



JA
ENTERPRISE
Without Borders®

EwB JOINT VENTURES

Definitions & Tips

Entrepreneurship is about activity, initiative, open-mindedness and a willingness to take things one step further. These characteristics are important tools in this programme. One of the biggest challenges is to find a partner on the EwB-Platform. It pays off to use much time for this as a good partner not only ensures that you succeed in the programme but also that your company may be earning additional revenue.

Key success factors of an EwB Joint-Ventures:

- documented and proven added value of the EwB joint-venture to the individual mini-company operations of each partner
- the joint-venture recognized by the local JA organisation
- the joint-venture recognized by your school and at the place you live in

Remember to find out things before you start to work. It is easier to sort out things in advance than in arrears! Also make sure that everything you agreed with your partner is written on paper and signed, i.e. that things that you jointly agreed are recorded.

BUSINESS MODELS

EwB contains various business models of which you can choose the model that suits your company best.

Joint Venture Partnership (JVP)

In business, a JVP is a partnership formed by two or more companies wanting to undertake economic activity together. The parties make formal agreements about particular cooperation projects rather than formalizing the partnership by creating a new entity.

Within EwB, a JVP is a partnership formed by two companies/or EwB Sites operating in different countries, with operations complementing each other, sharing the control of the joint projects, but each company controlling its own revenues and expenses.

Joint Venture Company (JVC)

Similar to the JVP, a Joint Venture Company is a partnership formed by two or more companies wanting to undertake economic activity together. However, the parties agree to create a new entity by both contributing equity and then share the revenues, expenses and control of the enterprise.

Within EwB, a JVC is formed by two or more companies operating in different countries, sharing the control of the joint operations. The individual companies keep conducting their own business and controlling its own revenues and expenses. However, either of them is involved in controlling (and sharing responsibility for) the JVC and its "joint operations, revenues, and expenses".

Example:

E.g. Chessboard JA from Germany and Chess JA from Bulgaria forms the joint venture Chess Europe JA. The German part of the JV produces and paints the boards and the Bulgarian part produces the chess pieces. They then send their products to each other making them into complete chess games and sell them in their separate markets.

Important - in order to be recognized as an EWB Joint Venture, both (all) partner companies/EWB Sites must be JA companies/schools registered on EWB Platform (www.jaewb.org) – i.e. each participating company must have its EWB account and must be listed among EWB companies on the portal (for more information about registration on EWB Platform www.jaewb.org see the EWB Website administration manuals).

EXAMPLES OF EWB JOINT VENTURES

Import-Export Business

When two companies decide to buy each others products or services.

Example:

The Swedish company Accessoarer JA produces rings and the Romanian company Eşarfe JA produces scarves. These two companies decide to sell their products to each other to broaden their product lines.

Two companies from different countries can also decide to carry out marketing surveys for each others products/services to investigate whether there is any market potential for their products/services in each others markets.

The Import-Export can vary according to the roles of the partners and can become an “import arrangement” when one company buys products or services from another company in another country to resell in their own country.

Examples:

The Finnish company Small stuff JA buys ornaments from the UK company Knick-Knacks JA to sell on the Finnish market.

The Spanish company We print clothes JA buys shirts from Italian Camicia JA and then print images on them and sell them on the Spanish market.

It can also become an “export arrangement” when one company sells their products and services to be resold by another company in that country. The product can also be a part of another product being manufactured.

Example:

The Turkish company Çanta JA sell their self designed bags to the Belgian company Bags JA to be re-sold on the Belgian market.

Coordinated product/service development and Outsourcing

The partner companies exchange ideas and experience and share resources during *the product/service development process*. The joint effort results in placing the developed product on both markets by each partner independently.

The companies can also choose to cooperate in the production process by outsourcing a part of the business activities to a partner company abroad.

Examples:

The Portuguese company Livros JA are producing children's book and decide to have them printed by the Danish company Udskrivning JA.

Or, the Norwegian company Sokker JA relocate the running of their website to the Irish company Keep updated JA.

PRODUCT/SERVICE IDEA

A company engaged in international business need to consider the market in other countries, to make sure the product/service is suitable on those markets too, such as language, design and other aspects. In most cases simple and inexpensive products have the best possibilities to succeed.

Consider the following:

- What is the cost of the product/service?
- How will the product be shipped? And what will the shipping cost?
- To what markets (countries) can the product/service be exported?
- Is it possible to realise the business?
- Will there be special costs, such as custom fees?

TIPS!

You can combine different business models, working for example as both an exporting and importing company.

EXCHANGE VISIT

The EWB partner companies are encouraged to conduct an exchange visit. The exchange visit can, besides other benefits, enhance understanding of the foreign markets and cultures, provide an opportunity for establishing new contacts, as well as build the trust between business partners. An exchange visit can fit in any phase of the EWB partnership project and support any model of cooperation between the partners.

An exchange visit with a clear focus on enhancing the EWB business experience is recognized as a contribution, by the partner companies, to the quality of EWB programme and will be awarded by EWB bonus (award) points.

However, as such a visit requires availability of financial resources and thorough organisation, the exchange visit is not an obligatory component of the EWB Programme and is considered an extended activity

Example:

Style4Fun of JA Italy has taken part in a cultural and economic exchange with their Swedish partner from Skovde. They visited the school and participated to lessons to improve their English and as well as presented the BeeBox Company Program project. During the exchange experience, the two schools/mini-companies formed a joint venture, they carried out market research to understand the Swedish market, visited several companies of the area that could be linked to the JA educational Project.

The Style4Fun gained a lot of feedback about how to improve their product and how to launch it on the Swedish market.

Finally, after all the two-week time work, they started selling the product in a local fair. The BeeBox has proven to be successful.

Nowadays The Style4Fun continue collaborating with the Swedish students to keep on selling the BeeBox in their country, communicating through e-mail, their own blog project (<http://itcgfermi-meets-sweden.blogspot.com>) and promoting the BeeBox in the Facebook.

