new businesses are, on other terms, higher in destinations in growth phases or in destinations that attract substantial tourist flows, it is also true that the identification of opportunities and the ability to build and start an economic activity can also be expressed in contexts not fully favorable or in destinations that are at a standstill or contraction of such flows. The enterprise is the engine of economic and social development in a territory. It is the only activity capable not only of producing wealth but of «putting it back into circulation». But, above all, it is the only activity that makes it possible to promote people through the offer of new job opportunities. However, to start a business it is necessary to make precise procedural and fiscal formalities. Before undertaking such a process, the prospective entrepreneur must carefully assess the feasibility of his business idea and the necessary organizational processes.

#### 3.2 THE STEPS TO CREATE A NEW BUSINESS

##### **Setting up your own business: the entrepreneurial choice**

In order to register a business in Albania, you must refer to The Law no. 9723, dated: 03.05.2007, "On Business Registration" and The Law no. 9901 dated: 14.04.2008, "On Entrepreneurs and Companies".

In Albania, business may be carried by:

- A sole entrepreneur,
- or by establishing a company (legal entities organized in many types)

## FRea

Self-employed activities are commonly registered as natural persons it requires minimum legal formalities to establish. The self-employed work differs from the enterprise mainly by the absence of a significant organization, that is to say, a company.

### Assessment of entrepreneurial skills

When you have a business idea in mind, you need to ask yourself why you are starting that particular type of business.

The achievement of short-term profit cannot be the only driving force behind our idea. Other motivations, which act as psychological fuel, must be seen in personal aspirations, professional achievement, social promotion and consensus, scientific and technological progress, etc.

In any case, it is essential to be aware that starting a business will involve a radical change in one's life habits.

In addition, the technical skills and competence of the individual should be examined.

Therefore, it would be advisable to:

- Attend targeted vocational training courses;
- to carry out training placements in specialized companies;
- Seek partners who are experts in the field.

### The business idea

The business idea must necessarily start from the creativity of the entrepreneur but above all from the knowledge of the environment in which it is intended to operate and the target market. A good business idea is only feasible when it aims to meet the needs of the consumer.

In any case, it should be clear in mind that:

- not all business ideas will prove to be successful;
- you must be prepared to abandon the business idea as easily as you fall in love with it;
- if there is a good business idea, one should not be under the illusion that it will be easy to implement.

Understanding how to start a new business project is a very complicated process that can often destabilize and create confusion in our minds. When we think about implementing a business idea, we must try to understand whether it can be feasible, innovative, and useful in solving a real problem. In this process, starting with a good

## FRea

market analysis is crucial to understand whether our idea will be successful or not.

### Analysis of the context in which it operates

As mentioned, it is necessary to carry out an analysis of the environment in which you intend to operate, from the political, institutional, economic, social, cultural, etc. point of view and then to analyse the target market: a) customers; b) competitors; c) suppliers; d) commercial intermediaries. The target market is the market to which you should address your offer.

Market analysis is the systematic collection of data on the conditions of the target market and, therefore, the analysis of these data. This analysis allows:

- assess the potential of the good or service to be placed on the target market;
- define the launch modalities and price of the product/service;
- Analyse the competition to understand how to stand out and exploit the experience of those already in the market;
- Planning the business strategy and defining marketing actions;
- To check the effectiveness of distribution channels and commercial actions;
- measure customer satisfaction;
- Anticipate changes in the market and sector in which the company operates and be able to respond in a quick manner to changing conditions and new requirements of the target audience.

### Definition of the business idea

The following questions need to be answered in order to define the business idea:

- What product or service do I want to offer?
- Is there a demand for my product or service?
- Who are my clients?
- Who are my competitors?
- Where is my customer located?
- What prices can I charge?
- What type of company organisation should I choose?
- How can I promote my product/service?

We can say that an idea is feasible when it proposes products or services actually required by the market; that once the market, sector, target group, competitors, and consumer needs are known, the entrepreneur will have the ability to direct his business and will be able to establish the bases for a company that wants to function and consolidate over time, through the corporate strategies and the appropriate marketing and communication actions.

## FRea

### Pre-feasibility check

After answering the above questions, the risk factors of the business idea should be analysed in detail. In addition to the assessment of subjective factors (entrepreneurial spirit, personal attitudes, and abilities), objective factors that influence the achievement of the target must be considered: competition, market, economic situation of the segment, location, financial coverage, etc. Another key factor to consider is bureaucracy: permits, certifications, etc.

Starting from the idea, we must proceed by implementing a verification process. From the information gathered during the pre-feasibility analysis of the idea, it will be possible to draw up a business plan, which will serve as a test to see if it is really possible to start our idea.

The business plan allows us to verify whether our business idea would have a market and if the product or service we would like to offer could be purchased by the consumer and at what price. It will always be the target market (target), that is, the customer, who determines whether our idea is brilliant, innovative, or not.

### Marketing strategies

The business idea must stand out from the competition: this can be achieved through unique marketing strategies, superior quality, technological innovation, or exceptional customer service. The differentiating element is crucial to attract and retain loyal customers.

Designing a marketing strategy is essential for any type of business that wants to be competitive in the category of interest and build strong links with consumers.

The marketing strategy is an action plan that identifies and coordinates the achievement of business objectives, defines how to identify the target to be conquered, and achieves a good competitive position. The development of marketing strategies includes 5 separate phases:

#### 1. Market opportunities and segmentation

Opportunity analysis is carried out by studying the “Five Forces” of Prof. Porter (direct competitors, suppliers, customers, potential entrants, substitute producers) and carrying out a detailed SWOT analysis. Market segmentation, on the other hand, takes place considering the geographic, demographic, psychographic, and behavioral variables of the target.

#### 2. Target market definition and selection of best-satisfied customers

Depending on the resources made available by the company, the production life cycle, and the marketing strategies of the competitors, the choice of the target market definition strategy to be adopted depends on: differentiated marketing,

## FRea

undifferentiated marketing, concentrated marketing, and micro-marketing.

### 3. Brand positioning

Differentiate your offer for each segment and define how and where to position yourself in the market of the sector you belong to. Starting from the creation of a unique, clear, and simple value proposition, you must achieve an original brand positioning and be recognizable in the eyes of consumers, who will then have to perceive differences from competitors. It is ideal to set the positioning on competitive advantage.

### 4. Marketing plan

Define the marketing mix (product, price, point of sale, and distribution) for each product offered on the market, determining time and mode.

### 5. Control

Monitor and measure the results obtained against the objectives set, with the implementation of the marketing strategy and, if necessary, opt to modify, delete, add, or improve the marketing actions, content, and tools.

Marketing strategies that are considered to be successful:

- acquire new customers;
- increase conversions and sales;
- encourage customers to buy;
- support the launch of new products, services, and advertising campaigns;
- achieve a strategic positioning of the brand in the market;
- Strengthen brand identity and voice tone;
- Strengthen customer loyalty.

In addition, in a well-structured corporate marketing strategy, the integrated communication activities and promotion of the brand and the offer proposed on the market that can reach and engage the target audience must not be missed.

The online and offline communication plans, most often determine the success of a market strategy, because they can transmit the coordinated corporate image, share the values and the brand philosophy, and make live a sensory experience for the consumer, Thus promoting an increase in brand equity (value) and brand awareness (awareness).



## FRea

### Organizing the company

There is a need to clarify terms often used as synonyms:

- the enterprise is the activity carried out by the entrepreneur;
- the company is the necessary instrument for carrying out this activity: premises, furniture, machinery;
- the company is the trade name of the entrepreneur.

Each company is composed of four basic elements:

- material resources (premises, furniture, machinery, equipment, raw materials...);
- human resources (personnel);
- financial resources;
- technological resources and know-how.

The choices to be made regarding the company are numerous and delicate. In particular, it is necessary to establish:

- whether to build a new structure or acquire an existing one;
- what size to give it;
- where to locate it;
- how to organise inputs;
- which legal function to assume.

### Legal form

The first important decision on legal form concerns the choice between working alone or in collaboration with other partners. There are several possibilities:

In order to carry out an entrepreneurial activity, it is necessary to identify yourself in one of the legal forms provided for by current legislation. An undertaking may be carried out in the form of:

- sole proprietorship as natural or legal person;
- companies as below:

(-**A General Partnership**: is formed by at least two partners, with unlimited liability toward creditors. - **A Limited Partnership**: in a limited partnership at least one partner's liability is limited up to the amount of their contribution (limited partner), while the liability of other partners is not limited (general partners). - **A Limited Liability Company (LLC)**: is established by one or more natural and/or legal persons, the liability of which is limited to the extent of any unpaid share of subscribed contributions. - **A Joint-stock Company (JSC)**: a joint stock company is a company whose capital is divided into shares subscribed by its founders.- **A Joint Venture**: This is a form of unlimited partnership and may be entered into by two or more persons, individuals, or legal entities aiming to engage in economic activity or project and

## FRea

divide costs and profits.)

The choice must be made on the basis of several considerations related to subjective and objective aspects:

- number of promoters;
- nature of the activity carried out;
- size of the enterprise;
- availability of capital;
- the degree of responsibility that members intend to assume;
- taxation system;
- the possibility of special forms of financing and facilities.

Each legal form has its own advantages and cons-indications: there is no ideal legal form, and the needs and characteristics of the activity to be carried out must be taken into account.

### The Business plan

At this point, it is necessary to start drawing up the real business plan, a document of fundamental importance for the new entrepreneur. A good business plan must be: concise but comprehensive; understandable even to non-experts in the field; credible, that is based on reasonable and easily verifiable forecasts; realistic, that is aware of the difficulties facing the company; and complete information on expected financial returns and return on investment.

The following is an example of how a business plan could be structured.

#### 1. DATA AND PROFILE OF THE FOUNDER, ADMINISTRATORS, CERTIFIED ACCOUNTANT

##### 1.1 Personal data of founder (Natural person n. 1, n....)

- Surname
- name
- gender (M/F)
- monetary capital or in-kind
- expected shares of the company (%)
- expected position in the undertaking.

##### 1.2 Personal data of natural person no. ...

##### 1.3 Personal data of a legal person

- surname
- name
- gender (M/F)

## FRea

- fiscal code
- legal form
- monetary capital
- expected shares of the company (%)
- majority/minority shareholder
- expected position in the undertaking.

## 2. LOCATION AND LEGAL CHARACTERISTICS OF THE FUTURE COMPANY

- 2.1 Name and legal form of the future company, type of activity, timeline, etc
- 2.2 Address, Municipality, region, city/village of the main headquarters
- 2.3 Address, Municipality, region, city/village of other establishments

## 3. THE REGISTERED CAPITAL OF THE COMPANY

- 3.1 General amount of the capital
- 3.2 Paid amount of the capital
- 3.3 Type of contribution (monetary or in-kind)

## 4. MARKET ANALYSIS AND RELATED STRATEGIES

- 4.1 Geographical area of reference.
- 4.2 Customers.
- 4.3 Competitors and Competitive Advantage.
- 4.4 Product/service.
- 4.5 Pricing, commercial, and promotional strategies.

## 5. DESCRIPTION OF THE TECHNICAL, PRODUCTION AND ORGANISATIONAL ASPECTS

- 5.1 Production process.
- 5.2 Organisational structure (competencies and roles, internal and external, covered in the various stages of the production process).
- 5.3 Sales targets for the first 3 years of activity with price specifications, units of measurement, and assumed sales quantities for each product/service.
- 5.4 Investments to be made for the start-up of the business and characteristics of the suppliers.
- 5.5 Operating costs for the first 3 years of operation and supplier characteristics.

**FRea**

5.6 Table of investments and costs related to the start-up of the activity requested for funding and contribution requested:

INVESTMENT AND START-UP COSTS REQUIRED FOR FINANCING					
Category	Unit	QUOTE	Costs per unit (ALL)	TOTAL AMOUNT Without tax	TOTAL AMOUNT With tax
<b>1. Staff</b>					
Total a					
<b>2. Marketing Expenses</b>					
Total b					
<b>3. Expert Costs</b>					
Total c					
<b>4. General Expenses</b>					
Total of administrative costs (1+2+3)					
Grant Requested of the total amount without tax					
Own contribution of the applicant of the total amount without tax					

5.7 Administrative formalities for the start of the activity.

**6. ECONOMIC AND FINANCIAL ASPECTS**

6.1 Forecast financial statements for the first 3 years of activity in terms of: turnover/revenues, production costs, commercial costs, general costs, and income.

6.2 Criteria for determining the items that make up the profit and loss statements.

## FRea

6.3 Forecast sources/uses for the start-up year in terms of capital expenditure, VAT on investments, working capital, equity, contributions, and third-party capital (contributions, banks, suppliers).

6.4 Criteria for determining the items that make up the forecast source/use statement.

## 7. ADDITIONAL ELEMENTS

7.1 Elements of the proposed initiative that have an impact on combating climate change.

7.2 Example: elements of innovation linked to the recovery of typical productions or the provision of services to the person.

### 3.3 TOURISM ENTERPRISES

Law No.93/2015 “On Tourism” intended to address several issues raised by the business community and by the experts in tourism sector. Some of these issues have been addressed, and some others have not (for example: categorization of apartments/villas as accommodation structures).

- Current Law 93/2015 provides a set of systemized definitions which makes clarify on the concept, processes, and institutions dealing with the tourism sector.
- The role and functions of institutions. Law 93/2015 creates a clear picture of the institutions dealing with the tourism sector both in the national and local levels by eliminating the overlap of competencies among them and the uncertainty it cascaded to the users of the law, mainly to the foreign investors.
- Certification and licensing of operators in the field of tourism.

Although law 93/2015 has addressed the licensing process of the tour-operators and tourism agencies, there are still concerns in the market from several operators, for a high level of informality which does not provide the required security of services for the tourists.

- Categorization and Classification of accommodation structures. Law 93/2015 envisaged the categorization and classification process of the tourism accommodation structures. The classification according to the Law is as below:  
Guesthouse,  
Hostel,  
Camping,  
Hotel,

## FRea

Motel,  
Resort,  
Health Center,  
B&B.

However, it seems that while Law 93/2015 included “guest houses” in the main concepts of the Law, failed to include the apartments/villas as part of the “accommodation structures”.

- The classification of accommodation structures is an evaluation process that all entities that operate as accommodation structures in the territory of Albania will undergo. The conditions, criteria, deadlines, fees, and procedure are defined in the Council of Ministers No. 730 dated 20.10.2016 “On the approval of the regulation on the conditions, criteria, deadlines, fees, and procedure for the classification of accommodation structures” as amended, according to the model, appendix 4, of the regulation approved by the order of the Minister No. 267, dated 24.07.2019, “On the approval of the regulation on the manner, criteria, and procedures for the categorization of accommodation structures”. This service is available in the portal e-Albania.
- Certification of the touristic guides. Law 93/2015 provides for the certification of the tourist guides and the respective procedures to be followed aiming to standardize such types of activities.
- Clear obligations for institutions. Additionally, law 93/2015 sets obligations for main institutions such as the Ministry of Tourism and Environment in preparing the following documents: a) National Plan on Tourism (NTP); b) Strategy of Tourism and Action Plan (Tourism Strategy), c) Central Tourism Register; d) National Register of Touristic Sources as well e) National Sites with Priority in Developing Tourism.

Through law 114/2017 the CoM made some new provisions on the main law 93/2015 that incite investments of 4 and 5-star hotels and resorts in the areas of priority for tourism development and their management through franchising contracts or similar to franchising. According to this law, CoM shall provide investors with the special status for investments in accommodation structures, which fulfill the following conditions: a) Invest in 4 and 5-star accommodation structures certified as such by the Committee on Standardization of Tourist Activities in MoTE; b) Investment reaches at least 8 Mln Euro for the construction of the 4-star accommodation structure and at least 15 Mln Euro for the construction of 5-star accommodation structure.

## FRea

Law no. 93/2015, dated 27.07.2015 "On tourism", in Chapter 6 provides for a number of facilities/support for investments in priority areas for tourism development such as:

- The disposal of state immovable property. Article 35 provides for the availability of state real estate (also through a symbolic 1 euro contract) for a period of up to 99 years;
- Establishing of touristic ports or permanent pits serving as supporting infrastructure for tourist structures;
- Disposal of beach areas for investments near the shores of the sea or lake

Fiscal incentives to attract quality investments are undertaken as:

1. VAT reduction for accommodation structures from 20% to 6%. Reduced rate of value-added tax applies to the provision of accommodation services in accommodation structures, according to the categories set out in legislation in the field of tourism.
2. VAT 6% applied for any services supplied within the accommodation structures classified as 5\* hotel/resort, special status". This VAT reduction took place with Law No. 107/2017 "For Some Additions and Amendments in the Law No.92/2014 "On VAT" as amended. The reduced rate of 6% VAT applies to any service supply provided within the "Hotel/Resort Five Star, Special Status" accommodation structures as defined in the legislation of the field of tourism and who are the bearers of a trademark and brand name internationally registered.
3. VAT reduction for accommodations structures certified as "agro-tourism entities" from 20% to 6%. The reduced VAT shall be applicable for accommodation and restaurant (excluding drink) structures certified according to the criteria of the CoM No.22 dated 22.01.2018. One of the main criteria for "agro-tourism entities" is that they should have a capacity of 6-30 accommodation rooms.

### 3.4 TOURISM PROFESSIONS

Law no. 93/2015, "On tourism" gives an overview of a profession in the tourism field.

- **Chapter VIII on Travel Agencies and Tour Operators:**

- The services of the travel agency include, but are not limited to:

- a) the sale of airplane, ferry, train, and bus tickets;
- b) the sale of travel packages on behalf of local or international tour operators;
- c) car rental services on behalf of car rental representatives;
- ç) preparation of travel documents in accordance with the applicable regulations;
- d) providing the necessary information and assistance for obtaining vaccination

## FRea

certificates in cases of travel to countries with epidemiological risks;  
dh) providing the necessary information and assistance for obtaining visas and other essential documents required for entry into a specific country;  
e) preparation of all necessary documents for the transportation and/or accommodation of travelers.

- The tour operator sells its tourism products primarily through travel agencies, without being limited to direct sales to the consumer. It enters into direct contracts with suppliers of tourism services by pre-purchasing these services.

- **Chapter IX on Tour Guide:**

The tourist guide in the Republic of Albania is categorized as follows:

- a) National tourist guide: a person who is authorized to guide throughout the entire territory of the Republic of Albania;
- b) Local tourist guide: a person who is authorized to guide only within a specific, limited area;
- c) Specialized tourist guide: a person who is authorized to guide activities related to adventure tourism and special interest tourism.

Here you may find more info on how to obtain the certification as a tour guide:

[https://e-albania.al/eAlbaniaServices/UseService.aspx?service\\_code=14007](https://e-albania.al/eAlbaniaServices/UseService.aspx?service_code=14007)

<https://turizmi.gov.al/wp-content/uploads/2020/03/FAQ-Udherrefyesi-Turistik..pdf>

## References:

<https://portavendore.al/wp-content/uploads/2018/05/Ligji-nr.9901-dat%C3%AB-14.4.2008-%E2%80%9CP%C3%ABr-tregtar%C3%ABt-dhe-shoq%C3%ABrit%C3%AB-tregtare%E2%80%9D-dhe-aktet-e-dala-n%C3%AB-zbatim-t%C3%AB-tij.pdf>

[https://www.drejtesia.gov.al/wp-content/uploads/2017/11/Kodi\\_Civill-2014\\_i\\_azhornuar-1.pdf](https://www.drejtesia.gov.al/wp-content/uploads/2017/11/Kodi_Civill-2014_i_azhornuar-1.pdf)

<https://www.tatime.gov.al/c/6/69/procedurat-tatimore>

[https://turizmi.gov.al/wp-content/uploads/2018/02/Ligj\\_93-2015.pdf](https://turizmi.gov.al/wp-content/uploads/2018/02/Ligj_93-2015.pdf)

[https://www.investment.com.al/wp-content/uploads/2018/12/EN\\_Legal-and-Institutional-Framework-on-Tourism.pdf](https://www.investment.com.al/wp-content/uploads/2018/12/EN_Legal-and-Institutional-Framework-on-Tourism.pdf)

[https://turizmi.gov.al/wp-content/uploads/2022/04/VKM\\_730\\_20102016\\_p%C3%ABrdit%C3%ABsuar\\_varianti\\_1-1.pdf](https://turizmi.gov.al/wp-content/uploads/2022/04/VKM_730_20102016_p%C3%ABrdit%C3%ABsuar_varianti_1-1.pdf)