

BUSINESS PLANNING IN THE SPHERE OF HANDICRAFT ACTIVITIES  
IN THE REPUBLIC OF BELARUS

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*This article considers the key points of business planning in handicraft activity — a dynamically developing area of small business in the Republic of Belarus. The feasibility of business planning in handicraft activity is justified by the state interest and support of craftsmen in providing the non-refundable subsidies. Besides, according to the data provided by the Ministry of Economy of the Republic of Belarus, 75% of those engaged in handicraft activities of the total number across the country are concentrated in the regions, and the total number of individuals across the Republic, who paid the fee for the implementation of crafts for the period 2017-2021, has almost doubled or increased by 72.8%. The information presented in the article serves to assist in creating a business plan for the selected type of handicraft activity from those listed in subparagraph 1.2 of paragraph 1 of Decree of the President of the Republic of Belarus dated October 9, 2017 N 364 "On the implementation by individuals of handicraft activities".*

Keywords: business plan, business plan structure, type of handicraft activity, craftsman, handicraft activity indicators, handicrafts, government support, sale of products, interaction with customers, business efficiency.

БИЗНЕС-ПЛАНИРОВАНИЕ В СФЕРЕ РЕМЕСЛЕННОЙ ДЕЯТЕЛЬНОСТИ  
В РЕСПУБЛИКЕ БЕЛАРУСЬ

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*В данной статье рассматриваются ключевые моменты бизнес-планирования в ремесленной деятельности — динамично развивающемся направлении малого бизнеса в Республике Беларусь. Целесообразность бизнес-планирования в ремесленной деятельности обоснована государственной заинтересованностью и поддержкой ремесленников в предоставлении невозвратной субсидии. Кроме того, по данным, представленным Министерством экономики Республики Беларусь, 75% занятых ремесленной деятельностью от общего количества по стране сосредоточены в регионах, а общее количество физических лиц по республике, уплативших сбор за осуществление ремесленничества за период 2017-2021 гг., увеличилось почти вдвое или на 72,8%. Информация, представленная в статье, служит для оказания помощи при создании бизнес-плана по выбранному виду ремесленной деятельности из перечисленных в подпункте 1.2 пункта 1 Указа Президента Республики Беларусь от 09.10.2017 № 364 «Об осуществлении физическими лицами ремесленной деятельности».*

Ключевые слова: бизнес-план, структура бизнес-плана, вид ремесленной деятельности, ремесленник, показатели ремесленной деятельности, изделия ручной работы, государственная поддержка, реализация изделий, взаимодействие с покупателями, эффективность бизнеса.

## INTRODUCTION

Today, in many developing countries of the world, handicraft activity is one of the main forms of employment. Handicraft production is flourishing because handmade products have such advantages as a minimum start-up capital, flexible working hours, the ability to work from home, the freedom to manage your own business. Besides, manual labor is of great value because each product made by the hands of a craftsman is unique and exists in a single copy.

At the moment, handicraft in the Republic of Belarus is developing dynamically, and the issue of registering an unemployed person as a craftsman is becoming more and more relevant. In recent times, there has been a positive trend in a number of indicators characterizing the results of economic activity of craftsmen. Thus, Olga Rusinovich, director of the Entrepreneurship Department of the Ministry of Economy of Belarus, emphasizes that "Consistent work to create favorable conditions for handicraft activities has been carried out in Belarus at least two decades" [1].

## RESULTS AND THEIR DISCUSSION

Data of the Ministry of Economy of the Republic of Belarus on the implementation of handicraft activities for the period 2017-2021 (figure 1) demonstrate a positive trend towards increasing the total number of individuals who paid the handicraft fee: in relation to 2020 their number increased by more than 8.5 thousand or 20.7% and in 2021 amounted to 50,786 people.

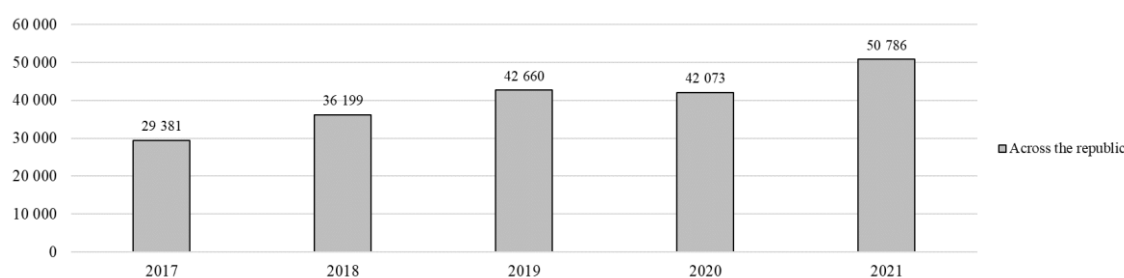


Figure 1 — Number of people who have paid the fee for handicraft activities (across the republic)

Source: compiled by the author on the basis [2]

Figure 2 shows that in 2020 the majority of craftsmen were concentrated in Minsk (24%) and in the Brest region (15%). As of 2021, the leading position among the regions is occupied by the Brest region — 7,157 people or 14%. The least artisans are concentrated in the Mogilev region — 5,676 people or 11%.

There are total of 75% of craftsmen are concentrated in the regions [2].

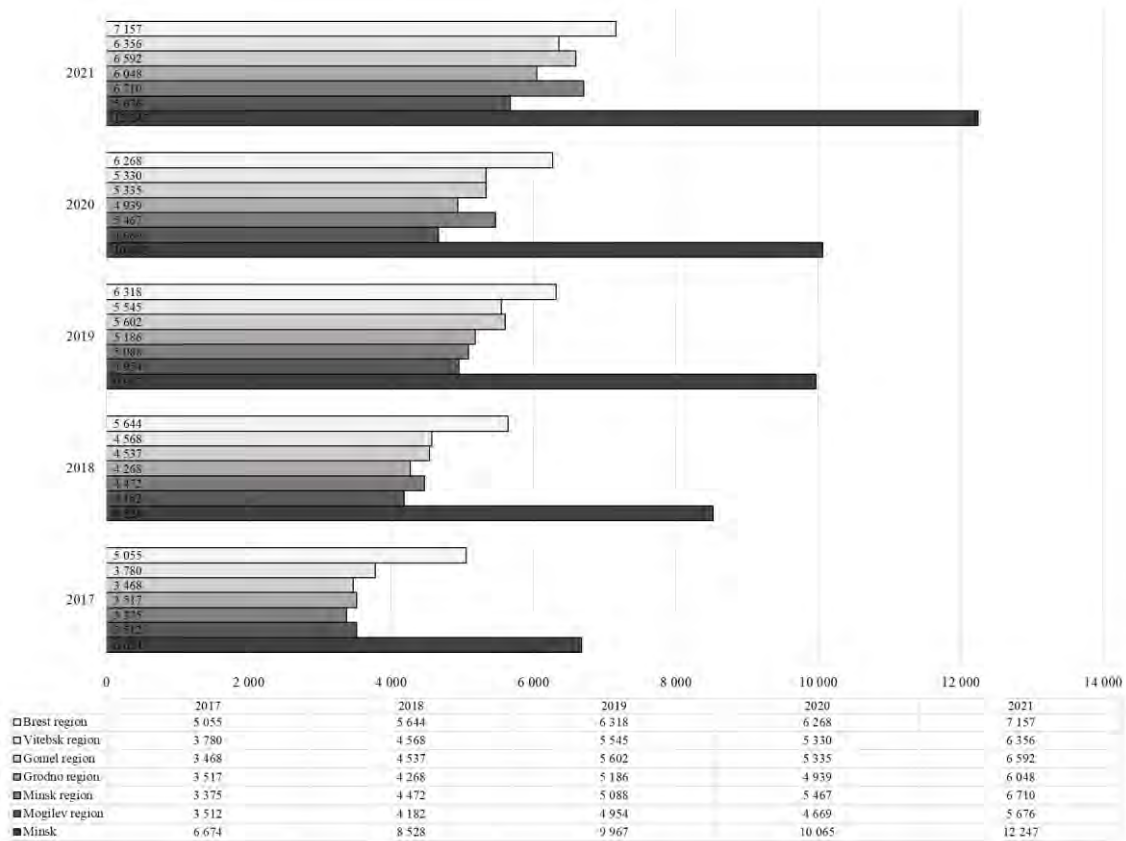


Figure 2 — The number of people who paid the fee for handicraft activities (across the regions)  
Source: compiled by the author on the basis [2, 3]

Analyzing this type of activity, it can be concluded that there are more and more carriers of handicraft knowledge and skills in the Republic of Belarus, therefore, the traditional market of handmade products is growing dynamically and provides great opportunities for novice craftsmen. To engage in this type of business, it is necessary to organize the work so that it brings a stable income. In this regard, the question of forming an appropriate business plan for the chosen type (direction) of handicraft activity is relevant because a well-designed and well-thought-out business plan will evaluate the effectiveness of future work. Besides, an economically sound business plan provides an opportunity to receive a non-refundable subsidy.

The structure of the business plan for the selected type of handicraft activity should include the following sections: Summary; Business Description section; Organizational section; Production section; Marketing section; Financial section.

So, in relation to handicraft activities in the Business Description section it is necessary to define the following information:

1. Goals and objectives of the business plan. For example, a real business is a plan for creating handmade products (to specify the selected type (direction) of handicraft activity) and pursues the following goals: creating conditions for effective interaction of handicraft business with the external environment, making a profit, the opportunity to participate in a small business of a person with disabilities, etc.

2. Analysis of the sphere of handicraft activity using statistical data of the Ministry of Economy of the Republic of Belarus and other official sources to substantiate the feasibility of running business in the chosen sphere.

3. Choosing the necessary form of doing business, i.e. registering as a craftsman.

4. Basic data about the future business: a brief description and description of manufactured products according to the selected type (direction) of craft activity.

5. The skills of a craftsman that are different from competitors, for example, the skill level of a craftsman, etc.

In the Organizational section it is necessary to estimate all costs and find sources of their repayment. Such sources can be their own savings, as well as a subsidy from the Department of Labor, Employment and Social Protection of the Population.

To start a handicraft activity and receive financial support from the state, it is required to develop a business plan and submit it to the Department of Labor, Employment and Social Protection of the Population. After submitting the business plan, it is necessary for the craftsman:

1. To receive a subsidy, for which it is necessary to submit accounting documents to the Department of Labor, Employment and Social Protection of the Population within 3 months. As of 1 August 2022, the amount of the subsidy is 3613 belarusian rubles and 50 kopecks [4].

2. To make payment of the handicraft fee (as of 2022, the rate of the handicraft fee is 62 belarusian rubles a year [5]).

3. To register as a craftsman. To do this, a citizen must provide a receipt for the payment of the handicraft fee and submit an application to the tax inspection at the place of residence. The application must specify the type (direction) of the activity being carried out (you can specify several types of activities at the same time). All types of handicraft activities are presented in subparagraph 1.2 of paragraph 1 of the Decree of the President of the Republic of Belarus dated October 9, 2017 N 364 "On the implementation by individuals of handicraft activities" [6].

4. To purchase and register a book of accounting and inspections.

5. To register as a payer of contributions in the Social Protection Fund of the Population (optional).

6. To conduct an advertising campaign and begin to carry out handicraft activities.

In the Production section, the craftsman draws up the final calculation (in the form of tables) and indicates the following information:

1. Table "List of equipment needed to create handmade products and depreciation calculation": name of equipment; cost of equipment; useful life; depreciation (per month, per year).

2. Table "List of tools and inventory": the name of the tool; unit of measure; need; cost per unit, the cost of everything.

3. Table "List of necessary materials": name of the material; material consumption (per month, per year).

In the Marketing section it is necessary to specify the main activities for advertising and promoting handmade products. So, the craftsman has a lot of opportunities to sell his or her goods. For example, working with individual entrepreneurs, selling products through online resources, as well as participating in craft fairs and exhibitions, including festivals. It is important to note that a craftsman does not have the right to organize such events independently.

Currently, "Чароўны млын" is one of the most large-scale exhibitions and fairs of handmade products in the Republic of Belarus, which has been gathering talented craftsmen throughout the country for more than 12 years [7]. The Ministry of Economy of Belarus also encourages the idea of organizing exhibitions and fairs of folk crafts and crafts in general. Thus, the Ministry of Economy organizes the exhibition-fair "Камарова — кола дзён" 3 times a year to activate the rural population in the field of handicraft activities [8]. Besides, everyone who is so sincerely in love with the world of handmade and is looking for a platform to promote his or her work has the opportunity to participate in such fairs and exhibitions as "SARAFAN", "Альпака маркет", "Луи", "Новогодние подарки", "Чароўныя падарункі" and many others.

It is important to note that craftsmen do not have the right to sell their products using an online store, including their own [9]. However, for effective interaction with the audience of buyers, they can use an online showcase, social networks, forums, ad sites, etc. For example, an online showcase and social networks provide access to a huge audience of buyers via the Internet around the world. Ad sites are another great platform for the promotion and sale of handicraft products. Today, Kufar is the largest and most popular advertising platform in the Republic of Belarus, which is in great demand among craftsmen for the purpose of selling their own handmade products and buyers for the purpose of buying certain goods.

In addition, at this stage much attention is paid to the evaluation of competitors. Therefore, the craftsman needs to make a comparative table, with the help of which it is possible to assess the strengths and weaknesses of other masters in the chosen type (direction) of handicraft activity.

In the Financial section of the business plan the craftsman must:

1. Specify the sources of funding. For example, own savings, profit and subsidy of the Department of Labor and Social Protection of the Population. The calculation of costs for the selected type (direction) of craft activity can be presented in the form of a table.

2. Provide information on the following financial indicators: revenue; expenses without taxes; craftsman's income; tax; transfers to the Social Security Fund; income remaining at the disposal of the craftsman.

3. Provide data on the costs of starting a business and indicate the sources of their repayment.

4. Provide information about the use of subsidies by the craftsman: types of costs; unit of measure; quantity; cost; source of financing.

5. Provide a summary table of indicators of handicraft activity.

The Summary of the business plan includes key aspects from various sections of the business plan, is placed on the second page after the title page, and the total volume of the summary should not exceed 1-2 pages [10].

The volume of a craftsman's business plan should not exceed 10-15 pages [10]. Information must be provided in an accessible and understandable language.

## CONCLUSIONS

Today, handicraft is an actively developing type of activity that is in high demand among buyers and contributes to the realization of state policy in the field of combating unemployment and supporting small businesses. The Republic of Belarus has created all the necessary conditions for starting a business in this area and also provides for the possibility of receiving a non-refundable subsidy, which, in turn, aims to help the craftsman expand his capabilities and try himself in various directions within the framework of this activity. In this regard, the creation of a business plan for the chosen type (direction) of craft activity is an attractive and cost-effective area for starting your own business.

Based on the information and statistics presented in this article, a craftsman can acquire additional information that allows him to properly organize his or her own business in the chosen field, as well as to make a competent and reasonable business plan.

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