

# Preface

The Integrated Programme for Small and Medium-Sized Enterprises and the Craft Sector facilitates greater co-ordination of Member States' actions affecting SMEs. One of the main features in the programme is "concerted actions", which are based on an exchange of best practice between Member States. The concerted actions aim at increasing the efficiency of Member States actions in the field of improvement of the business environment and the stimulation of business support measures.

In the framework of the Integrated Programme these Fora have been held: Concerted Action 1 in Paris 1994 concerning improvement of the administrative and regulatory business environment, the Concerted Action 2 in Madrid 1995 focusing on creation and assistance to young enterprises, Concerted Action 3 in Dublin 1996 with the theme "increasing the visibility and effectiveness of support services for SMEs" and finally there was a Forum in Lille 1997 concerning "Transfer of Business from one generation to the next". The follow-up seminars under Concerted Actions 2 and 3 will deal with three important categories of support measures identified at the Madrid Forum: finance, training and infrastructure.

The theme for the Stockholm-seminar was "Training for New Starters in Business".

Training is one of the main prerequisites for business start-ups and survival. In recent years many countries, institutions and organisations have developed training courses for entrepreneurs. This seminar aimed to present the best and most successful of such training schemes with the purpose of working towards the improvement of recognised training schemes at national or European level.

The seminar has been organised by the Swedish National Board for Industrial and Technical Development, NUTEK and the European Commission, DG XXIII. The seminar took place in Stockholm on 4 and 5 May 1998 with about 80 experts from all the Member States.

Three different topics were studied in three parallel workshops:

Workshop 1: Stimulating and Equipping for Entrepreneurship.

Workshop 2: Training for Female Entrepreneurship.

Workshop 3: Using IT-Technology for Training in the Start-up Phase.

This report from the seminar contains each speaker's contribution and, in addition, background papers and reports from the discussions of each of the three workshops.

# Contents

Seminar Introduction .....	5
<b>Training for Entrepreneurship –     from Primary School to a Running Business</b> .....	15
Report from the discussions	
Workshop 1 .....	27
Workshop 2 .....	31
Workshop 3 .....	37
Workshop 1: Stimulating and Equipping for Entrepreneurship	
Background .....	41
An Infrastructure for Academic Entrepreneurship .....	45
Teaching Entrepreneurship at the Technical University .....	51
Training for New Starters in Business .....	55
The Lanarkshire Entrepreneurship Programme .....	61
The Three-Stage Rocket – New Opportunities for Women in Public Services .....	65
Training for Starting a Business, at Anytime, Anywhere .....	67
Workshop 2: Training for Female Entrepreneurs	
Background .....	71
Experiences from the Management Shop Programme .....	75
Training Women in Negotiations with Banks .....	83
Swedish Experiences of Training Programmes for Women Entrepreneurs .....	87
Training and Development Requirements .....	93
Helping Women Set Up their Businesses .....	97

Workshop 3: Using the IT technology for training in the start-up phase	
Background .....	103
The use of Interactive Computer Approaches	
to Introduce Students to the Business Start-up Process .....	107
One Practical Experience Using New Technologies to Train in	
the Field of Selfemployment: the Classroom without Walls .....	109
A Description of Young Enterprise Sweden .....	113
The Training of Entrepreneurs with	
a Computer Based Business Simulation.....	117
Debate:	
Who Are the Real Educators and Learners?: Challenges for	
Entrepreneurship Educators Across Europe .....	123
Identity Formation Processes and Entrepreneurship. Experiences	
from Business Counselling Services in Northern Sweden .....	137
A Successful Experiment in Training for Start-Ups .....	143
Training within the 3rd Multi-Annual Programme in Favour of SMEs .....	149
Appendix	
The programme .....	151
List of Participants .....	155



# Seminar Introduction

*Mrs Birgit Erngren, Director General, NUTEK, Swedish National Board of Technical and Industrial Development, Sweden.*

Ladies and Gentlemen,

Very much welcome to Stockholm and to the Seminar on Training for New Starters in Business, a follow-up to the Concerted Actions 2 and 3.

It is really a privilege for NUTEK to host this event in co-operation with the Commission.

NUTEK is the central governmental authority in Sweden responsible among other things for small business development. Our activities aim to facilitate business start-ups as well as helping already established enterprises to survive, to grow and to make use of the potential of the Internal Market.

Another important task is to follow the development of trends, possibilities and threats in the environment of SMEs.

In our daily work at NUTEK the contacts with other authorities and organisations are of utmost importance. The exchange of views and experience as well as co-operation is an important source for further development. And of course this is not only true for our contacts within Sweden but also contacts with the Member States as well as with different directorates at the European Commission. I know several examples where our activities today is a result of influences from abroad.

A close co-operation between the Member States of the European Union and the European Commission is necessary if we will succeed in improving our competitiveness.

It is therefore I am convinced that a seminar like this, a meeting-place for experts in a specific subject, an opportunity to exchange experience and best practice will in the long run show substantial results.

Small businesses play a large role in our economy. We have a lot of expectations of people starting and running their own business. This is focused in articles and political speeches as well as in reports from researchers. We have a strong hope and belief that their enterprises will be stable and grow and, in the best cases, generate increased employment.

In order to help and facilitate the entrepreneurs, different measures are taken by the different Member States, of the national, regional and local levels, and there are also a lot of initiatives taken at the Community level.

We try to encourage individuals to become entrepreneurs and we try to find relevant ways to equip them with necessary skills to make it possible for them to run a successful business.

One thing I would like to highlight is the importance of a positive common attitude to entrepreneurship. Public authorities, professional organisations, institutions and others must do what they can to promote entrepreneurship, and this has to be clear already in school.

In Sweden we have just recently started a pilot project trying to implement entrepreneurial thinking in the school-system and perhaps we have to start even in "Kindergarten".

The theme for today's seminar is "Training for New Starters in Business" and in three workshops you will be able to listen to several interesting projects in this areas taking place in the Member States and I do hope the presentations will be followed by lively and fruitful discussions and that the result which will be presented in tomorrow morning's session will indicate and help us to find new ways to inspire and help people to run their business.

I wish you a very interesting seminar and a nice stay in Stockholm and I would like you all to have in mind that "Learning to be an entrepreneur is not a short-term goal but a life-long process".

Thank you very much for your attention.

# Seminar Introduction

*Mr Lars Rekke, Secretary of State, Ministry of Industry and Trade, Sweden.*

Ladies and gentlemen,

Let me start with saying that I am very pleased to be here. To learn from each other and to find best practises for training for new starters in business is very important and I believe training is one of the main prerequisites for business start-ups and for business survival. In recent years many countries have developed training courses for entrepreneurs, some of which will be mentioned and discussed during this seminar. I would like to thank the European Commission and NUTEK for organising this conference.

I will spend my time talking about the framework of SME policy in Sweden and give you some examples of measures that the Swedish Government has taken in favour of SMEs.

Sweden's economy is in a stable upward phase. Economic policy is directed at promoting high growth, increased employment and lower unemployment. The basis is to maintain macro-economic stability through sound public finances and stable prices, which are indispensable prerequisites for long-term sustainable growth and hence high employment. The stability-oriented policy is supplemented by structural measures. They include an active labour market policy that checks passivity, preserves the employability of the unemployed and promotes a labour market that functions well. A second essential element is a vigorous effort at all levels of the educational system to meet the modern labour market's demands for more competence and more professional qualification. A third feature is the effort to foster entrepreneurship, not least in small and medium-sized enterprises, and to create a favourable business climate.

In recent years, a number of measures of special importance to small and medium-sized enterprises have been taken, inter alia with respect to taxes and the supply of venture capital. However, most important to business has been the fact that public finances are now in balance. This fact has resulted in halved interest rates, which in turn has contributed to a strong increase in investment. The positive development in public finances is now making it possible for further financed-tax-reductions, which is primarily a matter of easing and simplifying corporate taxes, and measures to increase the supply of venture capital.

Active competition is important for Sweden's economy as well as for Europe's and the business sector. The Swedish Government's work for a better business climate also includes reviewing rules and reducing red tape and bureaucracy. Some weeks ago the Government proposed in a bill to the parliament, among other things, four measures in that respect.

- It will be easier to register enterprises. The objective is that just one form and one contact with the authorities will be necessary.
- The authorities' processing time will be shortened by 25 per cent in a selection of cases.
- The reporting burden of businesses will be reduced.
- Companies' handling with customs matters will be simplified further.

These matters are all of great importance especially to the competitiveness of small businesses and to their willingness to start and to grow.

In this context I would like to stress the necessity of improving the conditions for exchanging knowledge in the economy as well as the importance of making use of the un-utilised growth and employment potential that exists at the local level. An increased emphasis on finding solutions for co-operation among the business sector, universities and other public sector entities are also of central importance in this respect.

Let me now turn to some of the concrete measures the Swedish Government has taken in order to foster entrepreneurship.

To identify problems that small enterprises in particular experiences the Swedish Government appointed in 1996 a Commission for Small Businesses. The Commission will formulate and present proposals for concrete measures to reduce obstacles to the establishment of small businesses and to their growth. Based on their proposals so far the Government has proposed several measures, four of which I mentioned before. There is also a Committee on Simplifying Taxation rules for Small Businesses which will give priority to examine the conditions for introducing simplified declaration and reporting procedures for smaller service companies that are run as sole proprietorship.

Since January this year the employed have an opportunity to take leave absence to pursue business activities. With this opportunity people who are starting a new business do not need to risk losing their jobs in addition to the money and resources invested, in the event that the commercial activity does not turn out well.

The Government has also facilitated employment in smaller companies by introducing a new form of fixed-term employment. In short, the new form of employment makes it possible for the employer to employ up to five people for a fixed period without a special explanation.

For special target groups the Government has also put effort into trying to increase the number of women entrepreneurs by an extension of the start-up grant, a special loan scheme and advisory services for women. I have been informed that one of the workshops during this seminar is about training for female entrepreneurs and I am sure you will hear more about our efforts then.

Also, immigrants have the possibility of getting an extended start-up grant and the Government has appointed a special commission to map out the special difficulties people with a foreign background may experience in connection with starting and developing their own businesses.

Finally, young entrepreneurs will be encouraged to start or develop a business by a favourable loans scheme which it has been possible to set up with the help of the European Commission.

I have now spent some time talking about the importance about having a stable macro-economic framework and a good business environment.

Stimulating and equipping for entrepreneurship by encouraging individuals to become more entrepreneurial is also important. This can be referred to as the "enterprise culture". The enterprise culture can be stimulated by a number of measures. The first and foremost measure is probably to improve the understanding of the entrepreneurial culture.

Stimulating, among other things, training for businessmen and women by coaching and mentoring them, by making it possible to use IT-technology for training in the start-up phase and by finding other measures that can stimulate entrepreneurship are important issues for making a better enterprise culture.

I hope that this conference can make it possible to find the best and most successful training schemes with the purpose of working towards the improvement of recognised training schemes at national and European level.

Again, I would like to thank the organisers, the European Commission and NUTEK for this seminar and I look forward seeing the conclusions that you will draw tomorrow.

Thank you for your attention.



# Seminar Introduction

*Mr Patrick Hennessy, Director, DG XXIII, Enterprise Policy, Distributives Trades, Tourism and Cooperatives, European Commission.*

Ladies and gentlemen,

On behalf of the European Commission and in particular Commissioner Papoutsis and Director General Crauser who have responsibilities for enterprise policy and SMEs, including the Concerted Actions Programme I would like to:

- thank the Swedish authorities and especially NUTEK for hosting this important seminar. The substantial involvement of NUTEK in this and in other Community activities relating to entrepreneurship and SME policies is widely recognised and much appreciated.
- say that we are particularly pleased to support the seminar and appreciate also the professional manner in which it has been organised.
- thank Member States and SME organisations for their attendance and contribution to the discussion.
- thank individual contributors who have voluntarily given their time and talents to prepare papers or to occupy key roles in the conference as speakers, presidents and rapporteurs, and, not least, some owners and managers of individual SMEs, who will enable us to see these important issues through the eyes of SMEs, and allow us to consider how we can learn of their needs in terms of providing support services which are directly relevant to their enterprises.

So what is the rationale behind this process of concerted actions focused on support services?

Let me recall firstly that the 18.5 million SMEs in Europe are the foundation of its economic strength, accounting for 60 per cent of turnover and about 2/3rds of employment. They are essential to Europe's competitiveness and growth, and they are in practice the only real source of additional employment. The fact that one million new enterprises are created annually make them a major influence on change and development. The fact that 50 per cent of newly created enterprises will have disappeared within 5 years is a matter of real concern and forces us to look closely at the conditions which will allow SMEs to be created and to survive.

In the process of creating the conditions under which new businesses can be set up and develop there are three elements that are now seen as essential:

- the first is a sound macro-economic policy which encourages growth and stability, notably of prices; in recent years there has been remarkable progress in this direction both in the Member States which have qualified for the single currency, and also by countries such as Sweden which will not participate in the euro, in the first phase at least. More remains to be done but, with the widespread recognition of these requirements, there is now a strong momentum right throughout Europe in the direction of maintaining sustainable economic policies.
- the second is the creation of a business environment in which entrepreneurship can flourish; this requirement is normally seen in terms of simplification of existing and new legal and administrative regulations in order to improve the quality of legislation and reduce its administrative burden. This is not a question of indiscriminate deregulation but rather of insisting on quality in regulation where legislation is necessary.
- the third is the provision of effective support services; this requirement is now recognised as a critical element in overall competitive performance, both at the level of the economy generally and also at the level of the individual enterprise. This is the subject that concerns us directly today in this seminar in that the provision of effective training is one of the essential elements in the establishment and growth of enterprises. And, focusing as we do here today on training at the start-up stage, we touch on vital issues, such as the creation of an entrepreneurial culture starting in our educational establishments, ensuring that the necessary skills can be developed in order to allow people to start their own businesses and, of equal importance, to provide them with the basis for staying afloat once they overcome the critical initial period.

The provision of training services is a formidable task. Nowadays, the range of skills and knowledge required by entrepreneurs is truly daunting: production, marketing, accounting, finance, customers, employees, and business regulations are but some of the subjects that must be learnt. That is one more reason why effective *training* is at the heart of the question of establishment and survival.

Right up to the level of Heads of State there is now a huge focus at Community level on entrepreneurship. This is to some extent driven by the priority given to employment policy and the requirements for the

adoption of the employment guidelines drawn up by all Member States. Much of this activity on entrepreneurship will be drawn together in the analysis undertaken by the Business Environment Simplification Task Force (BEST) whose report is expected to be published on 7 May and which will emphasise also the importance of effective support services.

We should not forget that the concerted actions programme is also a process of looking at issues in common. As its name implies, it is a cooperative or voluntary effort within which Member States, with encouragement from the Commission, agree to exchange information on various aspects of their business support policies and practices; this is done in full co-operation with SME organisations who have an essential role in the process. I would emphasise also that the approach is based on co-operation and that we all have something to learn from each other. Nobody has all the answers to these questions.

We hope to make a breakthrough this year by concluding the initial phase of our examination of support services at *the start-up phase*. With this in mind we have had an important seminar in Rome in February on the problems of guaranteeing quality in support services provided to businesses. The work undertaken at this seminar has led on to question of what we call visibility of support services, in other words enabling the SMEs to be more fully aware of the services available, and better informed about their value. We are now engaged in the second seminar, on training, in Stockholm; we will examine issues related to finance in June in Madrid and we will have, as our subject, "other" support structures, especially focusing on science and technology in Finland in November. The ultimate object of this exercise is the identification of best practice and encouraging public and semi-public agencies, and also private support providers, to put good ideas into effect in their own programmes.

I would like to stress that our work over the next two days does not end with the seminar. In some sense it is only the beginning of the process. I would like to urge you therefore to give an operational dimension to your conclusions. Firstly, to identify aspects that will justify further investigation and could be recommended to the Commission as appropriate subjects for attention; second to identify issues which appear to represent good practice at least, so that we can proceed to establish a basis for the identification and dissemination of best practice.

At the end of the year we expect to have completed a comprehensive inventory and a solid analysis of support services at the start-up stage, and we have also to progress the difficult exercise of benchmarking of the support services. Our activities will culminate in a report to the

Council towards the end of the year which will set the basis for the next phase of our work.

Ms. President, I do not intend to go into the specific issues to be addressed at the seminar. In choosing to focus on issues such as stimulating and equipping for entrepreneurship you have identified the key question; women entrepreneurs can no longer be treated as a token issue and, at this seminar, we look forward to a substantive analysis of the problems; and, in exploring the contribution of IT technology in training, you have again identified a central question for the future. You have also had the novel idea of engaging a well known journalist, Ms. Bim Clinell, to draw together the important conclusions of the seminar and with the help of a distinguished panel, a lively and interesting debate at the final session is assured. I would urge everybody present to contribute to the debate especially at the concluding stage.

I should like now to conclude by expressing once again to our Swedish hosts our deep appreciation for their undertaking the seminar, and to say that its findings are awaited with anticipation.

**Seminar Introduction:**

# Training for Entrepreneurship – from Primary School to a Running Business

*Professor Bengt Johannisson, Växjö University, Sweden.*

## **1 Overview**

In this brief presentation on how training for entrepreneurship can be promoted I first want to comment on different images of the phenomena we want to promote – entrepreneurship and new business ventures (Section 2). I will propose three different basic promotion approaches (Section 3). Summarising the findings of a recent major Swedish study I will then elaborate on the role of primary/secondary schools and universities in training endeavours (Section 4).

While non-business persons may require formal training for entrepreneurship, active entrepreneurs need to integrate training activities with their everyday business lives. I propose that such experiential learning is best organised within personal networking. I will therefore elaborate on in what ways the personal network can be coped with in order to maintain and develop the learning capabilities of new entrepreneurs (Section 5). In the concluding section some Swedish illustrations of the networking approach for training for entrepreneurship and new business venturing are provided.

## **2 Defining Entrepreneurship**

During the recent decades the practising and theorising of entrepreneurship have been more intensive than ever. This is not surprising considering that new and small firms are the major contributors to new jobs. Originally pointed out by Birch in 1979 this fact has since then proven to be valid in most Western industrialised countries. In e.g. Sweden, 70 per cent of new jobs originate in new and small firms (Davidsson 1995). The academic community is today providing a number of images of entrepreneurship which try to explain this phenomenon. For a long time these were mainly structured according to *who* the entrepreneur is and *what* s/he does. The trait approach, identifying different personal attributes of the entrepreneur has been thoroughly researched by behavioural scientists, with McClelland (1961) as the most prominent of the early contributors. What entrepreneurs do

has mainly been a concern for economists, cf. Binks & Vale (1990) for an overview. Combining personal attributes and aspirations will also answer the question *why* entrepreneurs invest money, time, and status in venturing processes. Need for independence then appears as a very frequent motive.

Here we choose a fourth road leading to the understanding of entrepreneurship, that of *how* venturing is pursued. This is done by deploying resources (wherever acquired) creatively according to opportunity, cf. Stevenson & Jarillo 1990. There are three major reasons for this focus. First, entrepreneurship is very much an organising endeavour, involving not just the entrepreneur but a number of other stakeholders (Gartner et al. 1992). Second, several images of entrepreneurship have been identified and researched. These include political entrepreneurs (Casson 1982), corporate entrepreneurs (Burgelman 1983), community entrepreneurs (Johannisson & Nilsson 1989), cultural entrepreneurs (Spilling 1991), bureaucratic entrepreneurs (Teske & Schneider 1994), and university entrepreneurs (Chia 1996). Obviously different types of entrepreneurs have different personal backgrounds and have widely different missions; the way they carry out their work may however unite them and they all contribute to the building of an atmosphere that is conducive to entrepreneurship. Third, and related to the second, since business venturing is always embedded in the local socioeconomic setting, this broader image of entrepreneurship is needed to understand the contextual conditions for training.

The proposed image of entrepreneurship as an organising and contextual endeavour invites to enhance entrepreneurial activity by training rather than by attempting to change the personality of individuals. I even argue that entrepreneurship and learning are intimately related. Research into successful Swedish entrepreneurs reports that they on one hand have a strong self-confidence, on the other hand are good listeners. Combined these mean a considerable learning capability.

### **3 Promoting Entrepreneurship – Different Approaches**

Both supporting the creation of new ventures and promoting entrepreneurship more generally are faced with a dilemma. As indicated, research confirms that not just Swedish entrepreneurs (Alänge & Scheinberg 1988) but also e.g. British (Goffee & Case 1995) have a strong need for independence. Then it would appear to be paradoxical to concretely help individual persons to enter and pursue the career as "independent" business persons. Instead, individuals, or teams of individuals, should be provided with a supportive context which will encourage them to themselves take the initiative needed to launch a

venture. People cannot be pushed to start a new business, not by educational measures and not in any other way. Some years ago almost 40 per cent of new businesses in Sweden were started by unemployed, who were heavily supported, not the least with educational measures offered by labour-market agencies and private organisations. One of many reasons why this has not increased the Swedish start-up frequencies very much may be that the support was too direct, i.e. did not give any room for the necessary self-selection among the candidates. Help for entrepreneurs should always be help for self-help.

I see three major challenges promoting entrepreneurship. First, new ventures must be induced. As indicated that is not just a matter of organising courses on "How to start your own business". In order to initiate a broad mobilisation of candidates and the associated self-selection processes there is a need for cultural change. This means that the regular educational system as one of society's major institutions will take on a major responsibility – even if this does not have to mean that concrete business activities are encouraged at all school levels.

Once the need for entrepreneurship is recognised and new ventures are being launched these must be systematically supported. The reasons why new-starters are handicapped include limited resources in general and personal experience in particular. New business starters have no credibility with e.g. banks and do not have a developed business network. Besides support to individual entrepreneurs given by other individuals e.g. consultants, groups of entrepreneurs, or, as will be elaborated below, individual entrepreneurs, can be supported by groups of consultants/students.

All business persons are entrepreneurial while their new ventures is being enacted but most stop being entrepreneurial once the business activities have stabilised. However, in order to grow and more so in order to survive, all business persons must continue to be entrepreneurial and learning. It is a major challenge for politicians and policy-makers to encourage small-business persons to be continuous learners and thereby keepers of the entrepreneurial spirit.

If entrepreneurship and learning are as closely related to and also generally dependent upon the sociocultural context, it becomes most important to state the general potential of human beings to be learners and entrepreneurs. Depending on which view is adopted, training strategies will differ. In my mind then three basic strategies stand out. First, if entrepreneurship is considered to be solely another kind of management (for renewal and change), it can be taught as any other subject. Second, if all human beings are assumed to be constant carriers of an entrepreneurial potential, these latent capabilities should be

"massaged" by the education and training system in order to make them active. Third, if however human entrepreneurial capabilities are looked upon as a general but precious and vulnerable asset which cannot be systematically trained, our institutions, not the least the school system, should mainly aim at avoiding the destruction of these natural talents. I propose that all three strategies have to be applied but with different foci according to age and venturing situation.

#### **4 Training for Entrepreneurship in the Swedish Education System**

Recently the first comprehensive survey concerning training for entrepreneurship in the Swedish education system was published (Johannisson & Madsén 1997). This study was commissioned by the Swedish government, namely its Department of Industry and Trade. In the 1990s a number of initiatives have been taken in the Swedish school system, from primary school to the university level. In the Scandinavian context however Swedish approaches stand out as rather fragmented and detached from the local community. In Denmark a national strategy promoting entrepreneurship at schools has been adopted and in Norway and Finland initiatives are integrated with different projects for local mobilisation. This is important since the worlds of the students and of the school training feed into each other.

In the government report we state that in order to create a society that is sustainable with respect to the promotion of entrepreneurship, the training in the education system must be systematic with, as indicated, different foci. We propose that in primary school such training should focus on nurturing the children's natural entrepreneurial talents, e.g. taking initiative and responsibility. In secondary school the youngsters should be encouraged to self-organise within different projects and generally practice "OBL" (opportunity-based learning). Nevertheless, Sweden's compulsory school does offer a number of projects aiming at promoting entrepreneurship. These projects include for example venture-idea competitions and Young Enterprise.

Only at the university level should the students be encouraged to launch own business ventures. It is only then they have developed the maturity and personal networks (cf. below) needed to become concretely involved in business activities. Australian research reports that if "real" business venturing is introduced too early in the education system, there will be no effects at all or those that appear will vanish after some time (Morris & Wingham 1996).

The awareness among universities in Sweden of the need for education and training in entrepreneurship and small-business management

has increased dramatically in the 1990s. The study includes both shorter courses and long programmes (lasting for at least one semester). Out of 70 academic courses/programmes identified at business and technical universities, all but 18 were established in the 1990s. This Swedish boom in academic education in entrepreneurship and small-business management does however not mean that they all aimed at practising entrepreneurship. In 68 cases the researchers were provided with course/programme objectives. These revealed that while in 25 cases the aim was to teach *about* entrepreneurship and small-business management alone, 20 courses/programmes did provide the students with a tool kit for innovative projecting and/or business venturing. Very few programmes generated a significant number of new ventures among the students. Most of the programmes did, though, include a quite intensive exchange with the business community, i.a. implying everything from practitioners teaching to qualified internships. These activities were by far the most appreciated by the students. The educational staff found very much stimulation in student exchange in the comparatively small student groups.

The need for a contextual approach to teaching entrepreneurship and training also has a more pragmatic source. Recently the obligation of all Swedish universities to actively make their knowledge available to stakeholders in the regional setting has been officially stated. Besides doing research and teaching, Swedish universities are now expected to through dialogue disseminate research findings, make students' reports available, arrange seminars for practitioners, and volunteer as speakers at different occasions. Obviously this demand for knowledge diffusion offers an entrepreneurial challenge for all Swedish universities.

## **5 Personal Networking for Learning and New Venturing**

If knowledge for entrepreneurship is the aim, there is not only a general need for action/experiential learning (Revans 1982, Schön 1983). As pointed out by Nonaka and Takeuchi (1995) the transfer and elaboration of tacit knowledge, very much needed to provide competencies for new starters, takes place in socialisation processes, through personal networking. As human beings we all have a personal network; we are by nature social. Our connections with others may be more or less developed but the ties are all personal: they combine in a unique way two interacting people. When a person is about to launch a career as an independent business person the needed reorientation in life will by and large keep the personal network intact - it thus represents stability and continuity in life thereby bridging the old and the new (venturing) career.

By way of the personal network the would-be entrepreneur will thus be able to mobilise "social" resources, i.e. provide resources for the venturing process which do not have to be (immediately) reciprocated, let alone require a contract. The personal network also helps in the overcoming of other "liabilities of newness" including building legitimacy and trustworthiness. And, what is especially important in this context, the personal network provides a learning context. It is through personal exchange that experiential learning, cf. above, and the tacit knowledge that builds proficiency in venturing activity will accumulate.

Considering the importance of the personal network, every nascent entrepreneur must refine her/his existing network with care. Both close relationships and casual acquaintances are important. Close, strong, relationships can be relied upon as a safety-net and also as an extended resource base. Casual or weak relationships on the other hand may serendipitously provide critical information about new opportunities on resource and product markets. In practice this often means that the personal network should include both local ties for socialising and global ties for building business intelligence. Obviously then the personal network should be looked upon as a very significant asset that should be carefully kept and only successively renewed as the challenges vary over the venturing process.

Within the context of an international comparative research project the way Swedish new-business starters have build personal networks have been investigated, cf. e.g. Johannisson 1996. Results show that the young entrepreneur has known the (five) most important people in their personal network for an average of about ten years. These crucial linkages are as often social (e.g. family or friendship ties) as business oriented (e.g. bank or customer relationships). In this respect there is no difference between traditional business starters and high-tech entrepreneurs in the university setting. Also, eight out of ten ties are local, i.e. the other party is located within one hour's drive by car. There are some variations in these general features due to e.g. gender: women build more social networks than male business starters.

All new-business starters may have problems getting access to professional networks, mainly because they have no track record. However, other more established business persons, besides being role models, seem to be quite willing to volunteer as mentors for young colleagues. Including established business persons in the network, especially independent entrepreneurs, is, as indicated, extremely important to new-business starters. Peer entrepreneurs can understand that mistakes have to be accepted when inexperienced persons launch a business career. Considering that the business activity itself is very

much about building exchange networks, including other business persons in the personal network will of course also mean shortcuts to access to resources and sales.

The face-to-face encounter is an irreplaceable part of personal networking. This fact will be valid also in the future when information technology has become even more pervasive than it is today. Trust building as well as transfer of tacit knowledge calls for personal exchange. Personal encounters are also the basis for creativity. In addition networking makes life joyful and meaningful to the independent business person. Information technology will nevertheless become increasingly important as a way of facilitating and enforcing the personal networking.

Of course there are drawbacks to personal networking. First, it is a very personal asset difficult to transfer, e.g. to the next generation in the family business. Second, as indicated, it takes a long time to build a personal trust relationship; a single wrong word may ruin the relationship immediately. Third, even if encounters which happen by chance can develop into relationships which last for a lifetime, arenas are needed to amplify network creation. Fourth, once a personal relationship created by you has matured into a strong tie, it will control you. Fifth, the building and utilisation of the network is beyond rational decision making and choice – that is exactly why I address it as “personal”.

## **6 Networking Strategies for Promoting New Business – Brokerage and the Role of the University**

I want to conclude with some comments concerning how we outsiders can use networking and relationship building as a way to support new-business starters in their learning processes. First, if we accept the argument that the personal network is the most important resource to any entrepreneur, it seems important to find a feasible role for those of us who want to facilitate the venturing process. If we as brokers want to assist a new entrepreneur in making a resourceful network, then we must keep a very low profile. It is and should be very important to the presumptive business person to be able to claim ownership of the relationship. This should be self-evident considering the need for independence, the personal character of a resourceful relationship, and the pride of being the new-venture creator. Another important aspect to keep in mind for network brokers is to have an agenda for enhancing the networking potential of the client while at the same time alertly taking advantage of ad hoc opportunities for networking.

The reason while many new starters have problems is that they do not have access to important arenas, i.e. they do not speak the right “lan-

guage". Then the broker may have to interpret to make change possible, e.g. between the would-be entrepreneur with no formal training and the large corporation or public institution as potential clients. The other way around, when trying to implement new ideas in local networks the broker may need the trust s/he has achieved by being involved in local business life. Ideally you as a broker should be passionate, conduct that entrepreneurs of all kinds appreciate.

In Sweden, as in most other Western countries, new universities have been established to operate as brokers between the global scientific community and the local (business) community. At Växjö University we decided in 1997 to combine the "problems" associated with training students for entrepreneurship and finding resources to support new-business starters, thereby creating the challenging opportunity of making each problem the solution of the other. Växjö University is well established in the field of training for entrepreneurship and other programmes are reported elsewhere (Johannisson 1991, Johannisson et al. 1997)

The full-time course "Entrepreneurship and Small Business Development" deals with issues related to small-business management, entrepreneurship and new-business creation. It is a compulsory five-week component within a two-year programme in business administration and management. Offering the course at the end of the programme means that the students bring with them a general experience in academic work as well as a broad knowledge in the field of business administration and management. They have among other things studied marketing, financial accounting, management control, and logistics.

The course has a number of stakeholders other than the students (and university staff). Another main role was played by local (nascent) entrepreneurs. A couple of weeks before the start-up of the course the students, in groups of three, were linked with entrepreneurs who either were planning to start a business or had recently started one.

The reasons for linking students with entrepreneurs are threefold. *Firstly*, by being involved in emerging, or recently started, businesses the students have the opportunity to work in a setting characterised by *both* entrepreneurship and small-business management.

*Secondly*, by cooperating with acting entrepreneurs each group of student is not just provided with unique cases to work with but with an ever-changing segment of the business reality. A designed and formal case does not provide variety enough to stimulate the students' creativity, responsibility, and enterprising capacity. Live cases call for sensitivity on the part of the students for the entrepreneurs' experiences and ideas. The students learn to become active listeners, a major entrepreneurial quality indeed. Our approach further encourages the students

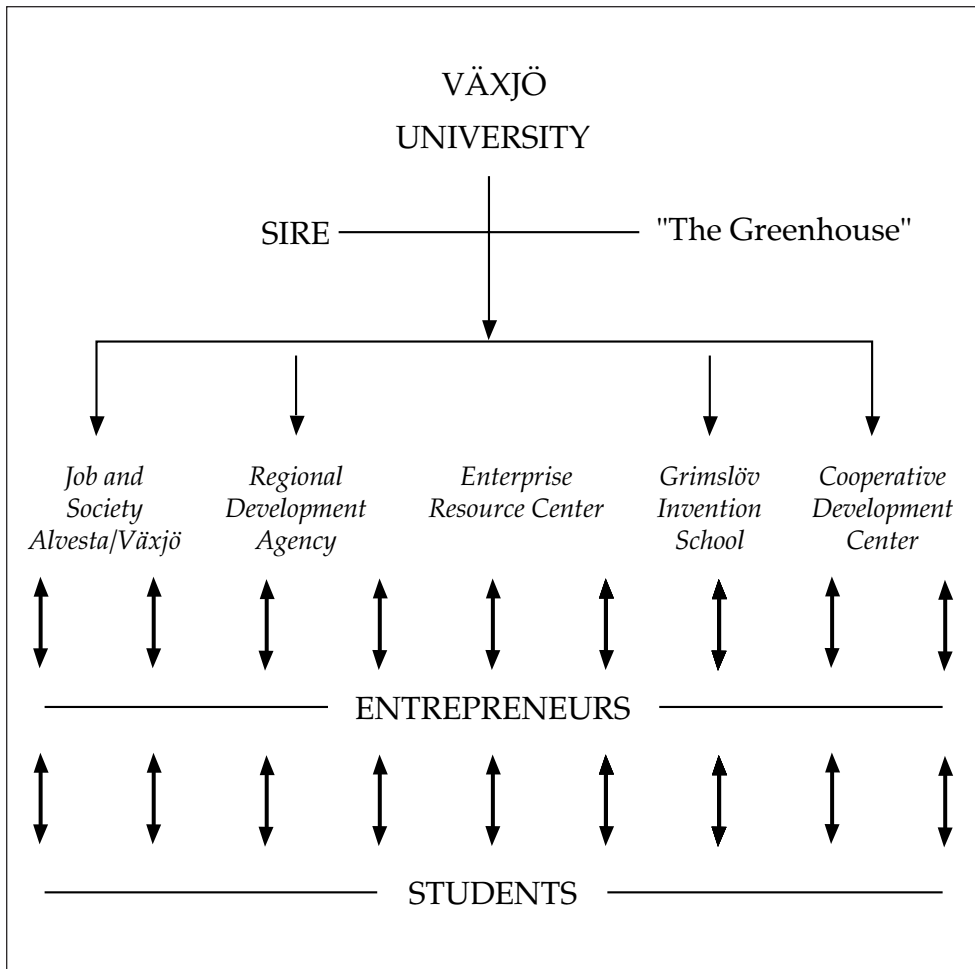
to adopt a critical and reflective attitude toward the theories being provided by textbooks and lectures. Since, as indicated above, the academic image of entrepreneurship is still being moulded, their criticism is very valuable.

*A third reason* for involving new entrepreneurs is that they themselves can gain from such a collaborative effort. In the starting phase of the venturing career, entrepreneurs often are short of self-confidence, time, resources, and legitimacy. It is well-known that starting an own business is a very lonely task, hence a need for a confidant. Also nascent and new entrepreneurs often know very little about how to administer a business. During the course, the students represented additional management capacity and could, by using their own networks, provide further resources. By formalising some of the ideas of the entrepreneur, even into a business or market plan, the students may help the entrepreneur to acquire needed legitimacy with other stakeholders such as the bank, suppliers, and customers.

In order to get access to new entrepreneurs and acquire general support, the course organisation was set up as a joint venture involving several local advisory agencies, cf. Figure 1. SIRE - Scandinavian Institute for Research in Entrepreneurship – organises research at three universities (besides that in Växjö those in Halmstad and Lund) and "The Greenhouse" is a student liaison office for new venturing. These two bodies generally supported to the training project with expertise. The other agencies were primarily seen as recruiters of new entrepreneurs. Through their daily contacts with nascent and new entrepreneurs who were looking for different kinds of support, they were able to select, and convince, entrepreneurs to take part in the student project. The entrepreneurs who participated in the course were, with respect to age, sex, education, experience, etc., quite diverse. They also represented a wide range of businesses, from art gallery to fast-food production.

The new-business agencies also participated in the process and in the actual performance of the course. Firstly, they provided the entrepreneurs, as well as the students, with general support throughout the whole course. Equally important was their special input of practical experience. Several representatives of the agencies gave lectures for the students, based on their experiences from new-business creation and small-business management.

Figure 1 The Organisational Set-up of the New-Venture Education Project



The evaluation of the 1997 programme shows that both students and the new entrepreneurs are very satisfied with the course. The students have especially appreciated the real-case approach, concretely bridging the classroom setting and the venturing reality. The new entrepreneurs themselves especially appreciated the sounding board provided by the student exchange and the new, positive dimension that it added to their emerging business lives. The different local advisory agencies involved had an opportunity to play their role as brokers between the university and the business community. When the course was repeated in 1998, similar findings were made. Obviously the course had provided an arena for boundary-spanning networking and, hopefully, for more resourceful new-venturing processes.

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## Workshop 1: Stimulating and Equipping for Entrepreneurship

# Report from the discussions

*Rapporteur: Mr Jonas Dahlqvist, NUTEK, Swedish National Board of Technical and Industrial Development, Sweden.*

The subtitle, indicating that the participants were to present and discuss "the best and most successful training schemes", was stressed by chairman Peter van den Sijde. Separating the best from the merely good requires some kind of benchmarking or ranking. However, there was some debate over this among the workshop participants since one could argue that the success of a specific programme is contingent.

### **Presentations**

*Dr Peter van der Sijde, Twente University, The Netherlands*

Peter van den Sijde presented their so-called "TOP-programme". The goal of the programme is to increase the number of high-tech spin-offs and had some important features build in to it. One was the ability of the university to use in-house knowledge to judge technological potential of projects presented. Another was the concentration on team efforts were the post-graduate entrepreneur was given a nourishing context to work in. The whole programme is based on a model of: Experiment → Scale-Up → Commercialisation.

*Mr John Heebøll, Director of Innovationcentre, Denmark*

John Heebøll showed a different approach towards inspiring entrepreneurship at graduate level. The course is included in the graduate programme and the students are given full credits. According to Mr Heebøll, this was a prerequisite to be able to solicit enough interest of the course. The chief objective was to present start-ups as an career option. There was no measures as of yet concerning the rate of success. This is because the appropriate evaluation period for this type of education could approach ten years or so, according to Mr Heebøll. It must be added that the start-ups were terminated at the end of the course to avoid student drop-outs as a result of the course. It was agreed that this is always a potential problem when projected based courses (including a "live" start-up) are given at graduate level. However, Mr Heebøll maintained that this was not a real problem in Innovationscentret. (In

contrast, the University of Twente eliminates this risk by only accepting post-graduates into their "TOP" programme.)

*Dr. Alessandro Mamusa, ADI (Association for Small and Mediumsized Industries in Sardinia, Italy)*

Dr. Mamusa of the ADI (Association for Small and Mediumsized Industries in Sardinia), responsible for the Young Entrepreneurs Group presented an interesting case of collaboration between the University and the SMEs of the region. The Sardinia region is facing structural change from agriculture towards the service sector, most notably in the form of tourism. According to Dr. Mamusa, the region was to some extent characterised by weak entrepreneurial attitudes, stemming from physical isolation. Dr. Mamusa described a process of defining common goals and establishing collaboration between the University and the SME sector. The most important point was that the decision to involve the university was not just another "initiative" but a strategic decision for the region to bring about structural change.

*Mr. Andy McNab, Lanarkshire Development Agency, Scotland*

Andy McNab of the Lanarkshire Development Agency presented a case of industrial restructuring in an Objective 2 area. The fundamental analysis for the project was the fact that the regional economy had a very narrow industrial base (steel). The aim was "to create new team-managed high growth businesses in manufacturing or services supporting manufacturing". Thus, this strategy was based on competence already existing in the area. The focus was on team efforts and small businesses. Another ingredient was the flexibility and compliance to the conditions of SMEs. As example, educational efforts were located in space and time to fit the entrepreneurs' tight schedules. Mr McNab claimed that this programme clearly shows that the economic development network can add real value to major new business projects.

*Mrs Maryvonne Boulestin, Director of CEPAC, France*

Mrs Boulestin presented their highly adaptable training programme for entrepreneurs. By using a system of "modules", flexibility is greatly enhanced. Mrs Boulestin stressed the importance of putting the entrepreneur into a supporting network and to make the entrepreneurs accept and actively seek external advice. Steps are taken to break the tendency of isolation that entrepreneurs might experience. Another point is that the flexibility is not limited to content but also comprises the media. The material was produced in several formats (paper, video, cd-rom) to suit all clients regardless of personal wealth or technical proficiency.

*Ms Eleonor Rhen Jacobsson, President of the Centre for Female Entrepreneurs, Sweden*

Ms Rhen Jacobsson, presented a way of aiding female entrepreneurs in a multi-stage approach where the intensity of consulting was stepped down as the entrepreneur passed through the various stages. The approach presented by Ms Rhen Jacobsson was unique in the way she first and foremost stressed the personal development of entrepreneur. Whether or not the training led to a new enterprise was judged secondary to developing the individual. The training would eventually lead to a new enterprise or to inward entrepreneurship, so-called "intra-preneurs". This final point provided food for discussion on entrepreneurship as a way of enhancing employability. The workshop participants generally agreed that this was one fruitful approach to look upon training programmes for entrepreneurs.

*Mr Gerard Unternnaeher, Director of Research, Ecole des Mines d'Ales, France*

Mr Gerard Unternnaeher, described the process of turning a graduate school with heavy bias on engineering into a school of entrepreneurship. Addressing the entrepreneurial issues may not be novel but the way it is implemented at Ecole des Mines d'Ales certainly is a different approach, since the focus is not to give separate entrepreneurial courses but to let entrepreneurial thinking affect the teaching at all levels.

In addition to the above presentations, a lecture on entrepreneurial characteristics was given by Professor Bengt Johannisson.

## **Conclusions**

Summing up the workshop, the content was indeed about stimulating and equipping, just as the subtitle suggested. Chairman Peter van den Sijde made the following chart:

Topic	Activity
Stimulating	Environment for Entrepreneurship
Equipping	Training
	Support (other than training)

Much of the discussions circled around "stimulating", rather than "equipping".

In the programmes and packages for entrepreneurship that were presented the emphasis was on support for starting companies. It can be concluded that there is a lot of "good practice" around in Europe. It goes too far at this moment to speak of "best practice" only because it works

and is successful at one place. The environment, culture and local or regional characteristics determine up to a high degree the success of a programme or package. As a recommendation is formulated to try to formulate models of good practice that eventually may lead to benchmarking the spin-off activity.

A second topic that was discussed was the entrepreneurial attitude. In Europe a lot of discussion is going on around the theme of employability. Maybe employability might be interpreted as entrepreneurship, and furthermore, entrepreneurship should be a way of living. This means that entrepreneurship should be stimulated as early as possible and to start at the university level maybe already too late. The question was raised whether it would be possible to start some kind of entrepreneurial training at other levels of education (secondary and primary levels of education). As a recommendation is formulated to make an inventory of such attempts in Europe and try to establish its effects.

Regarding the starting point of the introduction of entrepreneurship at other than university levels (but even there a lot has to happen) could be teacher training courses. Traditionally in teacher training courses two subjects are addressed: (1) content or subject matter, and (2) pedagogy. The suggestion from the discussion is to add the topic of entrepreneurship (as a form of lifelong learning, and learning to learn) to this type of education. Especially one ought to think of how to be entrepreneurial within the context of a specific subject. As a recommendation could be formulated to explore the possibilities for incorporating entrepreneurship as a regular topic (as a European module?) to teacher training courses or in specially organized train-the-trainer courses.

The third topic that was addressed in the discussion was the appreciation of entrepreneurship. Entrepreneurship is not highly valued in Europe, failures are viewed as negative things and not as a learning experience. New values are necessary in Europe where the emphasis is on failure and not on success. Europe needs good role models and examples, but these role models and examples should be on a "local" level, otherwise these examples are too far away from the people (pupils, students) for which they should be role models. As a recommendation is formulated to promote entrepreneurship by showing success via case studies of "local heroes".

## Workshop 2: Training for Female Entrepreneurs

# Report from the Discussions

*Rapporteur: M.Sc. Kerstin Wennberg, NUTEK, Swedish National Board of Technical and Industrial Development, Sweden.*

The chair Mrs Agneta Hansson stressed the subtitle, saying that the participants were to discuss if we need certain programmes and actions targeted at female entrepreneurs or if we shall mainstream business support activities to fit *both* men *and* women.

### Presentations

*Mrs Olivia Delorge, Boutique de Gestion, Midi-Pyrenees. France*

Training for female entrepreneurs. The ARTE Management Shops are part of the first private network for advice on business start-ups. Some have organised and continue to organise specific training for female entrepreneurs, especially in the context of the Community Initiative NOW (New Opportunities for Women) programme.

In general, there is no great difference in technical support in terms of men or women for the Management Shops and the ARTE Management Shop. The differences are peripheral to the conducting of business; a woman must handle many more problems and constraints (acknowledgement, mobility, child care etc.)

The ARTE Management Shop works with people who have a business project. The "technical" support is the same whether the candidate is a man or a woman; it is, above all, the approach to their personal environment that differs.

The five Management Shops set up within the framework of a programme, are all recognised as organisations to support women in starting a business, by virtue of their institutional environment. The programmes conducted by Management Shops have forced traditional associates to change their way of seeing things, but there is still a great deal of work left to be done.

Much action needs to be taken with regard to the socio-economic environment.

*Mr Luis Fernandes, Director of GDO, Lisbon. Portugal*

Training women in negotiations with banks. Mr Fernandes is the founder of the G.D.O., a private organisation that has worked among

other things with assisting entrepreneurs with access to financing for investment.

The G.D.O. have developed several schemes, in this line of work, in particular with the support of the NOW-programme.

Due to the fact that obtaining grants for creating, restructuring or modernising microenterprises and SMEs is a very long and complex process in Portugal, G.D.O. have been obliged, in most cases, to establish partnerships with the banks. Banks often finance the intermediary period, that is to say the period between the business start-up and the awarding of grants by the state.

The G.D.O. helps in preparing a meticulous specification of the investment plan. They also get the businesswoman to reflect on forming a good business relationship with the bank, making sure that she is fully aware that the bank will always be a bank, faithful to its principles.

In the course of this work, they frequently use techniques such as "Role-playing" as a form of practice, to build up the businesswomen's confidence for the negotiation phase.

*Mrs Therése Hedén, President of the Start-Up Centre, Örebro Sweden and Mrs Eva Magnusson, Business advisor, at a local Resource Centre for Women. Sweden*

Swedish experiences of training programmes for women entrepreneurs  
A survey that NUTEK made in 1992 showed that women was not seriously treated in the business support system and therefore they would prefer a female business advisor who also should be close at hand.

Mrs Hedén and Mrs Magnusson presented their work as business advisors to women in four municipalities with a total population of 50 000. They have been working within two projects, one following upon the other as the first was considered very successful. The projects have been financially supported by local and regional authorities, the state and later EU-programmes.

The business advisors have been working with building network locally and internationally, up-skilling and a mentorprogramme. Mrs Hedén and Mrs Magnusson claims that to their experience men and women work in different ways. Therefor in order to make use of the potential in women entrepreneurship, knowledge about women entrepreneurs need to be spread and considered in business development e.g. among banks, advisors and business organisations. Women must also be allowed to be more visible in conferences and exhibitions dealing with economical life.

*Mrs Anna Mercadé, President International Foundation of Businesswomen.  
Spain*

Training for female entrepreneurs. Mrs Mercadé started by saying that she had exactly the same experience from her 12 years as a business-advisor as the previous speakers. She also mentioned that she has been working with a couple of NOW-projects.

Women in Spain have launched themselves to small business to avoid unemployment. Now people want to be freelance. Women wants to work in dignified and safe conditions and more than a 1 000 have made their applications to make their own business. The main target-group of Mrs Mercadés' organisations is women, married or divorced with children and very little money. Managerial training with some extra specials to fit the women and to meet the competition in the market are great parts of a training programme. The methodology is very important including casestudies, role-playing and study-visits. Mistakes are a part of the training and so is "how to make decisions". Seminars at the chambers of commerce for men and women also play an important role.

There are many entrepreneurial organisations in Catalonia where there are no woman. They work on changing that and things happen in Spain.

It is very helpful for women to meet other women that have done the same with success. Therefore we work with international trips to open up new markets and have also set up a foundation of success women that support new-starters.

Also for this reason Mrs Mercadé suggested that a European network of business centres must be set up. The aims of these suggested associations were also presented.

*Mr Jacques Wilkin, Director Formation PME-Liege-Huy-Waremme.  
Belgium.*

Helping women set up their businesses. Mr Wilkin first presented a statistical overview of the position of women entrepreneurs in Belgium. The number of self-employed has constantly increased from 1985 to the present day. The number of self-employed women is increasing at a greater rate than for men. Today self-employed women represent slightly less than one third of the self-employed population in Belgium, i.e. 28%.

Mr Wilson then went on to presenting a NOW-project called the Eurofem project which had followed upon an earlier successful NOW-project namely the Créatelle project.

Many women who explore the possibilities offered by self-employment and the development of small businesses are confronted by difficulties stemming from their personal circumstances, Mr Wilkins said. Some face disapproval from their families or their friends when they decide to start a business, whilst others must take care of their children or other dependants at the same time as running their business.

The aim of the Eurofem programme is to be able to respond to the needs and concerns of these future female heads of companies by establishing appropriate structures to prepare them adequately for the demanding career of running a business. The basic principle of Eurofem is that it follows the person starting up or taking over a business all the way from the planning stage to the start-up, in other words we are talking about supporting them throughout the whole process of setting up the business.

*Ms Elisabeth Yanagiasawa, entrepreneur. Sweden.*

The story of a successful business start-up. Mrs Yanagiasawa made a very interesting presentation of her experience as an entrepreneur.

She has a fashion design company. She does the designs but buys almost everything else that is needed and then work with agents.

As an entrepreneur Ms Yanagiasawa takes care of all parts included in running a business. She buys materials, negotiates with everybody, plans the production, works out the marketing strategy, keeps in touch with the press (she can not afford to advertise) and banks and other important players.

Ms Yanagiasawa sells only on pre-order, but at NK, the fashionable department-store in Stockholm, she has a small shop of her own and will soon start an Internet-shop.

She pointed out the difficulties that a designer faces running a business. You have no education to do this kind of work. You have to grow and employ to have somebody else to take care of the administrative problems.

Examples of daily problems were listed:

- lack of venture capital. Orders increase but there is now time for financial stabilisation
- lack of moral regarding payments
- cashflow is too slow
- banks
- social security. It takes at least five years to build the company and during that time you cannot afford to be ill, you have to take the baby along sometimes, very little salary, no holiday

There is little or no help from society and friends. It is very lonely to be an entrepreneur.

New female entrepreneurs will go their own way to build their companies. You have to be very determined, persistent and resolute and learn how to set good prices.

### **Conclusions**

The Chair Mrs Agneta Hansson summarised the presentations and discussions during the work-shop:

- All the cases from all the five represented countries showed that if we listen to women and give them the right support and advice there is a very high rate of success in form of new (and successful) business starters.
- Counsellors and advisors must, how-ever, bear in mind that men and women in some ways behave differently -due to that we have been raised differently and have different experiences. Women want to start business *their way* - it is important to respect this - if we want to get new companies and benefit from what women have to bring to the economy.
- The experience and culture that women can bring into the business world is positive and fits very well with new demands from society, such as flexibility, internationalisation and social competence.
- For the moment and probably still for long there is a need of those extra support that is given through the social (structural) funds, for example the NOW-programme. Within these programmes innovative projects are created, where new pedagogics and new methodology are tested. Through these programmes women can also (often) get counselling for free, which is good/necessary for new business starters – both women and men.
- These good examples of projects have to be *sustainable* and be part of the mainstream policy for supporting enterprise starting/business starters. We are sure that what is good for women is good for men as well!
- We need to listen more to the needs and demands from those who are about to start their own business. A more active dialogue between the supporters and the target group is required.

Women's entrepreneurship has to be on the agenda in all contexts dealing with business support. For example at conferences and in different programmes.

There is a great need for much more research to be done on women and entrepreneurship.



## Report from the discussions

*Rapporteur: Ms Jeanette Randen, NUTEK, Swedish National Board of Technical and Industrial Development, Sweden.*

### **1 Purpose of Workshop**

This four hour workshop was held to present examples of how information technologies have been used for training in the business start-up phase, identify elements that deserve future investment, discuss methods for transmission of best practice, and to agree on recommendations for further action to be presented to the European Commission, DGXXIII. See also "Background for Workshop 3" by Director John Heebøll, Technical University of Denmark.

### **2 Highlights of the Presentations and Discussion**

*Mr. Johan Carlstedt, President of Young Enterprise*

The first presentation was given by Mr. Johan Carlstedt, President of Young Enterprise (Ung Företagsamhet) in Sweden. Young Enterprise Sweden is an organization serving as a bridge between students (primarily secondary school) and trade and industry, helping students to run a company for one year as a school project. A CD-ROM has been produced with training material on a company's life cycle: starting-up, running, winding-up, at a total cost of 510 000 ECU. The goals of the CD-ROM project was to create more interest in business theory, achieve higher productivity, and to improve communication between YE Sweden, students and teachers.

*Remarks:* The use of IT helps to stimulate and improve the learning process (it makes it fun!), and can be especially useful for students (e.g. students of arts and crafts) who do not like reading books. The CD-ROM is efficient use of resources and simplifies updating. It also facilitates for the teachers to act as instructors.

*Mr. Mike Yendell of the University of Strathclyde*

Mr. Mike Yendell of the University of Strathclyde was the second contributor. The University of Strathclyde offers elective classes covering the business start-up process. In one of these classes, Introduction to Entrepreneurship, students study directly with a computer. It includes

several interactive exercises, hyperlinks between related elements, and learning history for reviewing, etc.

*Remarks:* The benefits of IT experienced at the University of Strathclyde include increased motivation because students are able to study at their own pace and feel that they are in control of their own learning; it is cost effective for the university and solves timetable problems; and it facilitates testing that the students are learning and making progress. However, there is still a need for experiential learning. Interaction with entrepreneurs is of vital importance.

*Mr. Roland Finke, University of Dortmund*

Mr. Roland Finke, University of Dortmund, presented a project called EVA – a business simulation game for testing your business skills and making decisions. It takes ten hours to play the game, and it can be played alone or in a team with an instructor present for assistance. There is a German and an English version.

*Remarks:* The benefit of this simulation game is that it can be used for various purposes: as a training tool, for assessment of skills, and for evaluating the result of potential decisions. Business people who have tried the game agree that it is fairly realistic.

*Mr. José Antonio Camps Hernández, FASE S.L.*

The fourth presentation was given by Mr. José Antonio Camps Hernández, FASE S.L. (a training center on employment issues through multimedia and new technologies.) "The Classroom without Walls" is a Leonardo da Vinci (DGXXII) project with partners from the U.K., Germany, Greece, and Spain. One class is for entrepreneurs who are interested in starting their own company ([http://www.fase.net/aula\\_virtual/9804auto/clave.htm](http://www.fase.net/aula_virtual/9804auto/clave.htm)). It is an online class, pupil-teacher relation is maintained via email, oral communication and video conferencing. Pupil-pupil relation is maintained via email and a chat function. Teachers may monitor students' progress by checking how many units they have taken, messages sent, chats recorded, etc. The web site is open to anyone and also offers a self assessment test and software to find out whether or not a business idea is viable.

*Remarks:* The role of the teachers in IT-based training is different than the conventional role of teachers. New skills are required of teachers: teachers no longer have to memorize texts, they guide the students to information. The use of an Internet web site provides for interactivity. Students may access from their home, and receive the benefits of distance learning. Pupil motivation is sometimes difficult, as is putting

together a homogeneous group, i.e. students with similar educational levels and intentions.

### **3 Conclusions**

One of the subjects discussed was the changing role of teachers in the information society. There is a need to motivate teachers and "train the trainer", teachers are not business people. With the use of IT, learning can be more productive. It facilitates communication, enables tailor made training, and enhances the learning experience. However, IT does not replace personal interaction and social contact between teachers/students and students/students. Today's problems of various technical platforms, slow Internet access, etc. will be overcome in the near future.

There was a proposal to produce a few quality products by working in teams. Co-operation may imply opportunities of mass distribution, but different languages pose difficulties.

*Some benefits of using IT for training in the start-up phase:*

- A strong multiplier effect: large scale projects
- Multiuse: caters to different needs, e.g. simulation games used for training, assessment, etc.
- Enhances the learning process
- Flexibility: training where and when you want, at your own pace.
- Facilitates monitoring of students' learning progress
- Increased/easier access to training (more people can benefit from training)

*Some drawbacks of using IT for training:*

- High initial costs
- Requires updates (much work, expensive)
- Motivational difficulties (self learning requires self discipline and need of stimulation otherwise received from teachers/other students)

### **4 Recommendations for Action**

*The recommendations for action agreed on in the workshop are:*

- DGXXIII to take the initiative to conduct a survey of training needs in this area, and of available training programs/products using IT.
- DGXXIII to initiate the creation of a network/web site where people involved in training programs using IT can exchange experiences and ideas.



## Workshop 1: Stimulating and Equipping for Entrepreneurship

# Background

*Dr. Peter van der Sijde, The University of Twente, The Netherlands.*

### Introduction

Entrepreneurship or "the entrepreneurial process involves all the functions, activities, and actions associated with perceiving opportunities and creating organisations to pursue them" (Bygrave 1994). This is a broad definition in view of how starting companies can be supported and equipped. One of the first issues that has to be clear is "why should organisations (such as educational institutes, but also large companies) be involved and support the start-up of companies. In the framework of the UNISPIN-project we made an inventory of motives for universities to be involved (see Table 1)

*Table 1. Perceived reasons to promote university spin-off projects  
(source: UNISPIN workshop participants)*

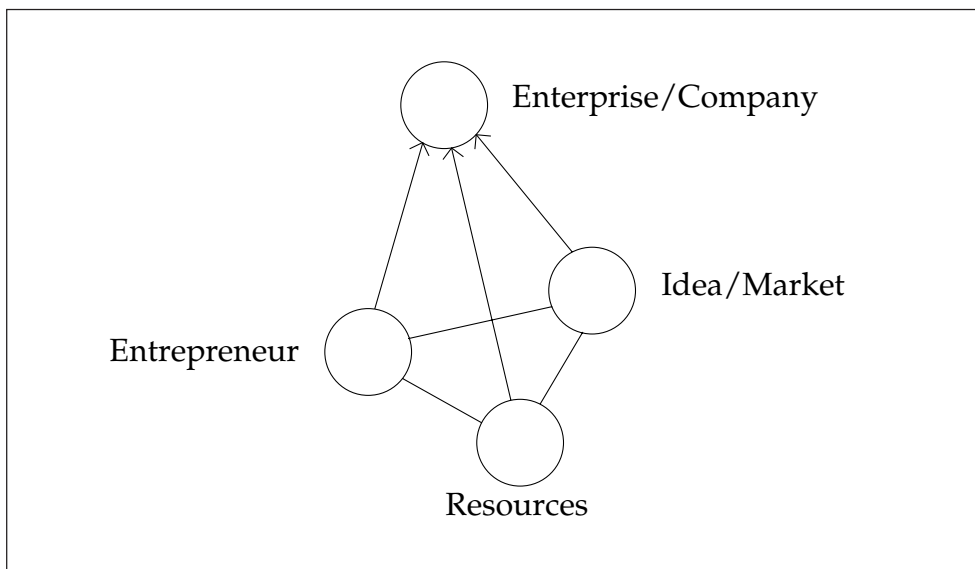
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- 1 *Contribute to regional development*
  - 1.1 Jobs
    - Creation of employment, particularly high tech jobs
    - Keep graduates in region
  - 1.2 Better industrial structure
    - New types of industry
    - Development of knowledge based companies
    - New products open new markets outside region
    - A lot of research capacity: spin-off potential
- 2 *Improve technology transfer to industry*
  - Transfer of technology
  - Stimulate collaboration industry - university
  - Get closer to industry and market
  - Structured approach to enterprise development
  - Possibility of clustering, make a focus
- 3 *Better performance towards students*
  - 3.1 Education
    - Helps to develop student curriculum

- Getting a better education
  - Pro-active programme
- 3.2 Professional perspective
- Reduce graduate unemployment
  - Counterpart for multinationals
  - Development of spin-off companies: improve success rate
- 4 *Improve university culture and image*
- 4.1 Culture
- Alternative career option researchers
  - Make profit from research
  - Industrial research labs 'realise innovation'
- 4.2 Image
- Makes universities more acceptable political and social
  - Attract better students
  - Increase quality of university
  - Gaining funds for better research
- 

Most of the motives are also valid for large companies. Entrepreneurship can be operationalised (and visualised) as they have three core components: (1) the entrepreneur, (2) the idea/market, and (3) the resources.

Figure 1. *The entrepreneurial process*



Supporting and equipping has one of these three components (more often combinations) as its departure point. Each of these components will be separately dealt with and subjects for discussion are presented.

## **The entrepreneur**

An entrepreneur is "someone who perceives an opportunity and creates an organisation to pursue it" (Bygrave, 1994). The definition is a correct one, but it does not tell what kind of characteristics an entrepreneur should have. One of the myths surrounding entrepreneurship is "entrepreneurs are born, not made" (Timmonds, 1994).

### *Subjects for discussion*

- *how to nurture latent entrepreneurship (awareness)*  
create entrepreneurial educational systems at all levels of education  
create entrepreneurial (learning) environments (in larger companies)
- *how to elicit entrepreneurship*  
create space for experimentation  
organise adequate training focusing on personal changes, competencies and skills
- *how to stimulate entrepreneurship*  
educational credits for starting a company  
right to fail (employees: guarantee to return in same job within a year)  
dual learning routes (to learn and to undertake)  
doing by learning
- *how to support entrepreneurs*  
organise a mentor system  
organise adequate and low-threshold business support

## **The idea/market**

For an idea there should be a market or to say it differently: there ought to be a customer need. Without a customer need there only is an idea and not a business idea. Furthermore, the idea and the entrepreneur should match. The central question is how to find an idea that means business: from no idea to a feasible idea that can become a product or a service. And is this a process that can and should be supported?

### *Subjects for discussion*

- *how to help to find an idea*  
don't support this: a real entrepreneur will find his/her idea  
organise special creativity training sessions for aspiring entrepreneurs
- *how to help to get from an idea to a feasible idea with a market*  
enable students to work on a marketing project as part of regular course work  
use business plan competitions as educational tools

- *how to support the building of a prototype*  
building of prototypes as part of Bachelor or Master thesis  
how to deal with intellectual property rights
- *how to support the finding of (first) clients*  
the role an entrepreneurial association  
mentoring by active entrepreneurs

### **The resources**

Every company needs resources. Important resources are people (human resources, knowledge, technology), financial resources, assets, and a business plan. Also another division in resources is possible: own resources, other people's resources and outside people resources (Timmons, 1994). For start-up companies resources are important, but almost always they require a high financial investment, especially in the high-technology area. How to minimise the company's own financial investments and have a maximum access to resources? The immaterial resources are as important: how to position the company in the market as excelling in .. Although money is important is it not the most crucial ingredient, a good entrepreneur will find the money and take the risk. Having money is not a guarantee for success. So how can entrepreneurs be equipped and supported by others?

### **Subjects for discussion**

#### *Own resources, know-how*

how maintain the level of technical know-how and upgrade the level of business know-how in start-up companies

- *know-who*  
how to introduce a starting entrepreneur in a network  
how to support a (starting) entrepreneur in maintaining a network
- *money*  
what are the minimal own resources a start-up company should have and buy

#### *Other people's resources, money for companies*

easy access to soft money for start-ups  
how to appreciate business plans for high-technological products

- *facilities, equipment*  
how to support an entrepreneur in minimising his investments in facilities and equipment and what role can educational institutes and (established) companies play in this

#### *Outside people resources, co-operation*

when and how to co-operate with other companies (other small and not so small companies).

## Workshop 1: Stimulating and Equipping for Entrepreneurship

# An Infrastructure for Academic Entrepreneurship

*Dr. Peter van der Sijde, The University of Twente, The Netherlands.*

### Introduction

Entrepreneurship has become an important issue. On the one hand out of necessity, e.g. there are not enough jobs available in the present day world. On the other hand there is the attitude issue: why are we always educated to be an employee in all our educational systems? Why are we not trained to become employers? Looking to the near future, self-employment and freelance contracts are the future. Companies can only be lean and mean as they grow and down size with the market. Short term contracts are the result and self-employment can be a means. Reasons enough to take the topic of entrepreneurship very, very seriously.

In this paper the topic of an infrastructure for academic entrepreneurship is addressed. First the primary process will be sketched, which is the process through which a prospective entrepreneur goes to become a real (successful) entrepreneur. Second, a secondary process will be described and illustrated with examples, especially from the University of Twente. The secondary process is the infrastructure that is needed, required or desired to nurture, elicit, stimulate and support the entrepreneurial spirit in students.

A university is a good environment to prepare people for entrepreneurship: according to Shapiro a discontinuity in life is one of the moments one thinks about entrepreneurship. The change from study to work is one of these discontinuities, but a university should be aware of this and not only stimulate students to become employees but also self-employed. In the final section of this paper some conclusions are drawn regarding an infrastructure for educational institutions in general.

### The primary and the secondary process

Every new business will go through 5 phases during its development:

- awareness,
- feasibility, after which the formal start-up takes place,
- start-up

- growth
- maturity

Lets go over each of those phases and focus on the secondary process

### **Awareness phase**

Universities, other higher education institutes and (public and private) research institutes (hereafter referred to as "universities") can effectively create an entrepreneurial climate to stimulate enterprise awareness and access potential entrepreneurs. In such an entrepreneurial environment students and staff members come to ideas that are worthwhile to explore further. It goes without saying that such an environment does not try to withhold people from starting a company, but encourage and stimulate them. An entrepreneurial university does have a policy for this and has a spin-off programme, e.g. at the University of Twente there is the TOP-programme (Temporal Entrepreneurial Positions). It also should have facilities to support students who want to experiment with entrepreneurship during their studies. On the Campus of the University of Twente we have about 100 student-entrepreneurs; at this moment we are in the process of exploring how they best can be supported.

### **Feasibility phase**

The feasibility of an idea for a company has to be examined. First and foremost the aspiring entrepreneur has to do this him/herself. Sometimes assistance via the university is possible. Some examples are the TEP-programme (Technology Enterprise Programme) of the Regional Technical College in Dundalk (Ireland) and the University of Ulster (Northern Ireland). Aspiring entrepreneurs make a business plan to study the feasibility of their company. When accepted these entrepreneurs have three months to explore the feasibility and prepare a plan for the next phase. In the feasibility phase the evaluation of the idea for a business takes place and a business plan is prepared. In this business plan the obvious topics are addressed:

- product or service
- needs in the market
- technology
- money
- location

Via the TOP-programme of the University of Twente spin-off companies are supported for the period of one year. The TOP-package may include:

- a position in a research group enabling the entrepreneur to have access to know-how, facilities, office space
- a mentor from the research group (a professor or a senior staff member) and a mentor from the business community
- support by the TOP-assessment committee in the first year via regular review meetings
- an interest free loan of Dfl. 30,000 = (about 15,000 ECU)

This TOP support package deals with most of the issues that are difficult for an entrepreneur during his incubation phase; the package is tailor-made to fit the entrepreneur and it is for free. The TOP position is granted based on a business plan. Within the University of Twente also support in the preparation of a business plan is given via the course Knowledge Intensive Entrepreneurship.

### **Start-up phase**

From this moment on the entrepreneur is more or less on his/her own. The company has been started and the main concerns are to develop a product or a service and to sell it. An entrepreneur in the TOP-programme has some income via the (personal) loan he got from the university. The loan is paid in monthly instalments and has to be paid back starting from year 2. This loan is to pay the cost of living and if the entrepreneur wants more he has to start selling. In order to increase survival of companies in this first phase a support infrastructure is necessary.

A university is one of these elements in the support structure. But also other elements are necessary:

- *Networking*: The mentor from the business community has an important role. Usually via this mentor the first contact that might lead to the first contracts are made. The university mentor gives the entrepreneur access to a network of researchers and technology. There also is the Association for Technology-oriented Companies, the Technology Circle Twente, that provides their members with a network.
- *Coaching and counselling*: The mentor from the business community also coaches the starting entrepreneur, especially in the area of marketing. Furthermore, the starting entrepreneur should be aware of the institutions that might provide him with help. In Twente we have many of those institutions. In fact the institutions in the support structure have organised themselves in the Twente Network for Knowledge Intensive Entrepreneurship (TNKO).
- *Training, education and research*: For the entrepreneur there should be training programmes that fit their specific needs. The course Know-

ledge Intensive Entrepreneurship was mentioned earlier. From the Leonardo-project University Spin-off Companies (lead by the University of Hannover and as partners the Universities of Twente, Bologna and Salford) it appeared that such a training programme is unique in Europe. Traditionally such training programmes are provided via the Chamber of Commerce. A survey in the Netherlands (Van der Sijde, 1996) showed, that from the 12 universities in the Netherlands, there are only 3 universities with special "starter's courses". Although not all starting entrepreneurs use such a course, the availability for those in need, is important.

- *Financing*: The availability of capital for starting companies is important. In Twente the University provides starting entrepreneurs with a small loan to "survive" in the first year. Sometimes there is a need for more money and this should be available (seed capital, start-up capital, participation capital, venture capital, bank loans) and in some cases the loan of the University is prime-pumping money: the university granted the TOP-position and some money, so the company is worth the while.

These four elements are the building blocks for an infrastructure for knowledge intensive companies in the start-up phase as well as in the growth and maturity phase.

The start-up phase is the incubation phase of the company. This can be split-up in two:

- *technological incubation*: The prime concern of the entrepreneur is to develop his product or service into a marketable prototype, a first series etc. A university can be a good environment for this activity. The University of Twente provides this facility for the first year of the existence of the company.
- *market incubation*: The prime concern of the entrepreneur is to sell his product or service; the university environment is not a suitable one, too informal, too messy. A business incubator is in this phase a good environment: a Business & Technology Centre (like in Twente: BTC-Twente) and/or a Business Innovation Centre (BIC, as many regions in Europe and Central and Eastern Europe have. The policy of BICs is often that companies have reduced rent during the first three years of their existence and afterwards they have to move out.

### **Growth & Maturity phase**

After the start-up phase the company has to grow in size and turnover. A suitable infrastructure to enable companies to grow is an asset to a region. Growing always means a revision of the business plan:

- in what areas can and needs the company to grow (markets)
- is process and/or product innovation necessary (technology)
- is there a need to diversify in the product/service range? (products)

For instance, TSM Business School at the Campus of the University of Twente provides to entrepreneurs a so-called directors-course. In the period of four month about 8 sessions how to revise a business plan is taught and to each participant a student is assigned to help the entrepreneur in this process. Students learn in this way about a company (an some have their first job in this company) and the entrepreneur receives via the student the latest insights and actual help. Also help via other entrepreneurs, who were there is considered helpful. An association like a Technology Circle Twente is invaluable in this. Also programmes like the LUST-programme of the Chalmers Innovation Centre helps companies in the growth phase (European Commission, 1997). Growth and maturity includes consolidation (of growth) and innovation in order to adapt the company to the continuous changes in the environment.

Also a company might change its location from an incubator to an industrial park. For a university spin-off the natural next step is to find a location in a science or technology park as many universities are related with, e.g. the University of Twente is connected with the Business & Science Park Enschede. This is a park of about 40 ha (with the Campus of the University included 160 ha) and houses about 120 companies.

### **Elements of an infrastructure for academic entrepreneurship**

A university can and should be a laboratory for experiments in and with entrepreneurship. Like conventional laboratories the environment should stimulate experiments: seeing what your fellow-students (and fellow-researchers) do, should stimulate to try it yourself. Furthermore, the laboratory should be well equipped to support the experiments: a place in the laboratory, advice from others, using the infrastructure and materials. A student at a university should be able to use the university environment this way. To be an entrepreneurial university does mean that it supports this types of experiments and of course one is allowed to fail or do an experiment just for fun.

Furthermore, when a university is the place for experiments, it also can be the place for the next phase: the up scaling into a real company. The phase of up scaling is the real incubation phase. The phase after this one is the spinning out phase: the company has to do it on its own.

A good infrastructure for entrepreneurship should contain:

- a supportive and stimulating environment that elicits entrepreneurship (awareness phase)
- space and time for experiments (by students and staff members who want to try to be and entrepreneur: feasibility phase)
- space and support for up scaling into a "real" company (start-up phase)

Furthermore a real entrepreneurial university explores the possibilities for further support, because a presently small company can grow into a larger company and a future partner in research.

## Workshop 1: Stimulating and Equipping for Entrepreneurship

# Teaching Entrepreneurship at the Technical University

*Mr John Heebøll, Director The Innovation Centre of Technical University of Denmark, Denmark.*

### **Background**

The entrepreneurial culture in Denmark has declined over the last three or four decades owing to the decrease in the number of self-employed families, the economical recession from the early seventies to beginning of the nineties, the impact of the social welfare/security, and hostile attitudes towards business activities among young opinion leaders of the seventies – to mention the most important.

To day, 1998, economy is recovering rapidly, new business opportunities develop constantly in the wake of technological innovations, and next generation attitudes do not discard commercially driven entrepreneurial activities. On the same time, the industrialised societies are exposed to severe competition from newly industrialised regions in most of the classic and manpower-consuming business areas. Thus, the need for revitalising the existing and developing a new and vibrant community of small and medium sized enterprises (SMEs) is marked. The entrepreneurial cambium in our part of the world, however, is still suffering from thirty years of neglect, and at least one of the conditions for a high business birth rate: a high percentage of self-supporting families, still is in a rapid decline.

To change all this, most industrialised countries have developed a palette of incentives to create an enthusiastic and competent future stock of entrepreneurs. The universities play an increasingly important role in these initiatives, since knowledge and technology have become major competitive advantages of the future and globally oriented SMEs.

This presentation introduces a specific Danish initiative to develop entrepreneurial skills and business abilities among engineering students. Though engineers form only a minor part of the total number of university graduates, they are behind most of the technology-driven company upstarts – as entrepreneurs or as key-persons in entrepreneurial teams. Further, most technical universities are constantly developing their technology transfer. The creation of a highly focused and skilled

entrepreneurial tradition among their undergraduate and postgraduate students certainly is an effective way of ensuring the commercial exploitation of scientific output and knowledge.

Technical University of Denmark is the major technical university in Denmark, and even one of the largest in Northern Europe with app. 6.000 engineering students, 1.100 master degrees per year, 120 PhDs per year and an annual turn-over of 1.3 bill. DKK, the equivalent of 170 mill. ECU, two-thirds of which is invested in science and research. A perfect breeding ground for new high-tech business ventures. In 1987 the university founded an Innovation Center to stimulate this. In 1992, the Innovation Center started a course in business start-up for knowledge based technical entrepreneurs. To day, the course has developed into a popular mainstream entrepreneurial course with an average of 65 students per semester getting credit for developing and analysing a business concept. In a parallel to this, the Innovation Center has developed into a business incubator with 25 tenants, 55 employees, and a point of entry to a new industrial development programme in Greater Copenhagen, aiming at stimulating and financing knowledge-based innovative business upstarts as well as the commercialisation of promising new scientific and technological break-throughs. Thus, university education and practical hand-on experiences in research-based industrial innovation are linked together in a mutually fruitful alliance.

### **Basic pedagogic principles**

It goes without saying that an entrepreneurial course aims at increasing birth-rate, survival rate and expansion rate of new companies. The factors that impact survival rate and expansion rate are well known and included in most contemporary entrepreneurial teaching and training programmes. Thus, increasing the business birth-rate is the teacher's real challenge. Particularly so since so many investigations have demonstrated, that people start their own businesses because they come from the still more rare self-employed families. So if the entrepreneurial course is going to make a difference, it must create a substitute for the social heritage.

A Japanese investigation: "Near entrepreneurial experience: discriminant analysis" by dr. Ohe, Shinagwa-ku, Japan, 1996, once again demonstrates, that businesses are mostly founded by sons and daughters of small business owners. But it also demonstrates, that a very high proportion of those without that background, start their businesses because they have gone through, what dr. Ohe calls "the near entrepreneurial experience".

This finding is fundamental to the entrepreneurial course at the Technical University of Denmark. During the 5 month semester, our students pass through all the preparatory stages of a business start-up to end up in a go no-go situation. The decision on whether to go or not is often sorted out at the final presentation of their work together with their teacher and their censor. This is certainly a “near-entrepreneurial experience”. So if our students conclude the course with a well founded business opportunity right in their hands, and a strong temptation to pursue it in search for their own happiness, we have succeeded in planting the seed of a future entrepreneur. If we even have to convince some of our students to finish their study before starting the company, which we always does in such situations, we are truly pleased with ourselves.

The lectures give a holistic approach to the main issues of a business start-up. They are designed for engineering students with a limited level within traditional business subjects. They are focused on creating insight and skills. Insight in working life in an upstart company. Skills within management, marketing, company law, intellectual property rights and financing. A special feature is the training of focused and productive creativity. Another is the comprehensive implementation of the Internet in developing and analysing business ideas and setting up web-sites. A third is the systematic approach to developing highly efficient entrepreneurial teams. A fourth is making presentations that sell. And then we have our case-stories: three or four successful entrepreneurs, graduates from the university, rarely more than 5–10 years older than their audience presenting breathtaking stories about how their now rapidly expanding businesses came into being in an often chaotic and painful way.

### **Course specs.**

The entrepreneurial course is designed as a typical university course: lectures in a parallel to group work. The details are:

1. 28 lectures, 2 x 35 minutes each, Tuesday and Thursday.
2. 18 visiting teachers
3. 60–70 students in 12–15 teams of 4–6 participants each.
4. Training: procurement and presentation of a business plan.
5. Exam: credits: 66 per cent based on the business plan. 33 per cent based on the presentation.
6. Teaching material: textbook: “Business Start-up for Knowledge-based Entrepreneurs” John Heebøll. Available in English: contact the author at [jh@innovation.dk](mailto:jh@innovation.dk)

7. IT: Full web-site with downloadable teaching materials (including the textbook), an extensive spreadsheet and a library of favourite links. Communication to all students via grouped e-mail. (Appetisers before each lecture and individual consulting). (Web-site: <http://www.innovation.dk/83496>. email: [jh@innovation.dk](mailto:jh@innovation.dk))

## Conclusions

Based on six fully evaluated courses:

1. Approximately 300 students have concluded the course.
2. App. 85 per cent of the students state that their interest in starting their own company has increased within a span from “modestly” to “very much”
3. App 85 per cent of the students claim that they consider themselves better fitted for starting a business. All of them have developed and qualified their attitudes towards business start-up.
4. The process of establishing a team, produce a business concept and develop a business plan is a highly stimulating experience to most of the participants.
5. The combination of lectures and highly independent group work is considered well suited for the course objective.
6. The teaching material is good. Dispersion: from suitable to excellent.
7. The teachers get very high marks for their engagement and the quality of their lectures.
8. The censors are consistently impressed by the enthusiasm of the teams and the level of their business plans and presentations. The average of marks is high compared to other courses at DTU.
9. The internet, which was fully integrated in 1997 is highly appreciated. In particular the regular e-mails to all participants and the consulting sessions via e-mail between the project groups and the teacher. Though the textbook is available as a downloadable item, most students buy a paper copy for convenience.
10. The close contact with real life combined with the non-engineering contents of most lectures is considered a breath of fresh air in a highly focused technical environment.

We do not have a track record on our students, so we cannot answer the most obvious question of them all: do they actually start a company afterwards? Then again: if they did; how would we know that they did it because of our course, and how can we possibly quantify the impact of what they learned on the subsequent development of their businesses? These are questions that we leave for future entrepreneurship research.

## Workshop 1: Stimulating and Equipping for Entrepreneurship

# Training for New Starters in Business

*Mr Alessandro Mamusa, Representative of CONFAPI Young Entrepreneurs and JEUNE, Italy.*

I'm very happy to be here; it's an honor for me to be allowed to participate in this workshop and to bring my small contribution to you all the way from Sardinia.

I am serving as president of the Young Entrepreneurs Group of APISARDA, the Sardinian Small Business Association), and as a member of the Board of the Young Entrepreneurs of the CONFAPI, the Italian confederation of SMEs. I am also a member of JEUNE, the EU's association of young entrepreneurs.

APISARDA is a very active association in Sardinia, and currently numbers over 1800 associated firms.

Sardinian economy, traditionally based on agriculture, and in particular, shepherding (in Sardinia, about 4 million sheep are raised for the production of milk to make cheese), is going through a profound period of change and is seeing big opportunities in the development of the tourist industry.

In fact, Sardinia is viewed as a "continent", because of its position in the center of the Mediterranean Sea.

It is an island which holds extraordinary potential for tourism, because of its uncontaminated natural beauty, (especially the seaside, which in my opinion is truly unique), and also because of the authenticity and flavor of traditional Sardinian gastronomy.

The development of the Sardinian tourist industry and of the sectors related to this industry – agricultural industry (production of food products such as wine, oil, deli meats, etc.), and services (transportation companies, companies in the recreation sector, etc.) – are in need of a specific and modern entrepreneurial culture.

This modern entrepreneurial culture is, however, completely latent in the socio-cultural composition, or "fabric", of Sardinia. Despite the great potential, because of obvious logistical reasons having to do with geographic position and insularity, Sardinia is characterized by a weak entrepreneurial attitude and lack of effort to open up to the outside world.

Thus far, such a socio-cultural lack has prevented Sardinian entrepreneurs from being able to take full advantage of Sardinia's enormous environmental resources and its potential for tourism.

The majority of businesses in Sardinia, recently established and of small – if not tiny – scale, suffer from this “insularity” complex; they are unable to measure themselves against, and form ties with, international markets. This is mainly due to “cultural” and “organizational” lag of the owners, rather than reasons correlated to external factors.

There is no doubt that if you had the opportunity to meet a Sardinian entrepreneur, and particularly one in the tourism sector, he would start complaining about the inadequacy of tourism infrastructures in Sardinia (airports, streets, water, etc.) or about the high price of money, and so on and so forth, listing an entire series of external factors, bigger than him and independent from him, which have always limited and continue to limit his entrepreneurial skills and growth.

This is actually true, and I, who am a Sardinian entrepreneur, and work primarily in Sardinia, wholeheartedly share this opinion and agree with these complaints!!!

Nonetheless, we’ve been called here today to stop and reflect not on external factors that we consider to influence our businesses, but to reflect upon our real entrepreneurial capacity, upon our actual capacity to create and lead new businesses that keep up with the times and with the global market.

### **Objectives**

In this context, the Young Entrepreneurs of the APISARDA consider “strategic” to aim at education and to collaborate with the universities present in Sardinia, in the hopes of spreading a modern entrepreneurial culture among young people and of creating a modern entrepreneurial “fabric” that is capable of embracing the great opportunity presented by the increase of tourist activity and entrepreneurial activity related to the tourism sector.

Through collaboration with SMEs, schools (and in particular, universities) can and should become the main instrument of construction and development of a modern entrepreneurial culture, and at the same time could also serve as the “incubators” of new entrepreneurship.

### **What has been done**

#### *A. On a planning and political basis:*

In 1997, the Young Entrepreneurs of the CONFAPI (the national confederation of SME associations), together with Young Entrepreneur Groups of regional associations, drafted a document on a national level in which the guidelines for structuring and operating the University-Business relationship was exposed.

In short, in the text elaborated by the work group of CONFAPI youths, the currently existing rapport between University and Business was highlighted, and was primarily based on single volunteer initiatives, territorially uneven and not qualitatively comparable.

From the evaluation of, and resulting dissatisfaction with, the current situation, we have passed on to an operational proposal: to go from volunteering to extended structuring, through intense common actions, such as:

1. the common definition of programs for university studies, in light of the evolution of the labor market, which is increasingly oriented toward high specialization and professionalism, as well as the introduction of teachings oriented in a specific manner toward the creation of an entrepreneurial culture (one way this can be achieved is through the study of currently operating entrepreneurial models);
2. the definition of common university strategies - businesses willing to realize the goal of facilitating the insertion of young people in the work world: orientation action, internships, scholarships and summer jobs;
3. activating stable collaboration, on a local level, between universities and SMEs: university sections dedicated to the development of new technology for SMEs, windows on university research, co-participation in community programs:

*B. On a practical basis:*

Based on the programming document drafted by the Youths of the CONFAPI, in 1998 the Young Entrepreneurs Group of the APISARDA has sealed a collaboration agreement with the University of Cagliari and with some of the principal student associations that are active in Sardinia, such as AIESEC (International Association of Students in Business and Economics) and ELSA (European Law Students Association), in the hopes of contributing to the realization of an increasingly strong and profitable relationship between the university sphere and the system of SMEs in Sardinia, and in particular:

- to stimulate the entrepreneurial spirit in young students and to favor the creation of new and modern businesses on the part of young entrepreneurs;
- to improve the cooperation between universities and businesses in the areas of research and cultural exchange

*C. Contents of the agreements between the University of Cagliari and the APISARDA:*

Two different agreements have been stipulated, and the program contents of these agreements will be realized with different modalities to be agreed upon throughout the year. The aforementioned agreements take into account the specificity of the mission of the organizations involved.

**1. Agreement between the University of Cagliari/APISARDA/ELSA:**

Educational internships

The opportunity of educational internships for university students and recent graduates in APISARDA structures and businesses associated with it;

International internships

Promotion of the ELSA–S.T.E.P. (Student Trainee Exchange Programme), working with businesses associated with us; researching interested businesses and providing internships for students from foreign universities;

Graduation theses

aid to students who are working on university theses which have as their subject the system of small and medium enterprises in Sardinia; one way to aid these students is by making them known to businesses associated to us which could be potentially interested.

Data banks

the realization and implementation of a data bank which contains professional profiles of young graduates, and which would be made available to companies interested in acquiring new personnel;

Workshop activities

The organization of seminar initiatives and professional orientation interviews on topics of common interest such as: the university-work world rapport, juridical and economic matters related to business reality, young entrepreneurship.

**2. Agreement among the University of Cagliari/APISARDA/AIESEC:**

International Internships

Promotion of AIESEC–I.T.E.P. (International Traineeship Exchange Program) and EXPORT MISSION in collaboration with companies associated with us; researching companies interested in providing internships for students from foreign universities;

### Graduation Theses

Aid to students who are working on university theses which have as their subject the system of small and medium enterprises in Sardinia; one way to aid these students is by making them known to businesses associated with us which could be potentially interested;

### Workshop Activities

the organization of seminar initiatives and professional orientation interviews on topics of common interest such as: the university-work world rapport, young and self-entrepreneurship, information society, corporate social responsibility, international cooperation

### **Conclusions:**

In conclusion, we can say that the APISARDA Young Entrepreneurs Group, together with the young people of the APISARDA, from their small regional window, have known how to interpret and follow the indications contained in the Libro Bianco della Commissione delle Comunita Europee per l'Istruzione e la Formazione (the White Book of the Commission of the European Community for Instruction and Education) in which the goal of "bringing School closer to Business" is cited as priority and strategic for the development of a new and modern entrepreneurial culture.

The agreements that have been recently sealed between our association of SMEs and the University of Cagliari are thus moving in this direction and they represent a first step for the achievement of the objectives signaled by the European Commission.



## Workshop 1: Stimulating and Equipping for Entrepreneurship

# The Lanarkshire Entrepreneurship Programme

*Mr Andy McNab, Head of New Ventures Lanarkshire Development Agency, Scotland.*

Good morning ladies and gentlemen. I am very pleased to present the Lanarkshire Entrepreneurship Programme to you today.

The programme seeks to create businesses which are managed by teams, consisting of people with complementary skills, and be in manufacturing or exportable services.

When we started the programme in Scotland in 1991 we wished to create a programme that was different and one which would create the elusive "growth company". There is no universal definition of a growth company but we had in our minds a company employing 8–10 people by year three and a sales turnover of £500. We have largely met this and in many cases far exceeded our initial expectations.

The selection consists of identifying people in employment attracted to going into business through the pull of a market opportunity rather than the push of unemployment. For each programme we recruit 24–30 people with backgrounds in sales/marketing, manufacturing and accountancy (though there are a few entrepreneurial accountants!). About 70 per cent have a first degree or higher level qualification (though not in any way essential).

Over a four month period (2 evenings per week and 2 residential weekends) we try to create 'venture teams' and we take the participants through the business start up process.

The results have been very pleasing and the programme is assisting in the regeneration of the Lanarkshire economy which six years ago was dominated by steel making and heavy engineering.

## The results are

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Position at March 1998	
No of companies	68
Sales projected to 5 April 1998	£43
Employees	1 450
Employees late Summer 1998	1 650
No of companies ceased trading	6

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Although the job creation figures at 1 450 rising to 1 650 are good the real added value is in the types of businesses. This programme is more about wealth creation than job creation. What we have are businesses led by small teams in niche sectors with a strategic view of where the business wishes to be in 2/3 years time and a plan to get there. With an eye on their costs also!

### The types of business include:

- Electronics
- Software
- Multimedia
- Aerospace
- Mechanical Engineering
- Pharmaceuticals
- Document Imaging
- Business Services
- IT
- Medical Device Sterilisation
- Specialist Products
- Telecommunications

This is what pleases us most. We are developing the economic base in some new and emerging technologies and six years ago we didn't have businesses in Lanarkshire in these sectors.

Here are some of our best companies from the Entrepreneurship Programme.

### Ten Companies:

- Retronix Ltd
- East Kilbride Engineering Services Ltd
- Lindon Engineering
- Core Technologies plc
- Trust Serile Services Ltd
- Digital Animations plc

- Caledonian Compressors Ltd
- Display Products Technology Ltd
- Xltek Electronics Ltd
- Wigwam Digital Ltd – Finalist in BIMA in March 1998 against Microsoft Corporation

### **Summary**

We have six years experience of the Entrepreneurship Programme.

- The model does work.
- It can work in your area.
- Over the past years we have been working with University Alumni Associations targeting graduates with science and technology degrees who left university some 5–20 years earlier. This is a rich and untapped pool of people who with our help will create some of the new businesses in the year/years ahead.

We have a pack with evaluations and press articles for anyone who wishes to learn more.

Thank you for your time ladies and gentlemen and I trust the translators, were able to cope with my Scottish accent.



## Workshop 1: Stimulating and Equipping for Entrepreneurship

# The Three-Stage Rocket – New Opportunities for Women in Public Services

*Mrs Eleonor Rehn Jacobsson, Consultant and President of the Centre for Female Entrepreneurs, Sweden.*

During the years 1995–1997 I had the opportunity to manage a project called "The three-stage rocket". This project aimed to inspire women working in public services to become managers of their own life and, hopefully, encourage them to try new ways and ideas for the future, such as e.g. starting companies of their own.

By that time I was working as a business consultant within the governmental company ALMI Business partner, a nation-wide organisation with the task to help people to start new companies and also to help already started SMEs to grow.

One of my special responsibilities was to develop and also to increase the number of female entrepreneurs. This responsibility and special interest combined with the fact that Swedish public services (where a lot of women work) due to many reasons (bad finances is just one!) by that time was heavily reduced made me think:

"What can we do to help these women to feel that they still have a lot to give? Could we in any way increase their value for the employers? How to encourage them to try new ways for the future?"

I also saw an opportunity to try a different method of getting stronger enterprises since I understood that these women probably were suffering from very bad self-confidence and maybe felt real doubtful when thinking that there were a future left for them, I knew that we had to start by building self confidence ñ not business. My theory was that this way of doing it should give us stronger and longerlasting companies compared to the traditional way of supporting new starters.

### **Method**

Idea – to increase the number of female entrepreneurs to give a special contribution for women within the reduced public services  
Purpose – to try a different method of supporting and preparing for entrepreneurship to inspire and encourage women within the public service to change their life to help them to see and realize their ideas

Who – All female employees in public services in the Uppsala County

Aims 40 participants in stage 1  
20 participants in stage 2  
8 new companies

#### *The three stages*

- Intrapreneurship – to find and believe in your idea, opportunity to plan stages for your “new life” while still employed, creativity, building self-confidence.
- Entrepreneurship – to evaluate the idea, marketing, economy, courage “to let go”, building business.
- Mentoring – support from a mentor when realizing your idea.

#### *Time-table*

Information to politicians, employers and participants – 8 months

Stage 1: 6 months (5 days, 1 day/month, individual support and homework)

Stage 2: 6 months (10 days, 2 days/month, individual support and homework)

Stage 3: 12 months (preparation, minimum 1 meeting/month with the mentor, groupmeetings)

Results 65 participants in stage 1  
35 participants in stage 2  
15 participants in stage 3  
12 new companies  
85 per cent of the participants have, in some way, changed their life  
Total budget SEK 1,2 Mkr

#### *Some examples*

- 40 years old woman left her position in a child care center and focused on her former hobby – developing a tourist company in the archipelago.
- 42 years old woman left her position as teacher (music) and realized her dream – helping people to better self-confidence by using their voice in a proper way.
- 32 years old woman developed her position as medical gymnast and started her own business, selling services to her former employer.
- 59 years old nurse moved back to her home-village and started a company, where she combines courses in mental training with a small cafe and restaurant.

## Workshop 1: Stimulating and Equipping for Entrepreneurship

# Training for Starting a Business, at Anytime, Anywhere

*Mrs Maryvonne Boulestin, Director of CEPAC, Centre Atlantique, France.*

The Studies, Sponsorship and Support Centre for those setting up and taking over businesses, CEPAC CENTRE ATLANTIQUE, was created in 1985 by the social welfare experts in the Poitou-Charentes region. Its aim is to help those setting up and taking over businesses to start new activities and optimise their chances of success.

Our association, a non-profit-making organisation, today comprises the six Chambers of Commerce and Industry of Poitou-Charentes. We work in close collaboration with the professional associations, communities, professionals from the banking sector, accountancy experts, solicitors, barristers.

### **CEPAC CA's mission is:**

- To be a resource centre for the associates for finding ways and means and in the establishing of new operations (inventiveness).
- To be a direct operator of the development activities for the project holders. This means linking up the training, the construction of each trainee's individual project, and the follow-up of the entrepreneurs after the completion of their courses.

Over the past 12 years, 3 000 project holders have followed training set up by CEPAC CA, and 1,600 of them have started their own businesses. The success rate of these businesses over 5 years is 82 per cent, whilst statistics from the Business Creation Agency show that the success rate over 5 years is less than 50 per cent for all new businesses started in France. These 1 600 businesses have generated 4 800 jobs.

The principle behind our training is to ensure that trainees understand:

- The basic principles of business management,
- The feasibility and viability of their project, by supporting them in their own market studies.

We also endeavour to get them to acquire a thorough business education and to develop their independence in the decision-making process.

On the whole, those who have benefited from this training are men (in 60 per cent of cases). They are between 35 and 40 years old, and have a professional technical education, to levels 5 and 4 (CAP (Vocational Training Certificate) – BEP (Technical School Certificate) – Baccalauréat professionnel (secondary school vocational diploma)).

On completion of their training, they have started businesses in the following sectors:

- 30% in commerce
- 35% in arts and crafts
- 30% in the service industry
- 5% in light industry

The training and support, thus, rest upon the entrepreneur's project. A network of professional and institutional associates is permanently on hand, so that he becomes accustomed to seeking advice, both in the preparatory phase of his project and in the start-up and development phases of his business.

Training lasts 2 to 3 months, continuously or discontinuously, in the form of either an overall programme or of specific subjects. In addition, support can be given over a period of several years.

These types of training are mainly aimed at "available" project holders. They are temporarily out of work: job-hunters, those on training leave or re-training leave.

Over 12 years of operation, we have often been approached by salaried employees considering starting their own business. They are looking for flexible training, compatible with their working hours, advice and support in their vicinity. Moreover, from the employers' point of view, market research carried out amongst one hundred local businesses showed a strong interest in an operation which could support dissemination. It was on the basis of these discoveries that the idea of starting a distance learning scheme, including support, for business start-ups, called "Open Education", was conceived. The fact is that no such education is otherwise available for the salaried employee target group.

With the support of the Poitou-Charentes Regional Council, the Ministry of Employment and Professional Education, the Ministry of Industry, the Ministry of Commerce, Arts and Crafts and SME's and the European Social Fund, we have formed a partnership with the CNED (National Centre for Distance Learning) and the APCE (Business Start-up Agency) to develop a strategy for "training for business start-up, anytime, anywhere".

The originality of this training lies in its accessibility to any project holder, in its modular form, and in the benefits of local support, regardless of where the entrepreneur lives in France. In order to do this, the entire distance learning programme relies on the "Entreprendre en France" (Setting up Business in France) network. This network was founded by the ACFCI (Assembly of French Chambers of Commerce and Industry) and the French Association of Banks, and now comprises numerous associates who are working to develop new, long-lasting activities.

This training is composed of three modules, corresponding to the three main phases in the entrepreneur's course of action:

- "Can I start my own business?" which allows the entrepreneur to analyse his own ability to become a head of business;
- "How can I start my own business?" which brings into play the methodology of a project feasibility study and allows the entrepreneur to compose his business project dossier, including the business plan;
- "How do I optimise the management and development of my business?" a real aid in decision-making, allowing the newly installed head of business to avail himself of the performance indicators to "pilot" his business.

The modules are produced and marketed by the CNED (National Centre for Distance Learning), which also handles enrolment. The close support is provided by counsellors from the Chambers of Commerce and Industry and the professional associations belonging to the *Entreprendre en France* network. Technical help for counsellors, quality assurance and supply of teachers are provided by CEPAC CA.

For this programme to work, it has been necessary to make use of information and communication technology, while taking into account the low level of computing equipment in private hands. This is why the basic version of the modules comes in the form of paper fascicles. They are complemented by different video and computing media support (video cassette, CD-ROM, computerised company records and performance indicators).

Support is effected through individual face-to-face meetings, group meetings, and through telephonic and viewdata tuition.

Information and promotion are realized through the CNED catalogue and the Internet using the APCE, CNED, ACFCI and APCM servers, as well as through interactive terminals (the Chambers of Commerce and Industry and the professional associations will shortly be distributing documentation).

The administrative management of the programme and technical support for counsellors will be provided via Internet links between CEPAC CA and each support organisation. The exchange of information between the associates will be carried out in the same way.

The programme is currently in the experimental stages in the Poitou-Charentes region, and national development is scheduled for the end of this year. Other modules will be produced to complement the basic version in order to meet the requirements in the optimum fashion. They will also take into account technological developments and their accessibility to as many users as possible.

These methods of communication will enable distances to be bridged, making it possible to work as a network over larger and larger areas and exchange information in real time.

However, the experimental phase has shown that before embarking on his distance learning, the entrepreneur needs to "recognise" his counsellor, to meet him and to establish a trusting relationship with him. The planning of this training has necessitated the establishment of a variety of communication methods, taking into account the nature of the different stages and educational progress and meeting the entrepreneur's needs for his course of action in the best possible way.

Finally, to conclude, this programme for open, distance learning seems to be attracting the attention of other countries and, henceforth, some adaptations or transfers of technology could be envisaged.

## Workshop 2: Training for female entrepreneurs

# Background

*M.Sc. Kerstin Wennberg, NUTEK, Swedish National Board of Technical and Industrial Development, Sweden.*

### Introduction

In the Commission's Communication on a new Multiannual Programme for SMEs the importance of women entrepreneurs is highlighted. In EU 20–30 per cent of SMEs are managed by women and 25–35 per cent of all new enterprises are started by women. In addition women play an important role as assisting spouses in 60–80 per cent of all SMEs.

In spite of their importance women as entrepreneurs have not yet received full recognition in most European countries; support and development of programmes for women entrepreneurs are, in most cases, not tailored to the specific needs of the women.

All entrepreneurs meet obstacles when starting a business. The difficulties experienced are the same for men as well as women but different studies have indicated that we can find some specific barriers for female entrepreneur such as:

- capital and finance
- competence and education
- internal barriers
- social attitudes

### Need for research

Little research has been done in the area of women's entrepreneurship. The work to promote women's entrepreneurship is based on proven experience among consultants that has been working in this field since the 70-ties.

The most comprehensive study to date, *Women as entrepreneurs*, 1989, was carried out by E. Sundin and C. Holmquist, Sweden. Unfortunately, it has not been followed up with studies of enterprises and entrepreneurship taking gender into account.

The lack of research into enterprises regarding both men and women becomes clear when there is considerable political interest in promoting new entrepreneurship. This is true on a world-wide basis, as well as in the European Union.

Women are an important target group in the current drive for new entrepreneurship from various instances. There must be a substantial, unexploited entrepreneurial potential among women, as women in many countries are underrepresented as entrepreneurs in relation to the proportion of women in the workforce.

What, then, is the best way to go about promoting women's entrepreneurship? In order to find out more, we need to know more about women's entrepreneurship and the way in which women's circumstances in society affect women's will to set up as entrepreneurs.

### **Financing**

Many women have obstacles in financing their business due to different reasons. One reason is that women own less than men and therefore cannot offer securities. Other reasons are that their business ideas are not taken seriously by business advisors and that women are not familiar with the way the banking system works.

Many women do not like to borrow a lot of money. The small sums they ask for are not interesting for banks to handle. They mean that their administrative costs will be too high compared to the money the bank can gain.

In some countries there are special loans or programs to meet women's need for capital for their business. In Holland there is Mama Cash and in Sweden there is the loan for female entrepreneurs. Another example is the region of Emilia Romagna in Italy where you can find loans which focus on women entrepreneurs. It is worth mentioning Women's World Banking who is working within Spain.

### **Proven experience in training**

Women start business in all sectors. Most men and women start a shop, restaurant or hotel. Consultancy is a growing branch started by women. Women are underrepresented in manufacturing and construction.

Most women want action-oriented training programs focused on the kind of business that they are planning to start. They appreciate training programs that run over time. They often build a network of business colleagues out of their fellow trainees.

Women also ask for special training in selling and marketing. Apart from men they almost always want training in how to appear in public and different personal development-programs. These are very important parts of the training for women entrepreneurs because women often find it difficult both to get good payment and to ask for it.

Women take longer time than men to plan their business before their start-up, often use less capital and always take in consideration how to

combine their business with their family-life. Many business advisors are not familiar with this way of working out the businessplan and the start-up. Those who work with training female entrepreneurs to-be therefor have to be trained in this pedagogic way of working through the training.

A result of the specially developed training programs for women is that men also start asking for these kind of programs.

### **Business Advice**

Many women prefer to discuss their business-idea with a female business advisor. These women mean that they, for different reasons, are not seriously treated by male business advisors.

Women find it easier to explain their idea to a woman because she is used to women's way of presenting things. Women often ask, instead of putting forward an opinion. Many men regard this as a sign of insecurity or that the woman does not know what she wants or what to do. This difference in "language" between men and women is an obstacle for woman when trying to find support for a business idea.

What women is interested in is often looked upon as less important than men's interest. This is another obstacle when a woman wants business advice, support or loans to start up a business.

The start of The Body Shop is one of the most famous examples of a woman's idea being misjudged. The Body Shop was an "unknown" company until they entered the stockmarket. They were already a very big company-group at that time.

### **Women a heterogeneous group**

It is necessary to see that the women entrepreneurs as well as the new-starters are very heterogeneous groups. Women have different demands and interests regarding what society can do to promote their entrepreneurship. It is important to design information, education, advising and all other kinds of support in many different ways in order to reach all kinds of women who are interested in starting up or already running a business.



## Workshop 2: Training for Female Entrepreneurs

# Experiences from the Management Shop Programme

*Mrs Olivia Delorge, Boutique de Gestion, Midi-Pyrenees, France.*

Before approaching the concepts held by the ARTE Management Shop, of which I am in charge as far as business start-ups by women are concerned, I am going to give a presentation of the network to which my organisation belongs.

### **Presentation of Management Shops**

The Management Shops comprise a network of 106 permanent reception points spread throughout the entire country, the first private network for advice on business start-ups. They are consolidated within a committee: the Management Shops Liaison Committee. All subscribe to our Initiative and Solidarity charter.

#### *Their business*

Management Shops are instruments for local economic development, whose mission comprises supporting those who start economic activities in measures taken regarding local development, and giving advice on the development of new businesses.

#### *The Management Shops' aims are to:*

- encourage economic initiative
- perfect knowledge through training
- develop independence
- increase the chances of success
- participate in the revitalisation of local economy

#### *Their function:*

##### Potential entrepreneurs

- the reception: help with formulating the project and a feasibility study
- analysis of start-up projects
- comprehensive technical support of the start-up process (on an individual basis or within the context of training)

- running feasibility studies
- compiling a financial dossier
- support in defining the commercial strategy
- technical support in the course of action to be taken and the formalities to be fulfilled
- information about the options available, introductions and support

#### Businesses

- monitoring the development of the business
- establishment of management tools and performance indicators
- development studies
- internal audits and business diagnosis
- follow-up of the commercial strategy's implementation
- personalised technical training as required
- establishing and organizing clubs for new entrepreneurs

#### Communities and local bodies

- studies of potential niches in the market
- studies of networks
- area analysis
- finding potential entrepreneurs (activating, training, ODACE arrangements...)
- making young people more aware of economics (technical colleges, BTS (Higher Technical Diploma) classes, IUT (Polytechnic), universities...)

#### *Their methodology:*

- personal attention
- a comprehensive approach

Up to the present, the 5 organisations are still in existence and are recognised as models when it comes to providing support on business start-ups by women, by virtue of their institutional environment.

Some have organised and continue to organise specific training for female entrepreneurs, notably Athena, Alexis and Arcadel, especially in the context of the NOW programmes. French female trainees have been to different countries in the Community to meet female entrepreneurs, as well as suppliers or future European associates (creation of exchange networks). The Guingamp Management Shop has conducted a survey on the outcome for those who have had the advantage of grants (ACCRES and FDIJ), and analysed the characteristics of female entrepreneurs.

In general, there is no great difference in technical support in terms of men or women for the Management Shops and the ARTE Management Shop. The differences are peripheral to the conducting of business; a woman must handle many more problems and constraints (acknowledgement, mobility, child care etc.).

### **Our measures in favour of female entrepreneurs**

The ARTE Management Shop works with people who have a business project, on either an individual basis and/or in the context of collective training. We consider there to be two phases, reception and support.

#### *First phase, the reception*

*Individual reception. This seeks:*

- to understand the motivation that has led the person to take on a financial project;
- to identify their personal course of action for progression;
- to help in the formulation of the project;
- to identify the needs associated with carrying out the project, the assets and the weaknesses;
- to reply to specific questions;
- to advise the person on the direction to take based on the analysis carried out, their assessed competency and the requirements revealed.

Following an exchange of information, the representative listens to, assesses and takes into account each component of the project (product, market, profitability...). At this stage, he will broach the subject of the feasibility of the project with the potential businesswoman, taking the role of a partner.

The reception phase finishes by either encouraging the pursuance of the project or by suggesting a change of direction (training, other job-hunting organisations...).

The first difficulty stems from the gap between the specific questions posed by the entrepreneur, the reality of her, as yet, poorly defined needs and the desire of the representative to give comprehensive answers.

Often the businesswoman does not know what steps to take, who holds the relevant information, what financial means are essential, or how to obtain them. Failing to understand management, she is not yet able to draw up a comprehensive plan of action.

Whereas she tries to find out what legal form is suitable for her business, she hardly ever wonders whether her proposed strategy is appropriate, or considers the means, other than the financial ones, that

she needs to acquire for the running of it. So, the representative always gets the businesswoman to adopt a modified start-up procedure.

#### *Group reception*

There are several possibilities:

- The woman would like, and is able, to attend a course on Acquiring Knowledge of Business Start-ups, lasting 2 days.

Initially, we advise this as it provides good comprehensive information on starting a business and often answers the businesswoman's first questions.

After this training, an individual interview gives an opportunity to take stock of the project.

The person can, then, according to their needs and options, either be steered towards a business start-up course or receive personal support.

If the project is abandoned after the first interviews, the reception phase results in a reorientation. The person is thus guided towards competent associates (ANPE, local Mission...).

#### *Second phase: Guidance*

Whether individual or collective. It must allow:

- verification of the project's viability;
- guiding of the feasibility study;
- definition of business strategy;
- planning (a cash flow schedule for 6 months, profit and loss accounts and a financing schedule for 3 years);
- information about guarantee funds and sources of finance;
- choosing a legal form with its social and tax consequences.

The businesswoman has a series of interviews. After each interview, she will have to complete a certain number of steps, to acquire information for her market research, to calculate her profitability threshold, and to draw up her budgets and her business strategy.

Guidance ends with validation, or the feasibility, of the project and the creation of a dossier for starting or taking over a business (genesis, presentation of the entrepreneur, products, clients, competitors, commercial policy, human resources, material and financial resources, explanation of BFR, cash flow requirements, turnover development, estimated accounts). It is not a question of developing a project as a "kit" for the ARTE Management Shop; through her own efforts, the businesswoman takes the credit for her project.

At the end of the individual or group support phase:

- the business is started up or taken over: the person is then monitored during the first years of business;
- the project is abandoned: the person is then directed to competent associates (the National Employment Agency, the Local Mission, the Income Support Representative...) with a view to reorientation;
- the project requires training: here again, the options are studied in liaison with the associates;
- the project has been modified during the course: the trainee starts work again on her new project.

On the face of it, our reception and support process is the same for everyone who comes to us. As I stated above, it is, for the technical approach to starting a business.

In addition to the programme of standard "technical" interviews that we use for project holders, we spend much more time:

*On the real reasons which inspire them to start their own businesses*

As with men, it is, first and foremost, a question of creating their own employment. But the motives for creating their own employment are different – avoiding unemployment, of course, but getting out of a difficult family situation is often also a factor.

More than 60 per cent of the women that we assist are separated or engaged in separation proceedings. For the latter, having their own business should give them their independence. Other women wish to resume an occupation after having brought up their children, and wish to make a financial contribution to the household. They come to the job market with little or no professional experience. Almost all of them need to prove to those around them, and to themselves, that they are capable of making a success of a project.

*On their family and social circle*

Most of the time the entrepreneur's family circle is in favour of the project and supports it. This is not the case when it is a woman who wants to start a business. When they have children, family restraints are important.

*On their availability*

Creating a business is time-consuming and the hours of work are not always regular. If the woman's family does not support her, the problems of personal organisation and child care will be all the more difficult

to overcome and the guilt greater. Problems of mobility in order to conduct their business may be raised (for example: the only vehicle in the family is used by the spouse for work; in rural areas, this is crucial).

#### *On their financial situation*

As with businessmen, we discuss the household income, her personal income, her relationship with the bank (banking relationships are very often handled by the spouse or the boyfriend).

#### *On their self-confidence*

When women speak of their business start-up project they immediately tackle the consequences in the event of difficulty or failure. At times, they are afraid of their project. They want to set it up, but dare not believe in it. We see fewer women in reception, but they are more numerous than men when it comes to doing training.

Is it lack of self-confidence, the fear of experiencing a failure, that make women more ready to take advice and quicker to doubt themselves? The preparation and maturing of their projects takes much longer.

Generally, without asking direct questions, female entrepreneurs speak freely about their environment, their doubts, their difficulties (we sometimes have interviews lasting more than one and a half hours with businesswomen and only discuss their business start-up project for 10 minutes). The first interviews help them to overcome the first hurdles in starting a business (child care, transport, personal organisation), to regain confidence in their ability to follow a group activity (consciousness-raising education, business start-up courses) and to enter the business start-up phase under favourable conditions.

To run their start-up project, they must define their motives and constraints in order to evaluate the efforts and concessions that they are prepared to make – as well as those that they do not wish to make. It is possible that the constraints and even the motives will change, developing with the project. Insurmountable problems at the outset resolve themselves as self-confidence is regained. Their start-up project is grasped within their own environment and they set their own limits.

If the "technical" feasibility study is favourable, they decide, according to their circumstances, whether to continue or not. A project may be viable in theory but unworkable in practice. Some women abandon their apparently viable business start-up projects, out of hand, for personal reasons. This decision is important because this choice, for whatever reasons, will have repercussions on their social and professional lives; this will have allowed them to make progress and know where their priorities lie.

For us, it is very important to swiftly confront the constraints which often evolve, and which diminish as the project advances until the women have gained or regained confidence in themselves and in their ability to organise themselves, to negotiate, etc.

Some women come to the first interview with their children (child care problems). At the Management Shop, we have a few toys for them in order to be able to discuss with their mother, but it is also a way of saying that we understand their difficulties. When the project develops, the problem of child care no longer arises.

Not all women need the back-up of these reception and support stages but all confront the consequences of this business start-up in their family lives. This is not the case for male entrepreneurs; financial implications will be confronted but rarely the problems of organising the practical side of life.

Our "technical" support is the same whether the candidate is a man or a woman; it is, above all, our approach to their personal environment that differs.

In the presentation of the five Management Shops set up within the framework of a programme, I pointed out that all were recognised as organisations to support women in starting a business, by virtue of their institutional environment.

Even though we are witnessing an increasing number of business start-ups by women, in the collective sense, they remain anecdotal or linked to a personality which can be termed "exceptional".

The programmes conducted by Management Shops have forced traditional associates to change their way of seeing things, but there is still a great deal of work left to be done...

Much action needs to be taken with regard to the socio-economic environment...

Management Shops organised a national competition, Talents 97, for entrepreneurs. To be selected nationally, you had to be a local winner. At Auch, 6 projects have been awarded prizes. 5 of these were female entrepreneurs (one of these 5 people was awarded a national prize, particularly for her course of action in the business start-up).

The jury comprised economic associates, bankers, and representatives of consular chambers, financial security organisations, accountancy experts, lawyers and entrepreneurs.

Projects were judged on the project viability but also on the course of action taken by the entrepreneur.

After having selected the 6 candidates, a financial manager made the following remark:

"They're almost all women..."



## Workshop 2: Training for female entrepreneurs

# Training Women in Negotiations with Banks

*Mr Luis Fernandes, Director of GDO, Lisbon, Portugal.*

Ladies and gentlemen, I take great pleasure in participating in this Stockholm conference, with the theme Small and Medium-sized Enterprises and microenterprises - the organisations which appear to be the most efficient throughout Europe when it comes to combating unemployment, stimulating local development and, above all, fulfilling the professional aspirations of individuals by allowing them to develop independent businesses. This is why I would now like to thank NUTEK (the Swedish National Board for Industrial and Technical Development) and the European Union for taking the initiative to make this possible.

The organisers have asked me to speak about the workshop, regarding this work, which we are developing in Portugal in order to facilitate access to bank financing for microenterprises and SMEs, in particular those started or managed by women.

I sincerely hope that my modest experience in this field can contribute to the aims of this conference.

G.D.O., a private organisation of which I am a founder, has existed for eight years now and has worked mainly in the following three fields:

- Access to financing for investment in microenterprises and SMEs.
- Training new entrepreneurs.
- Training managers of microenterprises and SMEs, both male and female.

We have developed several schemes, in this line of work, in particular with the support of the Community Initiative NOW – New Opportunities for Women.

During the establishment of the NOW programme, we have had the opportunity to develop expertise both in the field of helping women to start businesses and of monitoring the start-up and investment phases.

Due to the fact that obtaining grants for creating, restructuring or modernising microenterprises and SMEs is a very long and complex process in Portugal, we have been obliged, in most cases, to establish

partnerships with the banks which sometimes finance the projects themselves and often finance the intermediary period, that is to say the period between the business start-up and the awarding of grants by the state.

Our experience of these specific relationships between microenterprises or SMEs managed by women, and the banks are the subject of my talk today.

In order to explain this process more clearly, it is necessary to differentiate between two situations:

- firstly, when working with women who are starting up new businesses.
- secondly, when working with women who are heads of already well-established businesses.

In the first case, the work of preparing the relationship with the bank is undertaken in personal consultation with the project holder, before the first contact with the bank's representative.

This work is carried out in several phases, but more particularly, through a meticulous specification of the investment plan in order to avoid the unexpected, as far as possible, whether on the level of investment capital or of necessary working capital. This preliminary work enables us to give the bank's representative the impression of a credible and sound project during the meeting.

In cases such as these, we also get the businesswoman to reflect on forming a good business relationship with the bank, making sure that she is fully aware that *the bank will always be a bank, faithful to its principles of profitability and security*, just as its shareholders and investors would expect.

In the course of this work, we frequently use techniques such as "Role-playing" as a form of practice, to build up the businesswomen's confidence for the negotiation phase.

It is also important to note the work done by G.D.O. in identifying each bank's aims in granting credit, which allows us to provide advice when it comes to choosing a particular financial institution, *thereby enabling a logical choice to be made, balancing the aims of the business and the aims of the bank in granting credit*. If we manage to achieve this consistency, we can consider ourselves halfway there.

After this preparatory work, it is time for the first meeting with the bank's representative, during which the project holder is accompanied by a G.D.O. consultant, thus benefiting from advice right up until the decision to grant credit.

In the second case, in work with women who are heads of established businesses, normally there is already a privileged relationship with a bank. It is often this bank which offers the best methods of financing.

The process starts in the same manner, but here, G.D.O. verifies the financial structure of the business, especially several "ratios" that we know to be of particular importance to the bank. Sometimes, this analysis requires meetings with the business' accountant and the female entrepreneur, with a view to a possible adjustment of the Balance Sheet and the Profit and Loss Account, with the aim of improving the bank's analysis.

When negotiating a deal with a female entrepreneur, the latter is already used to her bank connections and, thus, our role is mainly one of negotiation of rates and, possibly, of guarantees to be supplied for the business or its manager.

This sort of work, the training of people setting up businesses and heads of companies, has compelled us to establish relationships with almost all of the financial institutions. In particular, we have established a protocol with one of the biggest Portuguese financial groups, the Totta e Açores Bank, which has decided, after long negotiations with the current Portuguese manager of Local Employment Initiatives for women, Mrs Maria do Ceu Cunha Rego, to establish a financial line called Totta – Female Entrepreneurs, specially for financing women's business projects, be they start-up projects or restructurings and modernisations.

This financial aid, comprising an overall sum of 1 000 000 contos, and the first of its kind in Portugal, made it possible, from that moment on, to grant credit up to a limit of 10 000 contos per project, for a maximum period of seven years, with one year's capital repayment respite.

In the context of this protocol, the Bank has agreed to offer their "prime rate" with a variable spread, according to the level of risk attributed to the project.

One of the most difficult aspects of these kinds of projects is, without doubt, the provision of guarantees required by the bank for projects which are, more often than not, medium to long-term. Here too, I maintain that the preparation phase for the *negotiation* is very important, because a well-managed negotiation, with a *stable financial and economic structure*, will significantly help to determine guarantees, which may range from a simple personal guarantee to a complex mortgage on premises owned by the business or by the woman initiating the project.

Despite the fact that, in the majority of European countries and especially, I think, in the case of Sweden, obtaining credit has become increasingly easy, due to the general fall in interest rates which tends to diminish the financial burden, and drawing on our experience gained by assisting in over a hundred projects, I should like to advise all female heads of companies and entrepreneurs to prepare their requests for

credit properly, *carefully thinking over the appropriateness of the investments, by meticulously assessing their ability to service the debt.*

It is on the basis of these suggestions that they might be able to acquire better terms in the management of their businesses in the future.

In the hope of having contributed to the aims of this conference and apologising for the linguistic quality of my presentation, I am at your disposal to answer any questions that you may wish to ask me.

Thank you for your attention.

## Workshop 2: Training for female entrepreneurs

# Swedish Experiences of Training Programmes for Women Entrepreneurs

*Thérèse Hedén, President of the Start-Up Centre, Örebro, Sweden.*

## The Business Advisor Project

### Background

In the spring of 1992, the Swedish National Board for Industrial and Technical Development, called NUTEK, received an assignment from the government, to map out the obstacles and opportunities faced by female entrepreneurs. It was an area that had never been explored before. Society's understanding of women as entrepreneurs was very limited. It was important to learn what would help more women to start their own business.

The reason for bringing attention to the conditions for women who start and run companies was the rising unemployment and the difficulties faced by women, especially in rural areas, of earning a living.

The most vital information gleaned from the survey was that most women who are thinking of starting a business would prefer a female advisor. The Swedish government asked NUTEK to make sure that municipalities in the regional support areas employed business advisors for women.

In January 1994 I started working as a business advisor in the municipality of Ljusnarsberg. It's a small industrial community with a high rate of unemployment and the population is decreasing very fast.

I begun with inviting all female entrepreneurs to a meeting, describing the project and finding out about their needs. It was important for me to have a bottom-up perspective in my work. As a result of the meeting I came to work with counselling, networking and up-skilling programmes.

### *Counselling*

When it comes to counselling, it's easier for one woman to talk to another, we talk the same language. Women are creative and have ideas but they are often cautious and want to start on a small scale. Their need to be in control is great and women's companies therefor grow slowly. It's impor-

tant for an advisor to be aware of the differences in business culture between men and women. Being somebody to talk to and "bounce your ideas off" has been one of the most important things in the job.

What has been very successful is that the business advisors have worked a lot outside the office, visiting the entrepreneurs. Follow up the companies that have started is another important part of the work.

### *Networking*

Building a network between women is another result of the project. The activities and seminars that I have arranged have let the women get to know one another and expanded their contact networks. Women dare to do more if they co-operate. There are two kinds of networks, social networks and business networks.

NUTEK has helped creating a network between the business advisors by organising meetings twice a year. For me this has been very valuable. Getting to know each other and exchange experience has been very helpful. An electronic communication system for the advisors was also introduced at an early stage by NUTEK. This has been very useful since we have been able to talk to each other easily despite the geographical distances. Here we can pass on tips about business contacts, meetings, speakers etc.

### *Up-skilling*

Offering training has also been part of the project. Here women have been able to express their wishes and the courses have then been tailor-made and held locally as it is often difficult for women to go away for training. In the area where I live, the level of education is very low due to our historical background of reliance on one single industry.

Several mini-courses have been run in different topics, such as economics, marketing, self-development, using a computer etc. I have also invited inspiring speakers, which has been very valuable, not least because women need strong role models.

The Business Advisor project went on between 1994–1996. The primary goal was to offer advice and after the period of three years 22 new companies had started. It's quite a lot in a municipality with a population of 6 500. I have been in contact with many more women but they found out, after discussing their idea that it would be better not to start. Preventing an idea that would be difficult to realise is just as important.

### **Expanding**

This project was considered very successful. An interest was shown from our neighbour municipalities to be part of the project. Building on

knowledge the work has been continued in the form of a Resource Centre for Women. This covers four municipalities; Ljusnarsberg, Lindesberg, Hällefors and Nora with a total population of 50 000. We have obtained financial support from the EU among others. The project period is between 1996–1998.

The purpose and main interest of the Resource Centre is to increase the proportion of companies run by women, develop existing companies run by women, create more and new openings for women and to motivate women to get an education in future sectors of importance.

### *Objectives*

The overall objective is to enable women to stay on and earn a living in these four municipalities. As an alternative to low employment levels on a weak labour market, women's entrepreneurship can facilitate for women to stay on and receive an income of their own.

- 10 new companies established by women annually, in these municipalities
- produce a total of 45 new jobs in existing and new companies during the project period (3 years)
- 3 tailor-made up-skilling programmes for women entrepreneurs every year
- stimulate women to venture into future sectors of importance
- establish networks between women entrepreneurs, at least one in each municipality
- increase women entrepreneur's knowledge of the export trade
- increase the interest in international business contacts

### *Main activities*

- giving information, support and guidance before starting a company
- giving support and guidance in company development
- assistance in contacts with authorities and other bodies
- education and development of expertise for women at different levels
- information about support and financial aid
- arrange study trips and visits
- participation in various exhibitions
- initiate and maintain different networks for women entrepreneurs
- projects; mentor projects, international projects
- develop project within the framework of EU funds
- initiate international contacts

#### *Objective 4 in creating a network for international contacts*

We have women entrepreneurs in all different fields but the most common is within trade and services. Most of them work alone and operate on a local market. By getting to know women entrepreneurs in other European countries we wanted to inspire women in our region to learn new languages, exchange experience and expand their markets.

In the autumn of 1997, 34 women entrepreneurs participated in an internationalisation programme, financed by Objective 4. They learned about import and export, IT technology and they studied one language; English, French or German. We also arranged study trips to England, France and Germany including meetings with colleagues, study visits and official meetings. The main purpose was to arouse an interest for international contacts and to learn about the cultural differences. Some of the participants made business contacts.

#### *Mentor programme in a method for personal and economical growth*

We use mentorship as a method for women entrepreneurs to grow. For one year a group of maximum 10 women, very carefully selected, are offered a mentor. The mentor is a person with more experience who likes to share his knowledge to someone without payment. To see another person grow is rewarding enough.

They meet once a month at a minimum, to discuss the growth of the company and the development of the entrepreneur. Very often, the entrepreneur can expand through the network of her mentor.

### **Results**

Through these projects were learnt that men and women work in different ways and therefore, in order to make use of the potential in women entrepreneurship, knowledge about women entrepreneurs need to be spread and considered in business development.

#### *Facts about women as entrepreneurs*

In 1992 women ran only 15 per cent of all companies in Sweden and today it has increased to 25 per cent (in Europe 30 per cent). We believe that this is partly due to the special efforts that have been carried out to support women entrepreneurs.

Starting a business of your own is often an alternative for women who feel that they have "hit the glass ceiling" in larger organisations. In Europe every third new starter in business is a woman. Approximately 5 million companies in Europe are run by a woman.

The differences of women's entrepreneurship vary a lot between countries and regions. In northern Europe, about 3–5 per cent of the

women are entrepreneurs, compared to 20 per cent in the south of Europe. In the last few years, women and men, tend to start companies within the service sector. We find very few women in the manufactory industry.

#### *Differences between men and women as entrepreneurs*

Men are satisfied if there is a good profit in what they are doing were, as women tend to care more about having satisfied customers, making the staff feel good etc.

The reason why women and men start companies differs. Men often start a company in a field where there is money to make, the profit is very important. Women often want to develop a dream, be able to work with a hobby, make life and work into wholeness.

Women are more flexible and have a greater capacity for dealing with changes in society, which is very important today.

In contacts with different authorities men get more respect in presenting their ideas.

Women are more careful to invest and expand since they have a great need to be in control.

#### *The future*

A lot of women do not feel at ease in the male power structure. We are now leaving the industrial society entering the information society, where women entrepreneurs fit very well in, since this new society needs flexibility and quick changes. Below a few important things:

- Better knowledge about the way women run companies at the banks
- Business advisors for women and men in all municipalities
- Women need to join the organisations for entrepreneurs so that they can be active where the decisions are made.
- Make women visible in conferences and exhibitions dealing with economical life and future
- Economical decisions are based on larger companies. In Sweden, 94 per cent of all companies have less than 10 employees.

We are now four counsellors in our Resource Centre and we all know that our work is truly appreciated. We feel a lot of warmth from the women we meet. For us, it's very rewarding to follow the women's development to entrepreneurs. It's really important to make women and their skills visible and to increase women's participation at all levels when it comes to trade and commerce.



## Workshop 2: Training for female entrepreneurs

# Training and Development Requirements

*Mrs Anna Mercadé, President International Foundation of Businesswomen, Spain.*

Women have shown that they have exceptional initiative and ability in times of economic crisis and in very difficult personal situations.

Women, who have no business training or experience whatsoever, embark on setting up in small businesses or in self-employment in order to escape from unemployment, with a view, thus, to forming their own place of work.

Unemployment, widespread throughout Europe, hits women even harder than men. One of the possibilities for economically fighting unemployment is just that of self-employment, which enables people to begin thinking about "organising their lives" in any way they wish, by working "freelance".

Working in large companies, in the Civil Service etc. is becoming more difficult by the day.

In hard times such as these, women are increasingly taking the initiative to "set up on their own", particularly those for whom it is extremely difficult to find a place of work that is worthy of them and which provides secure conditions.

*This is demonstrated by the following statistics:*

- We have received more than one thousand requests, from all over Spain, for entitlement to receive the ILE grants.
- In 10 years, CTD has dealt with more than 1 500 women wishing to set up their own business.
- Spanish statistics confirm that one third of businesses started in Spain belong to women.

### **What profile do these women have?**

*Women who start businesses fall into two categories.*

On one hand, there are those who already have an education in Management and Company Leadership and who either start a company or perhaps inherit one from their parents, from the family, etc.

These women are slightly outside our scope in that they already have the training, money, and a good personal situation and social standing which allow them to find fulfilment in the business world.

The other group comprises women who have either professional or technical training, whether gained academically or through experience, but who have no training in Management and Company Leadership, and, of course, housewives with no training at all.

This group includes women who may be experienced in a given professional field but who have little wider knowledge or training.

In this group there are sometimes also female academics in a variety of fields, who, however, have no business management training for entrepreneurs.

This group B is the one that interests us, because it is the one whose members genuinely experience the most difficulty when it comes to developing their objectives, knowing their business.

*The profile of women in this second group is as follows:*

Women aged from 30 to 45, with no specific academic training, married or divorced, with two children, and whose financial position is usually restricted.

These women have an enormous need for training at all levels, as well as a need for very individualised support and advice.

### **Training**

When it comes to training, they have the same needs as any head of business on the one hand, but with two fundamental and distinguishing characteristics: firstly, that this training be adequate and suited in methodology to their level of ability, and secondly, that it takes into account the current economic crisis, the change in markets in the new European Union and the ferocious competition that reigns there.

On the other hand, they also need specific training in Interpersonal Skills.

#### *Training*

- Business Strategy
- Human Resources
- Computerised Accounting
- Management and Analysis Tools
- Marketing and Commercial Politics
- Law
- Foreign Trade
- Personnel Management and Social Security

- Information Technology and Management
- Creativity
- Exporting

### **Individual Advice**

As groups are frequently not particularly homogenous and show clear differences in the level of training between the heads of businesses, individual advice is a very useful tool for providing support to all such heads of business. This is particularly true of advice on specific topics relating to their businesses, such as accounting, marketing, foreign trade, etc.

### **The Business Centre**

It is very important for a woman who has succeeded in setting up her own business to be able to avail herself of constant support at all levels.

For this reason, a European network of business centres must be set up, where heads of business may consult experts concerning their problems, get information and continue to retrain and educate themselves.

Furthermore, and so that they may continue to exchange their experiences and help each other, it is helpful to form a network of female heads of business, who would meet periodically and get in touch with other associations of entrepreneurs.

*The aim of these associations is as follows:*

1. To work together as partners, to visit fairs, congresses, to make business trips, etc.
2. To exchange experiences.
3. To exchange information.
4. To provide mutual support.



## Workshop 2: Training for female entrepreneurs

# Helping Women Set Up their Businesses

*Mr Jacques Wilkin, Director Formation PME-Liege-Huy-Waremme, Belgium.*

### Female Entrepreneurs

We would like to commence this report by presenting a statistical overview of the position of female entrepreneurs in Belgium. We will then present a training and advice programme for future female heads of companies that we have implemented as part of the European EUROFEM project.

### Introduction: A double statement

*SMEs: important economic potential*

1. It is commonly acknowledged, within the European Union, that SMEs are playing and will continue to play a major role in economic and social development. Moreover, SMEs represent more than 99 per cent of businesses and are, at present, the best generators of jobs. In this context, encouraging the development of new SMEs and micro-enterprises would thus appear to be one of the factors in reflation and significant economic prosperity.

*Belgium: the importance of self-employment*

2. Figures supplied by the Ministry of Employment bear witness to the importance of work on an independent basis in Belgium. The number of people who are self-employed has constantly increased from 1985 to the present day.

### The position of self-employed women in Belgium: some statistics

*The increase in self-employment between 1981 and 1995*

	Men	Women	Total	% Women
1981	482 592	160 733	643 325	25%
1985	491 771	172 889	664 660	26%
1990	517 043	186 954	703 997	26.5%
1995	556 616	214 769	771 385	27.8%
Increase 81/95	+15.3%	+33.6%	+19.9%	+2.8%

Source: INAMI statistical directories 1981–1986–1991–1995

- The number of self-employed workers is constantly increasing. In 1981, 643 325 self-employed workers were recorded, against 771 385 in 1995, corresponding to an increase of 19.9 per cent in less than 15 years.
- In spite of the fact that there are a greater number of male workers, we note that the number of self-employed women is increasing at a greater rate. An increase of +33.6 per cent is recorded for women between 1981 and 1995, against an increase of +15.3 per cent for men over the same period.
- Thus, with the passage of time, the gap is narrowing between the numbers of self-employed men and self-employed women. Some Belgian economists speak of a trend towards female predomination in self-employment.
- Let us point out that, with regard to the growth in the percentage of women in comparison with the Belgian entrepreneurial population, between 1981 and 1995 the number of self-employed workers grew by +3 per cent. Self-employed women represent slightly less than one third of the Belgian self-employed population, i.e. 28 per cent.

*Analysis of the increase in female entrepreneurs in the principal Belgian regions: Wallonia, Flanders and Brussels*

Wallonia	Men	Women
1981	145 769	52 085
1986	151 950	56 033
1990	160 197	59 319
1995	164 779	63 399
Increase 81/95	+13%	+21.7%

Flanders	Men	Women
1981	286 742	92 163
1986	293 339	99 073
1990	308 471	108 973
1995	336 183	129 465
Increase 81/95	+17.2%	+40.4%

Brussels	Men	Women
1981	45 861	15 856
1986	44 484	17 428
1990	46 807	18 325
1995	44 805	18 163
Increase 81/95	-2.3%	+14.5%

- We note that for the period from 1981 to 1995, whatever the region, Wallonia, Flanders or Brussels, the number of self-employed women increased faster than the number of self-employed men.

- The most rapid increase is that which took place in Flanders, +40.4 per cent, compared with +21 per cent and +14.5 per cent for Wallonia and Brussels
- Equally, we note that the number of self-employed men in the Brussels region has decreased slightly, by -2.3 per cent.

*The number of self-employed women is increasing faster than the number of self-employed men.*

*Some economists speak of a trend towards female predomination in self-employment.*

### **Eurofem: An Advice and Training Programme for future female heads of companies**

*Introduction: Some results from an earlier experiment: Créatelle*

Créatelle, a European initiative undertaken in the context of Pic Emploi Now, was run in collaboration with France, Holland, Great Britain and Spain.

At the end of this project, more than 730 women had contacted the associates, and 347 of them had received assistance.

In terms of business start-ups, 93 businesses have been formed and 114 more are in the process of being set up.

### **Eurofem. A European Experiment in helping women start their own businesses**

Many women who explore the possibilities offered by self-employment and the development of small businesses are confronted by difficulties stemming from their personal circumstances. Some face disapproval from their families or their friends when they decide to start a business, whilst others must take care of their children or other dependants at the same time as running their business.

The aim of the EUROFEM programme is to be able to respond to the needs and concerns of these future female heads of companies by establishing appropriate structures to prepare them adequately for the demanding career of running a business.

*Aims of the programme*

- To promote the *start-up* or *takeover* of a business by women.
- To suggest support in the form of advice and training.

### *Programme philosophy*

The basic principle of EUROFEM is that it follows the person starting up or taking over a business all the way from the planning stage to the start-up, in other words we are talking about *supporting them throughout the whole process of setting up the business*.

Each phase is of primary importance and should be the object of special attention. The EUROFEM course for candidates can be divided into three stages:

1. The pre-training stage
2. The intensive training stage
3. The post-training stage

#### **1. Pre-training stage**

This stage is the period when a business concept either exists or is just surfacing. The candidate, for her own good reasons, wishes to start her own business.

This concept analysis phase is vital to the success of the whole and becomes the object of a double approach:

- The "*personal*" or human *approach*.
- The "*project*" or, rather, economic *approach*.

In practice, these *two approaches* do not take place separately, but are interlaced and complement each other. The business concept is thus comprehended by following a double logic.

*As regards the project*, an analysis, carried out in conjunction with a business start-up expert, aims to :

- clarify the concept and evaluate its degree of quality and realism
- clarify the potential needs that it must fulfil
- identify the competition and learn to learn from it
- explore the legal aspects

At the end of this analysis, the concept will either be validated, or modified according to the motivation and abilities of the candidate.

*As regards the person*, she is taken to be interviewed by an educational psychologist to identify her level of competence and to establish her training needs, always bearing in mind her business project.

This interview, generally lasting about an hour, uses indirect techniques that allow candidates to share their experiences fully.

In conjunction with these individual analyses, two days of group discussions are organised before the start of training. These sessions allow the participants to get to know each other better so as to provide mutual support, in order to benefit from working as a group.

*Personal and project analysis*

*Definition of training syllabus*

## **2. Intensive training stage**

*Three kinds of training are organised:*

*A mandatory business management course lasting 300 hours*

**Aims**

To provide candidates with the knowledge essential to efficient business management.

**Topics covered**

- Accounting, VAT and taxation
- Financial management
- Commercial management
- Personnel management
- Civil and commercial law
- Business set up policies and location studies
- Information Technology for Management

*A technical course*

This is optional, and is linked to the nature of the participant's project. It would allow professional qualifications to be acquired, should the project concern a regulated profession.

In practice, training, leading to apprenticeships in more than 100 different professions, is available to participants whose projects require it. This technical training can vary in length from 64 hours up to 256 hours.

Participants are not obliged to follow the whole of a technical course if a particular part of it is unnecessary to their project. After her interview with the educational psychologist, a participant could be steered towards a special course.

*Examples of technical training:*

*The butcher's trade, banquet catering, confectioner, beautician...*

*Improvement seminars*

for problems that directly concern the starting or taking over of a business.

*Examples:*

*Do your market research, evaluation of a business, insuring your SME, finishing a negotiation with the upper hand, drawing up its financial forecast, business games...*

One characteristic

All of the instructors who speak at the courses organised by Formation PME Liège are professionals who either work as self-employed or are employed under contract. All teach subjects related directly to their own professional sphere, and there is, thus, no discrepancy between actual practices seen in working life and the content of the courses offered.

### **3. Post-training stage**

Candidates have the opportunity to take further free courses and to benefit from advice from business start-up experts.

During the entire support programme, if they so desire, the candidates can meet with the various counsellors involved - economists, lawyers, tax specialists, educational psychologists etc...

## Background

*Mr John Heebøll, Director The Innovation Centre of Technical University of Denmark.*

### **Abstract**

The objective of this introduction is to single out some of the major impacts of modern information technology on the formation of new companies and to draw some conclusions about business start-up in the information society. As the IT-society is still in its pioneering stage, teaching and training of future entrepreneurs is also in a transition period, where future tools and practises are still in the inventory. This introduction will highlight some of the major issues which are now challenging the business of entrepreneurial teaching and training.

### **Conclusion**

IT has improved the conditions for starting a commercial activity: many of the classic entry barriers have disappeared: new businesses have access to front-end office technology and rapidly changing technology constantly creates new business opportunities – to mention some of the most important. One major impact of the Internet is the creation of a single global market, where even highly specialised companies addressing a geographically scattered and very limited market, may find their customers. The significance to new and small companies goes without saying.

With so many new business opportunities developing so rapidly, and with entry barriers constantly decreasing, it becomes even more important that future generations of young people develop entrepreneurial interest and skills. So, with IT and the Internet, entrepreneurial teaching and training has found yet another argument for expansion and improvements. Further, IT related topics have entered the classroom and a good command of browsers, e-mail facilities, search-engines, web-page editors, word processors, spreadsheets etc. has become mandatory for the success of new business ventures.

The success of entrepreneurial teaching and training, however, still depends on the creation of awareness, competence and interest in starting a business among talented would-be entrepreneurs. IT and Internet has

not changed that. What has been changed however is the teacher's toolbox and the importance of mastering the latest IT technology.

### **IT: impact on the formation of new companies**

The emergence and the rapid development of modern IT has changed the conditions for starting a new company in several ways:

- IT itself is a hot market. New business opportunities are constantly created in the wake of the constantly changing technologies, and those, that are capable of forecasting, sensing and exploiting new demands within IT, have infinite business opportunities.
- With IT, any small business can establish a state-of-the-art presence at the global market place at very small costs. Thus, IT has significantly lowered the entry barriers for all types of businesses - also the traditional local small companies.
- The combination of a global presence and a virtual company concept – both established at very moderate investments – strongly indicates that the future will see the emergence of a new global community of small and medium sized companies – quickly established and quickly gone.

### **The Internet and the entrepreneur**

The Internet though still considered a mysterious and threatening phenomena by many, really is nothing but:

1. *Communication* – just a new medium with different specs compared to old ones. The impact is enormous, and it will in many ways change the way we organise our working life.
2. *Information search and retrieval* – we have done that since man started to write, but now it is efficient – really efficient and it is global.
3. *Selling and buying* – a new marketplace, really. In a few years a major one. Already now it is demonstrating some very special capacities.

The most important are:

- It is global.
- It is also local.
- The entry barriers are very low – both for buyer and seller.
- The buyer finds the seller on the basis of automated search. It sounds innocent, but it is a complete departure from all that we are used to. Usually those with the big money make the big noise. On the Internet it is different. Those with the right product or service are located first. This simple fact may be the one that will really change the world to entrepreneurs – and to their teachers.
- Negotiation, ordering and payment: all can be done via the Internet, so even the classic barriers within international trade have

been significantly reduced. We are really facing the emergence of the global market place.

### **The impacts of IT and Internet on entrepreneurial teaching and training**

What we see in these exciting years is the discovery of a new world. A virtual global world, where anyone with a computer and some connecting hardware is allowed to enter. The new world is in the pioneering stage. New land is being claimed, gold is being discovered and communities are about to develop. To a teacher, striving to give young people a basic knowledge on business start-up, this is really a major challenge. With two dimensions, if you like. First, the Internet calls for new and different business concepts. As a teacher within entrepreneurship, you need to catch up with this. Secondly, IT and the Internet offers numerous new opportunities within teaching and training itself.

IT-based teaching is on the agenda of any respectable conference these days, and good practises are still in the inventory. This clearly underlines your problem: you have to invent the implementation of IT and Internet in your learning programmes yourself. If you are lucky, your school or university has embarked on the IT-implementation process already, but in most cases this is left to innovative and entrepreneurial teachers.

A few words about the new and essential skills within IT-related business start-up: what future entrepreneurs really need to know is 1: how to navigate the market place: that is a question about focused information retrieval and digestion – aiming at the development of new product concepts and at identifying the customers – and 2: to design a good web-site. The web-site is your stand on the market place, and it needs basic visibility and functionality to attract the customers. Thus, here you have two new topics, which should be included in any contemporary entrepreneurial course.

A few more words about the opportunities, that IT offers to entrepreneurial teaching and training:

- Web-sites, e-mail and CD-ROMs may replace textbooks and lectures – though it is hard to imagine that the students will accept automated teaching and training.
- Interactive business games can simulate business start-up and thus train students in a near-entrepreneurial experience, adding not only skills but also a very essential taste for the game.

Students may establish highly efficient teams, working together via LAN nets etc. This is in fact a way of working in teams, which will expand tremendously in the near future.

Distance learning will gain momentum as video-conferencing via the Internet hits the consumer market. Best practises are still in the inventory.

Co-operation between teacher and students finds new forms via e-mails from teacher to teams and from teams and individuals to teacher. This way, a teacher may become a virtual but highly active consultant.

In a further discussion on the impact of IT and Internet on entrepreneurial teaching and training, following provocative suggestions may serve as an inspiration:

The virtual IT-company. Recent developments in business concepts depart from the classic and proven ways of establishing a company. When the technology changes rapidly, business opportunities are created in abundance, but they have to be exploited quickly, and they can be exploited in quite new ways. Good concepts need to be singled out and included in future entrepreneurial teaching and training.

The consequence of bandwidth hitting the consumer market. This will happen on a major scale in a few years from now. Megabit per second is now available to the lucky ones, but we are looking into a near future where gigabit per second is available to a vast and wealthy international consumer market. We better foresee the impact on business concepts if we want to keep our entrepreneurial courses contemporary.

Inclusion of new items in training programmes. Who among us is prepared to teach students on how to design and build web-sites that sell? or to conduct a focused market analysis on the Internet? or to insert an electronic payment facility in a web site? are these items relevant? if yes, why not teach them? Why leave it to overbooked and costly specialists and thus maintain yet another entry barrier to business start-up, when it is in fact not really complicated to achieve a basic command of such facilities?

## The use of Interactive Computer Approaches to Introduce Students to the Business Start-up Process

*Dr Mike Yendell, Director Strathclyde Entrepreneurship Initiative, University of Strathclyde, Scotland.*

The University of Strathclyde established a new Initiative two years ago to make business start-up training available to any student studying at the University. Students may take anyone, or all six, of the Strathclyde Entrepreneurship Initiative's elective classes, earning credits towards their degree, which may be in any discipline. These classes are intended to be a minor part of the curriculum, the emphasis being on the stimulation of "knowledge-based" entrepreneurship. To date, approximately 400 students have participated in these classes.

In addition to introducing the Business Start-up Process in a holistic manner, classes cover Creativity, Business Planning, issues specific to Science/Technology Businesses, Venture Management and Finance. New modules next year will address Leadership, and Starting an Internet-Based Business.

Class sizes are small and informal, with much class discussion: the academic plays the role of learning facilitator rather than lecturer. Participative learning approaches are used throughout, with emphasis on practice and learning from open ended case studies of real entrepreneurial situations: wherever possible students meet the entrepreneurs who are delighted to come to the classroom. Teamwork is emphasised and students work on live projects related to their own interests and in their own time.

For one of these classes, the Introduction to Entrepreneurship, a different approach has been developed: students study directly with computer. In this class, students are introduced to the full range of issues which an entrepreneur must address when starting a business, with no assumption of prior knowledge. The module represents 24 hours of study. It includes in addition to the text-primary content for development of essential knowledge and understanding, a range of interactive exercises to reinforce learning, hyperlinks to provide pathways be-

tween related elements, learning history and structure maps which allow students to review their position within the module, and a glossary of terms. Students undertake regular exercises to encourage reflection on their learning and development of appropriate skills and attitudes, as well as problem solving tasks which stimulate holistic situational analysis.

Students like the module, finding the study approach motivational. They particularly appreciate the ability to study at their own pace and the opportunity provided to take control of their own learning. For the university, it provides a cost effective mechanism for large numbers of students and also solves the timetabling problem associated with offering elective classes to students from a broad range of courses run by different university departments. Students are tested through assessing real business plans, and this is indicating that effective learning is taking place.

## One Practical Experience Using New Technologies to Train in the Field of Selfemployment: the Classroom without Walls

*Mr José Antonio Campos Hernández, Managing director FASE, Spain.*

### **Motivation**

Our training centre is a collaborator centre, officially recognised, of the more important public and private bodies in our region:

- Government of Aragón
- Independent Association of Young Entrepreneurs of Zaragoza
- Regional Confederation of Entrepreneurs
- National Institute of Employment, a public service for employment, which comes under the Ministry of Employment in Spain.

Last year we developed some training activities of training entrepreneurs for the creation of enterprises.

We obtained the following experiences:

- Difficulties to establish a homogeneous group of students:  
a lot of different projects  
great differences between the students due to the training, studies, culture, motivation,...
- Little information about help and funds from the administration to start up enterprises.
- Bureaucracy difficulties in obtaining advisors for the presented projects. There is a big problem for those people who have low skills in enterprise managing.

### **Develop of the projects**

Our work followed the next steps:

1. Internet as a communication way for information. The courses have been developed as electronic books. The CD-ROM had been used as a big support of information in a little place.

2. Interactivity: our work is oriented to provoke the participation of the students in the training process.
3. We have developed a classroom without walls: There is a direct relation between the teacher and each student and between all students too in discussion groups, workgroups, sharing individual experiences, and so on.

At this moment we are very motivated for developing didactic methods in Internet and interactive CD-ROM looking for the next objectives:

- to reduce the problem of different skills and levels between students
- to make the training time: more flexible timetable, distances, work rhythms
- to give more information about and to rich the contents of the didactic units making the access to databases, libraries, videos, speech from experts, documentation possible
- to introduce the use of sound and videoconference.

The speech was complemented with a practical demonstration in Internet. For watching the structure, the ways of use it and more information you can access to our web: <http://www.fase.net>

### **Guide of the demonstration**

Enter:

Key in the identification name of the student and the password.

It appears at the top a button bar with the options of the program:

- < Contents
- < Mail
- < News group (Messages from teacher or other students)
- < Conversation on line (By keyboard)
- < Evolution
- < Help

Help: Help the students describing the function of each key or button in the screen.

Contents:

- Introduction about the course
- Teacher
- Objectives
- Course contents

- Technical information:  
Methodology  
Length  
Kind of student  
Observations
- Additional documentation:  
Bibliography  
Information and Internet address and Webs



## A Description of Young Enterprise Sweden

*Mr Johan Carlstedt, President of Young Entrepreneurship, Sweden.*

### **Scheme Concept**

The Ung Företagsamhet (UF, Young Enterprise) Federation gives young people aged 16-20 knowledge about, and understanding of, the conditions and importance of business undertakings and working life. Over an academic year the young people, supported by teachers and advisors from trade and industry, run a mini-company (the so called UF company) from inception to winding-up. UF thus contributes the inspiration for increasing young people's business enterprise.

### **Non-profit association**

UF is a non-profit association organised in 23 regional associations with boards, secretariats and a Federation secretariat. Each association is autonomous regarding its board, employees and support providers. All regional associations are members of the UF Sweden Federation. In total there are 36 persons employed by UF Sweden.

### **Product**

The UF young people follow a company's life cycle; starting-up, running and winding-up. The programme includes training material with a student handbook, company folder, adviser guide and teacher guide. UF has extended its training material for the 1997/98 academic year with a CD-ROM, to enable young people to use an interactive teaching aid to help them develop. One very important link in the training is that during their time at school individual students are able to build a network for the future. The network consists of people from regional/local trade and industry with whom contact is made during the UF year.

### **International**

UF Sweden is acting as a host with the purpose of supporting Denmark, Finland and Norway in building each country's UF organisation, and is one of six founders (with Belgium, Ireland, Malta, the Netherlands and the UK) of Young Enterprise Europe (YEE). UF also has an agreement

with Junior Achievement International (JAI), USA. Junior Achievement has been a model for the UF formulation of the Swedish training programme. UF offers Swedish young people exchange and co-operation at international level.

### **Statistics**

In the 1997/98 academic year 8 500 young people ran 2 000 UF companies. Since the beginning in 1980, more than 46 000 young people have now passed through UF's training programme. 75 per cent of Sweden's gymnasium schools currently participate in the scheme. The UF Federation's vision is to be able to give all young people aged 16–20 the opportunity and tools to run or contribute to a company according to UF's concept.

A survey in 1994 showed that 20 per cent of young people over 28 years old, who had passed UF's programme had started their own companies. This figure can be compared with a national average of 2 per cent for this age group.

### **Summary of the CD-ROM project**

Purpose of producing a CD-ROM for UF Sweden

- To form a modern and pedagogic tool for business education
- Use modern technology to stimulate and improve the learning process

CD-ROM projects goals:

1. Improve UF Sweden's programme through
  - create more interest regarding theory of business
  - increase the educational materials connection to reality and facilitate for teachers to act as an instructor
2. Achieve productivity improvement through
  - more efficient use of UF-resources
  - simplify updating and development of the educational material
3. Improve communication between UF Sweden, students and instructors (teachers)

### **Timeschedule and budget**

The project started in November 1995 and finished in September 1997. Total costs for the CD-ROM project: 4 400 000 SEK (about 510 000 ECU).

Period of time	Activity
November 1995	Half of the total budget financed
November 1995–February 1996	Formed a projectgroup, planned project and function of the CD-ROM
Mars 1996	Negotiation with four possible co-operating partners
April 1996	Selection of one co-operating partner
April 1996–April 1997	Production process started, interactive with UF Sweden
April 1996–April 1997	4 evaluationtimes with for each group consisted of; teachers, students, employees in UF Sweden
November 1996	The total budget financed
Maj 1997	Education and information to all employed in UF Sweden
Juni 1997	Education and information to 60 teachers and employed in UF Sweden from 23 regions in Sweden
Maj 1997–September 1997	Evaluation of the CD-ROM and corrections
August 1997	Free education offered to more than 800 teachers in Sweden. In the period of august to september 1997 UF sweden educated 400 teachers.
September 1997	Delivery of 3 500 CD-ROM

### **The result of the CD-ROM project**

- The structure gives a general view of the UF-companies different phases and where you can get relevant information
- Theory and information are presented in a pedagogical way for example sound, video and animated examples which increase the level of possibility to learn by your self
- Using modern techniques and computer becomes a natural link for teachers and students
- The CD-ROM makes it possible that students actively get updated and correct information
- The module structure of the CD-ROM makes it easy to update



# The Training of Entrepreneurs with a Computer Based Business Simulation

*Mr Roland Finke, Assistant Professor European Business School, Germany.*

## **Principal Topics**

Beside cases, student consulting, and similar teaching methods the method of computer based business simulation provides a very motivating way of active learning, which seems to be especially appropriate for potential entrepreneurs and real entrepreneurs being dynamic personalities.

To produce a high acceptance by the students, it seems to be important, to come as close as possible to the entrepreneurial reality with the business simulation. Therefor a broad variety of decision areas are provided in the simulation; fields of decision making in the EVa simulation are: purchases, production, marketing, personnel, finance, location and information. The range of possible activities includes merchandise, services and products as well. Beside quantitative also qualitative decisions are required (to develop the entrepreneurial intuition). Decisions happen on both strategic and operative levels and stay under true time pressure.

## **Method**

A business simulation ("EVA") simulating the start-up and early development phase (i.e. three month plus the first three years in monthly steps) of a software and system house from the perspective of an owner manager was used for entrepreneurship education of different groups like business students, engineering students, employees, executives and young entrepreneurs. A standardised procedure was developed including some 70 pages of written material, an opening speech and a ten hours day of practising the simulation at the computer when each participant group consisting of one, two or three single participants practised separately against the stand alone computer system.

In this situation the participants had to fill in two questionnaires: one – distributed at the very beginning of the simulation – related to their employment status, their motives (need of achievement, etc.) and – in case of being self-employed – to the structure (legal form, branch, etc.),

and real life performance (turnover, employees, etc.) of their firm. The second questionnaire is related to the evaluation of the simulation (is it realistic?, what should be changed? etc.). A third source of information is the observations made by the simulation instructor including environmental factors (room situation, equipment), granted supports, date and time of the event etc.. Last but not least some thousand observations of each participant group were made automatically by the computer system: each of the 4 000 decisions possible, while practising the simulation is registered, the time of each monthly decision input and all states of the simulated firm (performance indicators like profits, bankrupts) is recorded.

### **Major Findings**

In some 150 seminars more than 2 000 people practised the business simulation "Eva" since 1988 and empirical data of all participants have been picked up. Participants include potential and real entrepreneurs, business consultants, employed managers, executives, R&D employees, business and engineering students, bankers etc. from Germany, Austria, Belgium, Hungary, Netherlands, Norway, Russia, Switzerland, Spain, UK, USA and Hong Kong. 87 per cent of the participants consider the simulation to be a very or rather realistic entrepreneurial situation.

A most interesting question is, if the more successful real life entrepreneurs show an other simulation performance than those self employed who are less successful in real life. In a preliminary computing a significant correlation is found between real life turnover and the number of bankrupts in the simulation. There is also a significant relationship between the level of need of achievement and simulation performance.

### **Background of the Approach**

*Background of topic:*

- vocational testing
- psychology of complex thinking (Dörner, 1983)
- entrepreneurship research
- entrepreneurial behaviour
- life cycle of enterprise

*Background of method:*

- method of computer simulation
- theory of psychological testing
- method of teaching

## **Computer Simulation**

### *Closed Systems:*

- Simulation of Environment and Role Player  
(Improve Business Plans)  
(scientific simulation experiences)

### *Open Systems:*

- Simulation of environment only (business simulation, flight simulators)
- mostly: normative, not realistic

### *Business Simulations can be Used as:*

- tool for education, i.e. the traditional field of application
- tool for testing/diagnosis, i.e. measurement/prognosis of entrepreneurial abilities
- tool to construct a standardized environment, i.e. create a laboratory for experimental research  
(= observation of entrepreneurial behaviour)

### *Typical Models in Traditional Business Education*

- world of established and big enterprises
- board of directors
- EVA's Alternative Entrepreneurial Model
- start-up and early development-phase
- small and medium sized firms
- role of entrepreneur: => Management and Ownership

### *Description of "EVA"*

- start-up and early development phase
- software firm
- perspective of owner manager
- variety of decision areas: purchases; production; sales; personnel; finance; location; information
- range of fields of activity: merchandise; services; products
- also qualitative decisions
- strategic and operative decisions
- monthly decisions
- large number of periods (37), many different decisions (110/period; 4 000 total)
- repeated gearing in after feed back
- realistic tax and accounting environment

- decisions under true time pressure
- basic feedback (company/markets) is free of charge
- additional information must be requested/paid for
- limited resources
- simulation runs on PC
- Pascal source code of about 10 000 lines
- deterministic model
- participants work against programme on a stand alone PC (not against varying other participants)
- standardized procedure:
- some 70 pages of documentation
- standardized introduction (two hours)
- 10 hour day of doing the simulation on the PC
- group consists of 1–3 participants

### **Empirical Work**

#### *Data Recording: Sources of Information*

- Questionnaire #1 (before simulation)  
employment status, motives (n. of ach.); and if self-employed:  
structure of real firm (legal form, branch)  
performance of real firm (turnover, employees)
- Questionnaire #2 (after simulation)  
evaluation of the simulation: is it realistic? What should be changed?
- Observations by simulation instructor  
environmental factors (room situation, equipment)  
given supports by the instructor  
date and time of the event
- Observations by the computer  
all decisions made  
time of monthly decision input  
state of the simulated firm (simulation performance)

#### *Description of Sample:*

- Data collection since 1988 ongoing, totally more than 2 000 participants
- Sample: based on participants of start-up seminars, entrepreneurship programs inside and outside University

Co-operation Partners for Business Sim. "EVA" in Universities (Selection)

- Year
- Institution
- Country
- Teacher



**Debate:**

# Who Are the Real Educators and Learners?: Challenges for Entrepreneurship Educators Across Europe

*Mr Paul Hannon, Director Durham University Business School, United Kingdom.*

## **Introduction**

This short paper is prepared as a background to the presentation by the author on May 5<sup>th</sup> 1998 in Stockholm for the DGXXIII/NUTEK Seminar 'Training for New Starters in Business'. The author bases the paper on his own continuing work in this field and that of Professor Allan Gibb, also at Durham University Business School.

*The key learning points from this presentation are summarised below:*

- There is a need for a re-conceptualisation of the small firm as a 'learning network'
- This network is the 'learning opportunity environment' for the small firm and its stakeholders, i.e. learning should be contextualised within this opportunity environment
- There is a need to acknowledge that *all* actors in this network have a learning need and that *all* actors can be both educators and learners
- The ability of the small firm to succeed in this environment is contingent upon the ability of the network to be an effective learning network as enacted within transactional relationships (whether formal/informal, tangible/intangible)
- Transaction cost reduction is dependent upon the ability of the actors to create, develop and manage stakeholder relationships within the network
- To do this requires acquiring specific knowledge, understanding, skills and behaviours which are currently not part of the typical formalised training offer for new entrepreneurs
- There is a need then to shift the emphasis from training to learning and create educators who can facilitate and animate learning, rather than sustain the dominance of educators as the 'experts' who control

and manage training. Expertise should be in how to develop effective learners efficiently

- It is likely that the supply-side actors in the small firm environment have a greater need to learn than the small business if a levelling of the small firm playing field is to be achieved

The above key points create real challenges for educators and policy-makers across Europe. A key strand of economic policy is focused around wealth and job creation through small business development. Preparing new businesses with relevant and useful tools to enable them to cope, survive and succeed into the new millennium will require a radical re-think about how policy is effectively implemented through the design and delivery of appropriate interventions. The paper will explore further the issues raised by the above points.

### **Background**

There has been substantial investment in small firms training across Europe during the past two decades. This effort has in the main focused at the pre-start and start-up stages of small business development. Without quoting any statistics here it is evident that the number of new businesses has increased dramatically in the 1980s, although more recently there would appear to be a levelling or even a reduction in the total stock.

*In considering the above phenomenon a number of observers have raised questions about:*

- A the return on this investment in the light of continuing poor survival rates of small firms in their early years of trading, i.e. is it providing value for money from a supply-side perspective?, and
- B the low level of take-up in the UK of training services (N.B. there is no formalised approach to new business formation in the UK requiring legal registration prior to trading in the same way as in other European countries), i.e. is it providing value for money from a demand-side perspective?

*Some key points to note are that:*

- the recent focus for start-up interventions has been on the supply of training
- traditionally, training for this situation has been provided in formalised and decontextualised formats
- there has been and continues to be a strong emphasis on functionalism, thereby matching other forms of academic business/management education

- there has been a tendency to adopt quick 'fix-it' approaches rather than building sustainable developmental approaches

One conclusion that can be drawn is that there is little understanding of the relationship between training interventions and the performance of new young start-up businesses. How effective and appropriate are the adopted approaches applied within a small firm context? Does this concern lead to the need for considering a re-think and greater innovation in how to support new starters more effectively?

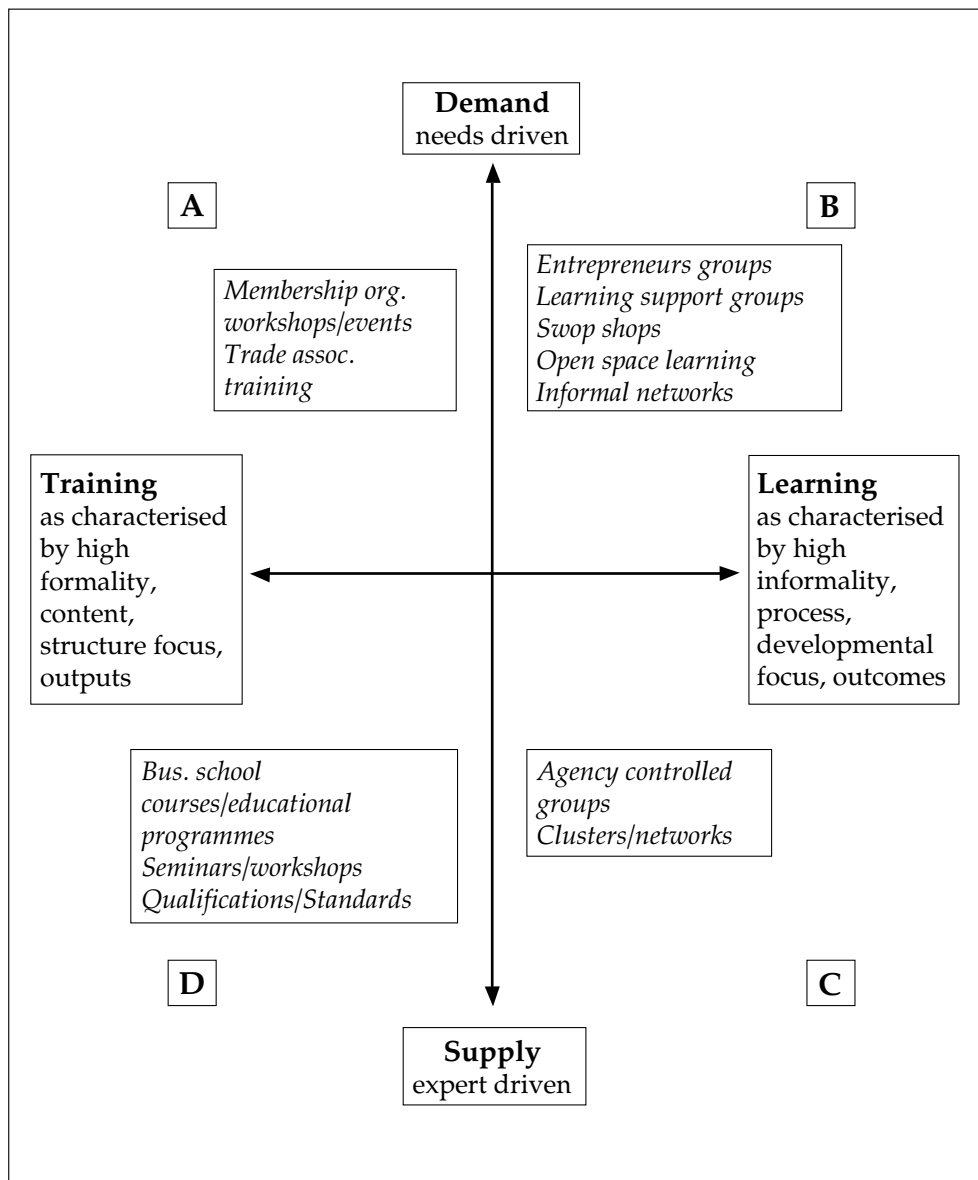
The above factors need to be situated within the context of a small business. For most individuals, running a small business is a way of life and, as with human development in early years, learning how to cope with an uncertain and unpredictable life is achieved by the frequent making of mistakes and by learning through experimentation and watching others. It is generally only in later life having gained experience of the world and built up a level of tacit knowledge that more 'functional' or 'decompartmentalised' educational needs are considered and undertaken. These needs can then be located within an understanding of the surrounding world and with the ability to make sense of this world, gain meaning from it and learn from these experiences.

As a new starter in business this opportunity is rarely provided. Even before having any experience of the practice of business the entrepreneur is being trained in the functional, decompartmentalised and scientific methods of business management, many of which have been derived from larger companies, in an abstract manner. The objective, analytical approach to preparing the business plan is followed methodically, the plan prepared and the business launched. This journey into the unknown is initiated by individuals who are often highly unprepared for the realities of what lies ahead and who often lack appropriate coping and survival skills. Even on day one there is a dawn of recognition that this new life, just born, is not going to turn out as previously predicted in the training environment.

Maybe, therefore, it is not too surprising that many young small businesses fail to survive. This is not solely because they run out of cash, or do not possess the right marketing approach, (although these may be well-recognised symptoms). The symptoms are commonly rooted in the owner-manager's lack of opportunity to practice and learn the knowledge and skills relevant to coping with the uncertainty, the unpredictability, the unforeseen, the complexity and the chaos of small business life. Owner-managers of new businesses find themselves feeling un-prepared, yet small-firms training at this stage aims to prepare individuals specifically for this life of self-employment.

There is obviously a significant discontinuity, or gap, in the design and provision of start-up training and the needs of young and new entrepreneurs. One fundamental dichotomy is between the strong focus on training and the apparent lack of attention given to understanding and meeting the need for learning to be successful. There are recognised challenges with the design and delivery of start-up training for small firms (Gibb, 1997) which will not be repeated here. Figure One below suggests a typology of educational and developmental experiences. The diagram identifies a wide scope of potential interventions.

Figure 1. A Typology of Educational and Developmental Interventions



What does this mean for the re-positioning of small firm's support and education? Typically, in the UK, the emphasis on training has been driven by the perceived need for the development of generic competencies, basic skills that all new starters should possess (quadrant D, and more recently quadrant C). For instance they should know about writing business plans, preparing marketing plans, doing financial forecasts, undertaking market research, etc. Although no one would argue against the development of basic skills, it is not a sufficient condition for success.

The application of new skills and knowledge in the context of a chaotic new business is not always apparent. According to Beach (1990), learning is about acquiring skills, knowledge and attitudes in a way that modifies a person's behaviour. If tasks are conducted in the same way every time, if thinking about what needs to be done and how is not being applied, if prior behaviours and attitudes remain unaltered then learning has not taken place even though new skills and knowledge may have been acquired. However, there are many factors influencing the effectiveness of the learning process as identified below:

*Learning takes place in different modes through human interactions of different types within relationships of different natures between individuals of different emotions, perspectives, motivations, experiences and attitudes many of whom represent organisations of different needs, drivers and goals, cultures and value systems, power and status and all of whom exist within a political/social/economic/cultural contextual framework.*

*Hannon 1997*

Owner-managers' learning modes, as described above, are wide-ranging, e.g. doing, experimenting, observing and copying peers and others etc. (quadrants A and B) and they typically learn on a need to know basis. This need to know is frequently driven by a problem or an opportunity and requires a need to 'know how to' and/or 'who with' (Gibb, 1997). A key question therefore is: what 'know-how' and 'know-who' needs to be learnt, and from or by whom, in order to maximise learning opportunity within the above context?

To quote Duck (1994):

*"it is not enough to give a person what the person needs and take something in return; it is important instead to understand the framework for the need and so to understand what it is like to have such a need ..... (which) depends on experience of (in the sense of the 'learning about') the way in which the other person operates ..... One's knowledge.... is facilitated by*

*a personal and contextualised understanding of individual's ways of behaving and thinking acquired through observation, talk, discussion, reflection and interaction ..... relational power resides in the person who ... comprehends the other 'better' ... "*

### **Some Key Points from the Above Discussion**

The first important point is that perhaps there should be a change of emphasis towards learning processes and their outcomes not training delivery and its outputs.

Secondly, that successful learning outcomes would be changes in individual behaviour, i.e. the way a person acts and does things, which infers a challenge to and a change in the way they think – about themselves, others and the world in which they are located. To achieve this takes time and is a developmental process driven by the learner, i.e. the new small businessperson.

This raises a third critical point, which is the crucial nature of 'context'. All learning is situated. Formalised training is often isolated from context and hinders application in a way that is meaningful for the learner. In other words, learning has to start with where the learner is and with what the learner knows. This is a significant contrast to the starting points designed for traditional training and educational experiences that begin with what the educator knows and what he or she believes the learner should know.

Fourthly, the learning context for young small businesses is their task environment, i.e. the network of stakeholders with whom transactions of various natures take place. It is within these relationships that learning processes are enacted to differing degrees of effectiveness. This context is then the 'learning opportunity environment' for the new start-up businesses (see Appendix Three). The ability to learn how to cope with and manage this complexity of transactional relationships will be a key determinant of business survival and success.

It is therefore argued that if small firm policy is aimed at improving wealth and job creation opportunity then its implementation through sub-interventions should aim to increase the ability of new entrepreneurs to succeed with their business journeys. If this ability to succeed is contingent upon the ability of the entrepreneur to learn, then focusing on improving their ability to learn is likely to increase the ability to survive and succeed.

However, the learning need in this context is not as simplified as demonstrated through the provision of many start-up-training courses for many reasons. For example:

- Effective learning, i.e. changing behaviour will take longer than skills training

- Situated learning requires an ability to ensure the learning experience is contextualised and not isolated
- A holistic multidisciplinary approach is necessary to relate to the real-time, real-life processes that are challenging the learner (i.e. problem/opportunity driven)
- It means focusing on how to build the overall experience (or tacit) base of the learner
- It requires emphasising the socialised and personal nature of running a new owner-managed business and therefore needs to help learners learn how to create, manage and build critical relationships with key stakeholders in their networks
- It also means ensuring that the leaning experience is driven by a clear 'need to know' and can therefore be sporadic in demand

However, what is critically important is recognising that treating the entrepreneur, as an isolated actor within the complexity of transactional relationships within their network will have limited impact. The isolationist approach assumes that the entrepreneur is the sole individual that has a learning need. This is evidently not true as is borne out frequently by the evident lack of empathy and insight demonstrated by other actors in this small firm network, especially the supply-side i.e. bankers, accountants, business advisers, government officials and trainers.

What has generally failed to have been recognised is that to 'level the playing field' for small firms requires focusing on building the capacity of *all* the actors within the small firm environment to be able to transact with one another more efficiently and effectively. Gibb (1997) refers to a need to focus on the development of 'learning partnerships' between the owner-manager and the stakeholder with whom he or she is transacting. This can be extended further to include actors across the whole learning opportunity environment to form a 'learning community' or 'network'.

New business success will therefore be contingent upon the ability of the small firm's network to learn and develop. A weak network can therefore reduce the chances of success for new business and ultimately for the other stakeholders in that network.

Within this learning community or network all actors will have a learning need not just the owner-manager. The development of this learning community is therefore limited to the capacity of individual actors to learn and develop. This re-conceptualisation of the small firm allows the exploration of a number of important points:

- Who are the key stakeholders for the future success of the new business?

- What are their learning needs?
- Who should educate the learners?
- How will the learners learn?
- What influences the learning process?
- What is network/community effectiveness/performance?
- How can you know if it is improving or has improved?

Educating the stakeholders may therefore have a more significant effect on small firm survival and competitiveness than focusing all interventions on the entrepreneur only.

*Some hypotheses that follow are:*

1. Owner-managers who can educate other actors in their environment are more likely to improve the sustainability and competitiveness of their new business
2. Owner-managers that proactively seek out to develop the scope and the strength of their relationships are more likely to increase their business performance improvement opportunities
3. Owner-managers that focus on building learning relationships within their networks are more likely to increase business performance
4. Owner-managers who can maximise learning opportunity potential are more likely to achieve higher levels of business success

### **Recent Experience**

Recent experience in exploring the learning needs within the transactional relationships between small firms and their stakeholders. At this stage the findings are generic in nature and need to be further developed in depth for specific small firm/stakeholder relationships. The application of the generic conceptual framework will enhance this process (see Appendix One).

*Six critical factors effecting the new business: stakeholder learning relationship:*

- The nature of the offer (what is being transacted)
- The transactional process (how business is done)
- The key drivers of the actors (why is the transaction taking place)
- The relevant skills/competencies of the actors
- The physical environment ('hygiene' factors)
- The emotional 'aura' (the environment in which trust is built)

*Plus, the wider influences:*

- Personal contacts of the actors (e.g. formal and informal)

- Organisational policies and rhetoric
- General environmental awareness through media communication channels, i.e. impersonal mechanisms such as direct mail, publicity, or TV/radio/press

So at the start-up stage it is critical to consider the learning needs of other actors in the small firm learning community and what their individual learning needs might be. For instance,

- What does the banker (or trainer, accountant, supplier, etc.) need to learn *about* the owner-manager of the new business?
- What does the banker (or trainer, accountant, supplier, etc.) need to learn *from* the owner-manager of the new business?
- What does the owner-manager need to learn *about* the banker (or trainer, accountant, supplier, etc.)?
- What does the owner-manager need to learn *from* the banker (or trainer, accountant, supplier, etc.)?

These key research questions are being explored through a project recently completed at Durham University Business School, the findings from which will be available in the near future.

### **Conclusions**

It will be clear from this brief presentation that training provision for new businesses as currently determined is unlikely to meet the real needs of new entrepreneurs in adequately preparing them for business life. Furthermore, there is a strong need to focus on new small business/stakeholder relationship management and development. It is perceived by key actors as a critical area of learning need and is identified as a crucial factor in developing successful small firms. It is an under-developed area of business and management development (Hannon and Robson, 1998).

*A number of conclusions are drawn:*

- There is a need for a re-conceptualisation of the small firm as a complexity of interdependent and dynamic transactional relationships that form a learning community
- There is a further need to focus on the totality of this small firm learning community and not just the owner-manager as an isolated actor
- All actors in this community will have learning needs
- Entrepreneurs can be effective educators and learners
- The utilisation of entrepreneurs is likely to be an effective way to

educate stakeholders in understanding how to gain empathy and trust in effective transactional relationships

- A shift from abstract training to contextualised learning processes may be effective in creating sustainable new businesses
- Designing and developing entrepreneurial learning experiences that are situated in the world of the entrepreneur, i.e. on a 'need to know' basis, are holistic, integrated approaches and start with where the learner is may stimulate greater demand for interventions

With respect to skills development for new businesses, a range of 'success' skills can be proposed. For example,

- Overall socialisation skills
- Performance and acting skills
- Improvisation skills
- Ability to gain and build empathy
- Trust building
- Interpretation, communication and use of language
- Coping with shocks, crises, the unforeseen
- Ability to be critical and analyse
- Learning to make mistakes successfully

In addition, some key generic core competencies to be developed to improve chances of success for the new small business are (see Appendix Two):

- Network recognition and valuation
- Network planning and development
- Defining success criteria/how to measure?
- Improving transactional processes from learning perspective

Furthermore, in building on the work of Argyle and Henderson (1985) and integrating the work of Hannon and Robson (1998) in considering some key 'needs to know' in the successful development of new business/stakeholder relationships the following areas are important:

1. the 'rules' (knowing how to play)
2. the 'goals' (knowing how to succeed/win)
3. the 'environmental setting' (understanding context)
4. the 'repertoire of moves' (interacting and engaging with others)
5. the 'drivers' (what motivates the desire to succeed/win/play)
6. the 'emotives' (understanding self and others)
7. the 'wider influences' (knowing what else is already known about the other players and how)

## Implications and Challenges

*Challenges for new business/entrepreneurship educators:*

- Process is more important than content in a learning context – can educators facilitate innovative approaches to stimulate learning demand?
- emphasise learning and not the delivery of abstract, scientific knowledge – ‘who’ and ‘how’ are more important than ‘what’ – can learning experiences be designed around these key factors in multi-disciplinary, holistic approaches?
- Learner driven and owned – can educators release control to the learners? Can they be effective learning partners?
- integrated with peers – can peers be supported to be effective learning facilitators?
- Action-oriented approaches allowing plenty of space for practising and learning by doing – requires flexibility in structure
- Collaborative learning experiences for all – can educators create integrated learning experiences bringing together network learners?
- Enhancing the experience base of the new business – how will educators measure the value of their facilitation? A critical factor for the organisers of training interventions.

There is certainly greater personal risk to the educator in this approach. It requires confidence and effort to see it through. It is often highly sensitive and emotional for the individual when facing up to admitting personal and behavioural change is necessary. This challenge to conventional training is therefore likely to also require the development of educators with new sets of skills and experiences.

It is the author’s intention to explore the development of this work with further research to establish and test a small firm network learning framework focused on the needs of specific stakeholders within small firm transactional relationships at different stages in the development of the new business.

A final comment. It is at the crucial stage of trying to survive in business that support policy seems to fail so significantly in the UK. If the business has traded beyond the first months when dwindling follow-up support is available and the business has not grown to interest the recently established Business Link network, some businesses can find themselves in no-mans land at a time when help is most desperately needed. Darwinism appears to live on in political rhetoric where a macho ‘survival of the fittest’ attitude prevails.

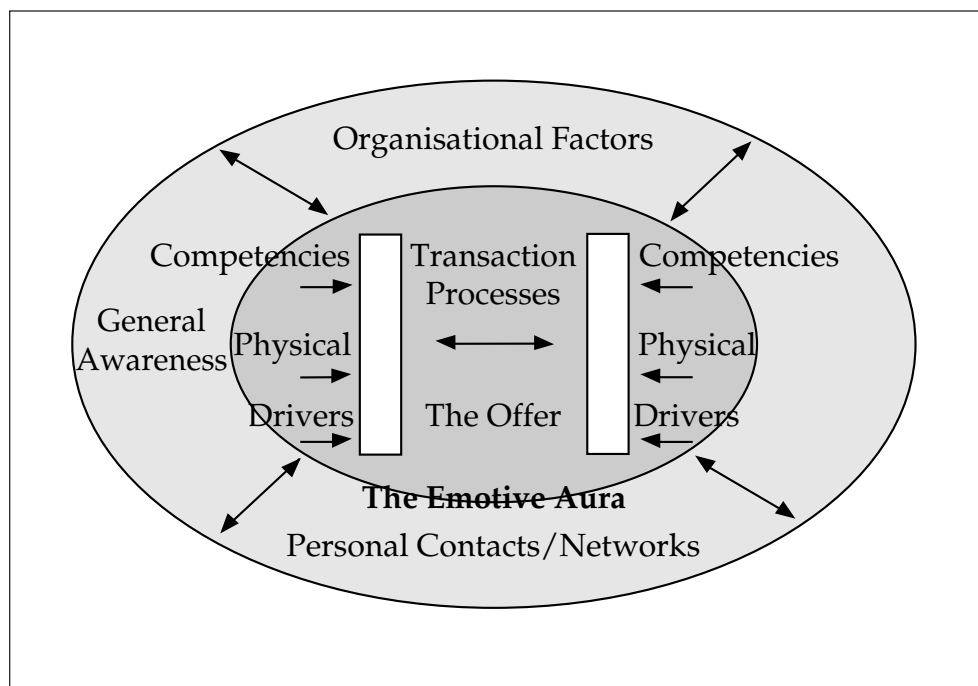
This paper has not attempted to provide ready answers but propose and suggest different perspectives. It has aimed to introduce some

stimulation and re-thinking of key factors in the provision of training for new starters in business. The author hopes that as a result of this paper and other stimulations during the seminar sessions, those whose lives interact with small businesses new and old will emerge with ideas and insights into how to create more meaningful and relevant experiences for *all* actors in the small firm environment.

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### Appendix One: The 'Aura' model

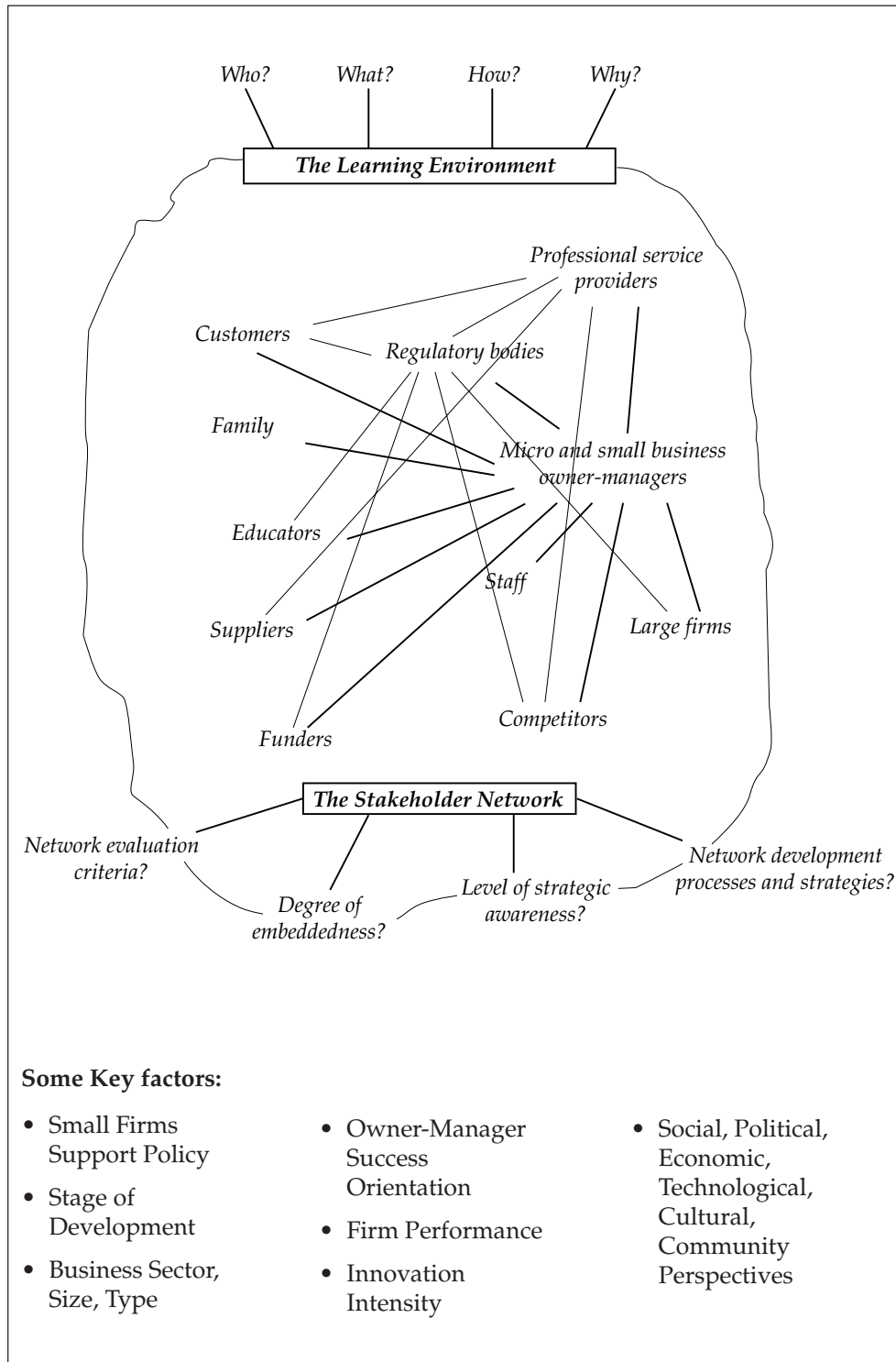


## **Appendix Two: Managing and Developing the External Environment**

*Proposed key elements (indicative process tools in brackets):*

1. Recognising the value and importance of stakeholders in the firm's existing network (use of stakeholder mapping techniques and a stakeholder/network audit tool?)
2. Understanding the major factors that affect each stakeholder relationship (applying the 'aura' model)
3. Identifying stakeholders critical to the development of a successful future network for the firm (network development planning)
4. Exploring the nature and process of the transactions (especially the intangible) with these stakeholders (what is transacted and how)
5. Developing an understanding of how to improve key stakeholder transactions (specific 'who needs to learn what' frameworks and 'how to' tools)
6. Setting targets and action plans for improving relationships and reducing transaction costs (plans for stakeholder/network success)
7. Monitoring, evaluating and re-assessing progress and actions to maintain continual stakeholder relationship improvements (embedding feedback mechanisms and learning processes within stakeholder relationships and networks)

## Appendix Three



**Debate:**

## Identity Formation Processes and Entrepreneurship. Experiences from Business Counselling Services in Northern Sweden

*Ms Pernilla Nilsson, Department of Business Administration, Umeå School of Business and Economics, Sweden.*

### **Introduction**

We are gathered at this seminar to explore our experiences of training activities directed towards entrepreneurs and business starters within the member states of the European Union. Exchanging ideas of what services to offer in different arenas is of course of special value in order to create support services advantageous for developing entrepreneurship. But it is also worthwhile to spend some minutes reflecting on the logics that underlie the activities we advocate. It is my ambition to discuss, and to illustrate, the relation between concrete actions and their inherent logics, thus finding a way to 'ground' training efforts in a perspective aware of its consequences. Or at least, I wish that this is what we could develop further.

### **From idea to practice – discourses of entrepreneurship**

I believe that it is important, not only to arrange and to evaluate training activities, but also to ask in what way these activities may support or question institutionalized notions of entrepreneurship and services connected with the entrepreneurs' personal and professional development. Although brilliant in content and design, courses in entrepreneurship, counselling services, et cetera, arranged without some deeper understanding of the relation between concrete action and its prerequisites, will probably only have minor impact on entrepreneurship development. In the long run these efforts might be in vain. In this regard it is important to highlight those institutions forming diverse but interrelated aspects of entrepreneurship within what may be defined as the entrepreneurship discourse including both the entrepreneurs themselves and the actors supporting their developmental processes.

In order to grasp the pictures we reproduce, it is important to explicitly ask what connotations we attach to concepts like 'entrepreneurship', and 'entrepreneurs'. It is also valuable to know how well these characteristics fit those men and women starting up a business of their own. Before any activities directed to these actors will establish new ideas and learning effects, abilities to 'think such thoughts' have to be available. I believe that entrepreneurship support and training activities to be successful therefore will demand some reflections concerning what we may define as 'identity formation processes', as the institutionalized views on entrepreneurship et cetera will be translated into the practices of those who are engaged in these processes. For the nascent entrepreneur some affirmative answers to questions like; Who am I? Am I an entrepreneur?, Can I be one "like that"?, will be useful, whether or not *traditional* interpretations of 'entrepreneurship' will follow as a consequence of the identity formation process. Conversely, support agencies, or rather business counsellors representing these organizations, would also find it useful to ask themselves the same kind of questions, thus making their organizational identity formation process explicit: What kind of organization do we represent? What kind of entrepreneurship do we support? What kind of organization would we like us to be in the future?

In order to fit into an 'entrepreneurial identity', men and women considering upon starting a firm, will not reflect upon it as an isolated activity on their own. Instead they will probably introduce these thoughts into their nearest social settings to find some first order support to succeed in their entrepreneurial career. Although these processes are supposed to differ between individuals, and between cultures (may it be e.g. rural/urban aspects or variety between regions, countries, ethnic or gender aspects), bringing in the social aspects of entrepreneurship is crucial for understanding how well support activities may contribute to changes in entrepreneurial practices. Not only because of what contemporary social relations will serve, but also what expectations history has mediated into the generations now starting up businesses of their own.

As just noted, identity formation is of course not only a developmental process involving the nascent entrepreneurs entering the field of business, it is a key issue also for the counsellors engaged in the business support service. Seen from these organizations' perspective, the taken-for-granted institutions, explicitly or implicitly presented within the entrepreneurship discourse, will affect the potential to recognize others than those included in traditional target groups. This will also affect the kind of service to offer, focusing upon tasks and procedures, regarded as appropriate for these groups.

### **Experiences from a gender segregated business support service**

The ideas presented here, concerning the benefits of relating training activities to the entrepreneurship discourse mediated by identity formation processes, are well illustrated by a national business support program run in rural Sweden between the years of 1994–1997.<sup>1</sup> The program allows us to discuss the conditions of successful training activities as parts of social processes, supporting or hindering nascent entrepreneurs to develop venturing ideas and to engage in further business development. With the program in mind, I am suggesting a perspective which attempts to move beyond the risk of “tackling symptoms” of entrepreneurial activities. Reflecting upon the activities in relation to the social processes reproducing traditional entrepreneurship and gender stereotypes (as it will be about here), makes it possible to redirect the training initiatives by questioning the institutionalized notions of both gender and entrepreneurship influencing these activities. My main argument is that training activities interpreted without this contextualization, tend to solve a limited scope of problems.

It may also be noted that at the time the program idea was discussed, unemployment figures were high in Sweden in general, but particularly in areas we commonly define as “peripheral regions”. In order to reduce unemployment, and thereby to reduce the loss of resources, measures were taken also to support entrepreneurship. It was clear that activities concerning business start-up processes were given high priority at the local level, in combining the two purposes. Thus, the aim of the program, initiated by the Swedish National Board for Industrial and Technical Development, NUTEK, was to improve and to increase women’s entrepreneurship in the rural areas of Sweden. It was also declared by the initiators, that the program should support a wider interest in the subject, as the area of women’s entrepreneurship not only suffered from unhealthy prejudices, but was as well accompanied by a theoretical lack of knowledge. Except for the seminal work provided by the researchers Elisabeth Sundin and Carin Holmquist’s in the late 1980’s, women in business has been a theoretical area of disparate actions. Although women starting up a business of their own are broadly estimated to be 25 per cent of all entrepreneurs in Sweden, we still did not know much about them when the national program started in 1994. Local practices

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<sup>1</sup>The material used here refers to findings of the evaluation project which accompanied the national business support programme 1994–1997. Evaluation reports (In Swedish), available at NUTEK, are named R 1996:55, R 1998:4, 1998:5. For material published in english see e.g. Nilsson, P. (1997) “Business counselling services directed towards female entrepreneurs – some legitimacy dilemmas.” *Entrepreneurship and regional development*, Vol 9, pp. 239-258.

were not seen with great interest, and women's entrepreneurship was not self evident as a topic in the overall entrepreneurship discourse.

Face-to-face interviews with the female business counsellors engaged in the national support program and their superiors were carried out in order to study how entrepreneurship and gender were constructed by local business support actors and how they understood themselves as business support organizations in the local area. Especially interesting was, of course, to examine how women's entrepreneurship was articulated in relation to entrepreneurship 'in general', as this was the common way to present it. Knowledge about how entrepreneurship discourse is gendered within local support services help us reveal the institutionalized views on entrepreneurship. This was also an important prerequisite for rejecting traditional perspectives on support services and stimulating new ones.

As my own research connected to the program reveals, it focused on women new-starters in rural areas as its main target group. Also the business counsellors engaged in the local projects were women. As sex-segregation used as a targeting (and counselling) strategy seemed to be quite unusual, basic information concerning women's entrepreneurship (e.g. information on how many women in the municipalities were running a business on their own, the number of new starters, what industries women were operating in, the need of external counselling services, and how to achieve 'high visibility' as a business support service, et cetera) was hardly found at the local level. Therefore the business counsellors' first task was to develop, not only counselling service practices, but also to provide the local agency itself with information on "women's entrepreneurship" as it turned out to be an undeveloped area, and as such previously dealt with from a limited stock of knowledge. The gender aspects connected to this lack of knowledge were affecting not only services directed towards women entrepreneurs, but were, as the program started, also explicitly influencing the possibilities to work with these issues as a business counsellor. According to the female business counsellors, practitioners operating within the field of business tended to understand 'female entrepreneurs', as they commonly were called, as a diverse, but different population in comparison with 'entrepreneurs'.

### **Hegemonic discourses in the field of entrepreneurial support**

The institutionalized notions of entrepreneurship did not easily fit into women's way of running businesses of their own. It was commonly noticed by the managers of the local business support agencies that women run smaller firms than men, that they did not strive for profits

like men did, that they were supposed to be more risk averse than men, and that women did not find growth interesting enough to develop their firms in that direction. In conclusion, there turned out to be a gap between what was an entrepreneur, and what was thought of as a “female” one. Speaking with Simone de Beauvoir, one may say that the female entrepreneurs were referred to as “the Other”, belonging to the second sex, as they were understood, and defined, in relation to entrepreneurs “in general”. In these narratives essential differences connected to biology were given priority over socially constructed conditions, possible to rearrange. Although diverse practices were mentioned (both between women and men, as well as within the groups), stereotypes defining the two groups tended to be articulated in different rhetorics. The differences also related to what kind of entrepreneurship one wished to support. Although it was not always made explicit by the managers, either industries interesting to develop, or skills to be acquired by entrepreneurship courses, included women as taken-for-granted participants. Traditional industries operating in rural areas like forestry, farming, et cetera, were not always priorities in their own right, but new industries related to these seldom were argued to serve customers or employers of both sexes.

Not until the managers were explicitly asked to comment upon the national business support program focusing women’s entrepreneurship in the municipality, they broadened their scope and referred to problems connected with the segregated labor market in general and how to find support services also including women entrepreneurs and the needs expressed by them. Often enough these issues were supposed to be solved by the national support program. Women were thus commonly offered a project of their own, segregating not only the target group and counsellor from the current service, but also cutting off the information channels between the two. This was clearly indicated by the managers who did not seem to know much about what was going on in the national support project, although they were responsible for it at the local level. Not until the service had resulted in documented increase in business start-ups, there seemed to be little interest in the program.

In Bourdieu’s terms one may state that the business field seems to accommodate its own *doxa*, defining what is normal and what is not, within the field. Doxa is thus understood here as the taken-for-granted notions concerning entrepreneurship, and these are not challenged until new characteristics are articulated and used in order to compete with the traditional ones. Striving for women’s entrepreneurship to be a legitimate area of support, whether this is done in separate projects or

as integrated services together with other support activities at the local level, may be regarded as such a counterpart. Bourdieu names it *heterodoxa*, meaning that actors fighting for their right to be included will serve as illegitimate agents trying to threatening the established doxa, and thereby the self-evident right of those who support the unspoken logics of the field.

By introducing the concept of *social capital* and thus highlighting both agency and the strength connected to networks surrounding the actors involved, Bourdieu finds a way to declare the overall need of legitimacy to get the voice of heterodoxa raised, and listened to, by the actors within the field. Main resources included in the women entrepreneurs' as well as the female business counsellors' social capital was certainly the quality of their proactive networking. Thus, activities were arranged together with other support agencies in the region, connecting actors operating at different levels (mainly local, regional and national public support agencies) to be a way to get a space of action for the counselling service to be provided in a satisfying way.

Concludingly, I believe that a frame of reference, as the one delivered by Bourdieu, highlights the risk for the national business support services to be "marginalized or ghettoized in peripheral discourses" (as Simon Duncan puts it when referring to equal opportunity programs), has to be recognized – also regarding the legitimacy of women's entrepreneurship as an taken-for-granted subject within the entrepreneurship discourse. The "learned ignorance" Bourdieu is talking about, understood as "a mode of practical knowledge which does not include knowledge of its own principles" (Risseuw, 1997) has to be challenged. And this is just about what I intended to pinpoint here: the risk of advocating training practices for entrepreneurs, without analyzing whether these are based on old-fashioned logics.

**Debate:**

# A Successful Experiment in Training for Start-Ups

*Mr Philippe Albert, Director Founder of the Entrepreneurshipcentre,  
Lyon Management School, France.*

## **Origins and aims of the entrepreneurs centre**

In 1984, Groupe ESC Lyon<sup>1</sup>, which has been known as E.M. Lyon since 1998, and which is one of the first French Grandes Écoles of management, decided to engage in the intensive development of an entrepreneurial line.

During this period of heavy demand for graduates, the latter were primarily attracted by the large multinationals, banks or consulting firms. Teaching was mainly in subjects and the traditional management training did little to prepare them for work in SMEs or for taking on entrepreneurial situations or entrepreneurial careers.

The Centre for Entrepreneurs was created and developed with the following aims:

1. To create a seat for entrepreneurial culture, within the Groupe ESC Lyon, which would be an influence on the campus and its environment.
2. To develop the spirit of entrepreneurship and opportunities for such amongst students, the staff, etc.
3. To create a nursery for business development, without walls (Experience and Laboratory).
4. To participate directly in the renewal of local economy and to root the Groupe ESC Lyon more firmly within a fabric of SMEs, in close contact with the teachers and the students.

Development has been distinguished by:

## **The stages of development**

### **1 The Creation and Development of Specific Programmes**

- For students of different academic levels (ESC Lyon, CESMA, MBA, MASTERES).

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<sup>1</sup> Groupe ESC Lyon is, as of 1997, a private school attached to the Lyon Chamber of Commerce and Industry. After 25 years of intensive development, it has 1 100 students, 5 000 management staff in further education, a FFR 130 million budget, 70 teachers and 270 employees.

- For the general public in adult education: Entrepreneurs, Executives, Directors.

Being:

*1.1 For students (academic programmes) At ESC Lyon:*

First year: A project to set up a virtual business in 6 months, compulsory, in groups of 5

Options: Entrepreneurship  
 Intrapreneurship  
 Strategic management of SMEs  
 Entrepreneurial finance  
 Family businesses

*For a CESMA – MBA:*

Entrepreneurship in common core syllabus  
 Several options

*1.2 In adult education*

“Support programme”:

Nursery without walls to support the start-up of innovative businesses

“Setting up high-tech businesses”:

Information seminar for scientists and researchers

“Starting a business to switch jobs”:

Information seminar for executives retraining

Since 1984, 3 039 participants have attended these different programmes, with a notable increase since 1992.

## **2 Creation of a Body of Teaching Staff and Specialist Speakers on 3 Levels**

1<sup>st</sup> group: permanent teachers of entrepreneurship and administrative and commercial staff (7–8 people)

2<sup>nd</sup> group: permanent teachers in other disciplines

3<sup>rd</sup> group: guest speakers (lawyers, financiers, entrepreneurs, etc.)

## **3 Creation of a Network of Advisers, Technical Support and Intermediaries**

(Large businesses, research laboratories, banks, C.C.Is (Chambers of Commerce and Industry), organisations supporting business start-ups, etc.) about 200 organisations in the Rhône-Alpes region.

#### **4 Creation of a Database**

To follow the progress of all businesses set up since 1984, on the basis of the main programme: the support programme, a true nursery for projects, without walls.

#### **5 The Provision of External Funding:**

In 1984, the Chaire Lyonnaise de Banque, followed by the setting up of a development committee by the Centre for Entrepreneurs which provides public and private financial support.

On the academic front, the teachers and experts have developed an original experimental programme, based on in vivo experiences of start-up businesses, of their development and of their successes and failures in order to build up a suitable teaching methodology:

- Centred on the processes and the development of people/projects/resources;
- Making use of a battery of similar teaching methods: courses, advice, expertise, evaluations, project presentations;
- Combining the effect of group work and mutual enrichment, as well as the work on the projects of individuals.

The faculty has, in conjunction with the above, been involved in both producing specific teaching material, and in research work and theses on "The evaluation of projects and entrepreneurs" and "The entrepreneurial behaviour of French engineers", etc.... as well as participating in international academic and professional symposiums.

#### **A Nursery for Entrepreneurs and Projects: The Support Programme**

Created in 1984 with the Lyon C.C.I., the Support Programme has the following characteristics:

##### ***Target:***

Entrepreneurs (frequently teams of 2 or 3 people) who have clearly identified start-up or takeover projects. Precedence is given to projects that are innovative or have strong growth potential.

##### ***Aims:***

Construct the business development plan by analysing the project, carrying out commercial and technical studies, and choosing ways of putting them into practice.

Make the project appear credible in the eyes of the different middlemen and potential partners (manufacturers, financiers, associates) in order to create synergies and develop a professional network.

**Outline:** Programme lasting 6 months comprising:

*Specific Management training:* 30 days of sequential practical courses in marketing, management, finance, strategy etc., specially adapted to the entrepreneurs.

*Specialist advice:* each project benefits from 12 half-days of specialist advice.

*Individual follow-up:* a tutor will advise the project team on its methodology, steer it towards the experts and support it in its approach.

*Sponsorship by heads of business:* each project is sponsored by a director who brings to it his experience as a head executive, as well as his personal network.

*Logistic means of support:* are put at the participants' disposal (computers, telephones, meeting facilities, etc.).

*A network:* the participants benefit from the Groupe ESC Lyon and the Lyon C.C.I. networks (Institutions, Manufacturers, Financiers).

**Price:** The cost is around FFR 80 000 per person, 75 per cent of which is paid by public subsidies (County Council and Regional Council).

**Results:** In May 1997, a total of 301 projects, representing 351 participants, had given birth to 215 businesses (196 start-ups and 19 takeovers) of which 144 of them were active at that time and 15 were in the process of starting up (see tables I and II).

The survival rate is satisfactory at 65 per cent at the end of 5 years (See table III).

Above all, the great improvement in business survival since 1992, together with businesses started in 1984 and 1985, which contrasts with the high mortality of businesses created at the end of the 80's (from '86 to '89) should be noted. Businesses, which were easier to set up in the euphoria of the period, had difficulty withstanding the crisis of the 90s.

Since 1992, businesses have had greater difficulty in getting started. The incubation and start-up periods have increased, but their resistance has improved, in an environment that has become difficult.

The majority of the businesses in question are in the industrial or service sectors (see table IV). About 1/3 are in the high-tech sphere.

61 per cent of the businesses have a capital of more than FFR 200 000, of which 28 per cent have over FFR 500 000 and 17 per cent have over FFR 1 000 000.

49 per cent of businesses have a turnover of less than FFR 2 million, but 22 per cent are turning over more than FFR 10 million, 13 per cent of which are turning over in excess of FFR 15 million.

Finally, these successes have been crowned by 3 enterprises going public: LVL MEDICAL (Respiratory assistance at home), AP CONSULTANTS (Cost reduction consultancy) and FLIP-ELEC (Servicing of transport equipment). Other companies expect to go public in the future.

The conclusion of a worldwide benchmark study carried out in 1995 by an Australian consultancy on behalf of the Australian Government, stated that:

*"The most comprehensive, and possibly the most sophisticated program targeting entrepreneurs is offered at Groupe ESC Lyon, the Lyon Graduate School of Business".*

### **The Support Programme: 144 Active Businesses**

*Table 1: Number of projects per programme*

S.P. No.	Number of projects	Number of start-ups	Number of takeovers	Total	Businesses in existence as of 31/05/1997
SP1	12	6	1	7	4
SP2	12	10		10	6
SP3	13	11		11	7
SP4	11	8		8	1
SP5	13	8	1	9	3
SP6	11	8		8	5
SP7	11	9		9	4
SP8	11	11	1	12	6
SP9	12	10		10	4
SP10	13	15	4	19	13
SP11	11	4		4	4
SP12	13	14		14	7
SP13	15	11	2	13	7
SP14	13	12		12	10
SP15	11	8	3	11	8
SP16	11	7	1	8	8
SP17	12	8	1	9	7
SP18	11	3	2	5	5
SP19	12	7		7	5
SP20	11	8		8	8
SP21	14	8		8	8
SP22	15	7	2	9	9
SP23	11	2		2	2
SP24	9	1		1	1
SP25	13	0	1	1	1
Total	301	196	19	215	144

Table 2: *Number of projects per year*

Year	Number of start-ups	Number of takeovers	Total	Businesses in existence as of 31/05/97
1984	4		4	3
1985	6	1	7	5
1986	15		15	5
1987	14		14	3
1988	13		13	7
1989	29	2	31	14
1990	18	2	20	15
1991	18	4	22	15
1992	18	1	19	15
1993	15	3	18	15
1994	14	2	16	14
1995	15	1	16	14
1996	14	2	16	16
1997	3	1	4	3
Total	196	19	215	144

Table 3: *Distribution of businesses by sector*

Industry	37 %
Business services	35 %
Commerce	11 %
Research	7 %
Private services	5 %
Construction	2 %
Transport	2 %
Financial sector	1 %

Debate:

## Training within the 3<sup>rd</sup> Multi-Annual Programme in Favour of SMEs

*Mr Kurt König, Head of Unit European Commission, DG XXIII.*

Training is part of the activities of the 3<sup>rd</sup> multi-annual programme in favour of SMEs. According to this programme, which is the legal base for the SME policy of DG XXIII, training is seen as a factor contributing to the strengthening of the competitiveness of SMEs.

More specifically, the objectives of this programme with respect to training are:

- to improve managerial capabilities;
- identify and test new approaches to training;
- improve the access of SMEs to training.

The work of DG XXIII in relation to training is essentially two-fold:

- execution of the measures under the 3<sup>rd</sup> multi-annual programme;
- contribution to other programmes (eg. Leonardo) which concern training.

Measures which come under the SME-programme will be published (as call for proposals/call for tenders) in the Official Journal of the European Communities. For the 1998 execution a collective call with projects from different areas of the SME-policy is planned to be launched in the beginning of July 1998.

All projects must be SME-specific and need to have a European dimension. Most of the time, the projects will address aspects like the identification and the exchange of best practices, benchmarking, networking at European level a.o.m.

With reference to the conclusions of the Employment Summit in Luxembourg (Nov. 1997) and the work done for the promotion of entrepreneurship (Communication adopted on 20.04.98) a priority was assigned to the training within the SME-policy.

To this end, as stated in the work programme of DG XXIII for 1998 a Communication on training for SMEs is scheduled for the 2<sup>nd</sup> quarter of 1998.

This conference comes therefore in good time as a further source of input which will be considered for this Communication on training for SMEs.

In building on the concept of entrepreneurship, this Communication will attach particular emphasis on the skills required for starting-up a new business. But also subsequent phases of the business live-cycle are important.

Training measures for SMEs must be seen in the wider context of support services to SMEs which typically start with information and awareness actions. A basic problem to be surmounted is the attitude of many SMEs which think that they cannot afford time- and money-wise to attend training courses.

Approaches which are well adapted to the specific requirements of SMEs need to be identified.

This conference has produced useful examples in this respect.

DG XXIII will therefore look forward to the proceedings of this conference in the context of the further drafting of the Communication in particular with respect to concrete, successful schemes for the provision of training to SMEs.

## Appendix

# Training for New Starters in Business Stockholm, Sweden, May 4–5 1998

MONDAY 4 MAY 1998

**09.30 Seminar Introduction:**

Mrs Birgit Erngren, Director General, NUTEK

Mr Lars Rekke, Secretary of State, Ministry of Industry  
and Trade, Sweden

Mr Patrick Hennessy, Director, DG XXIII,  
European Commission

*Training for entrepreneurship – from primary school  
to a running business.*

Mr Bengt Johannisson, Professor Vaxjo University, Sweden

*Networking as an instrument of entrepreneurship development.*

Mr Niels Christian Nielsen, Director Danish Technological  
Institute, Denmark.

Monica Strom, NUTEK, introduces the speakers.

**11.00 Presentation of the three parallel workshops  
by the chairmen.**

**Workshop 1:**

Stimulating and equipping for entrepreneurship.

**Workshop 2:**

Training for female entrepreneurs

**Workshop 3:**

Using the IT-technology for training in the start-up phase.

**11.30 Refreshments**

**12.00 Opening of the three parallel workshops.**

**Workshop 1: Stimulating and equipping for  
entrepreneurship.**

**Chair:** Dr. Peter van der Sijde, The University of Twente,  
The Netherlands.

*An infrastructure for academic entrepreneurship.*

Dr. Peter van der Sijde, The University of Twente.  
The Netherlands.

*Teaching and training entrepreneurs at the Technical University.*  
Mr John Heebøll, Director The Innovation Centre  
of Technical University of DK, Denmark.

*Young entrepreneurs experiences in the field of co-operation  
between universities and the private sector for entrepreneurship.*  
Mr Alessandro Mamusa, Representative of CONFAPI  
Young Entrepreneurs and JEUNE: Italy.

*The Lanarkshire Entrepreneurship Programme – Creation of high  
growth new start companies in manufacturing and added value  
services.*

Mr Andy McNab, Head of New Ventures Lanarkshire  
Development Agency. Scotland, UK.

*A programme for preparing women in the public sector for starting  
their own business.*

Mrs Eleonor Rehn Jacobsson, Consultant and President  
of the Centre for Female Entrepreneurs, Sweden.

*Training for starting a business, at anytime, anywhere.*

Mrs Maryvonne Boulestin, Director of CEPAC,  
Centre Atlantique, France.

**Rapporteur:** Mr Jonas Dahlqvist, NUTEK, Sweden.

## **Workshop 2:**

### **Training for female entrepreneurs**

**Chair:** Mrs Agneta Hansson,  
Director Halmstad University, Sweden

#### **Contributors:**

*Training for female entrepreneurs.*

Mrs Olivia Delorge, Boutique de Gestion,  
Midi-Pyrenees, France.

*Training women in negotiations with banks.*

Mr Luis Fernandes, Director of GDO, Lisbon, Portugal.

*Swedish experiences of training programmes for  
women entrepreneurs.*

Therése Hedén, President of the Start-Up Centre, Örebro and  
Mrs Eva Magnusson, consultant at Resourcecentre for  
women and womens entrepreneurism, Sweden.

*Training for female entrepreneurs.*

Mrs Anna Mercadé, President International Foundation of Businesswomen, Spain.

*Women Entrepreneurship – a European experience*

Mr Jacques Wilkin, Director Formation  
PME-Liege-Huy-Waremme, Belgium.

**Rapporteur:** M.Sc. Kerstin Wennberg, NUTEK, Sweden.

### **Workshop 3:**

**Using the IT-technology for training in the start-up phase.**

**Chair:** Mr Henri le Marois, Director E2i/Espace, France.

#### **Contributors:**

*The use of Interactive Computer Approaches to Introduce Students to the business Start-up Process.*

Mr Mike Yendell, Director Strathclyde Entrepreneurship Initiative, University of Strathclyde, Scotland.

*One practical experience using new technologies to train in the field of self-employment: the class-room without walls.*

Mr José Antonio Campos Hernández, Managing director FASE, S.L. (Training centre on employment issues through multimedia and new technologies), Spain.

*Experiences with IT-based training-programmes for schools.*

Mr Johan Carlstedt, President of Young Entrepreneurship, Sweden.

*Training entrepreneurs with the computerbased business simulator program.*

Mr Roland Finke, Assistant Professor European Business School, Germany.

**Rapporteur:** Ms. Jeanette Randen. NUTEK, Sweden.

**13.00 Lunch**

**14.30 Continuation of the three parallel workshops**

TUESDAY 5 MAY 1998

**09.00-13.00 Presentation of conclusion from the 3 workshops.**

**The panel:**

*Who are the real educators and learners? A challenge to entrepreneurship trainers in Europe.*

Mr Paul Hannon, Director Durham University Business School, UK.

*Identity formation processes and entrepreneurship. Experiences from business counselling services in Northern Sweden.*

Ms Pernilla Nilsson, Doctoral Candidate Umea University, Sweden.

*A successful experience in training for start-ups.*

Mr Philippe Albert, Director Founder of the Entrepreneurshipcentre, Lyon Management School, France.

*The Multiannual Programme for SMEs – Training.*

Mr Kurt Konig, Head of Unit European Commission, DG XXIII.

**Leading the debate:** Journalist Bim Clinell.

**13.00-13.15 Debate Closure**

**13.15 Lunch**

## Appendix

# List of Participants

### **AUSTRIA**

*Knett, Hannes, Mag*  
Wirtschaftskammer Österreich  
Wirtschaftsförderungsinstitut  
Wiedner-Hauptstrasse 63  
1045 WIEN

*Riener, Monika, Ms*  
Bundesmin für Wirtschaftliche Ang  
Stubenring 1  
1011 WIEN

### **BELGIUM**

*Wilkin, Jacques, Director*  
Form PME Liège-Huy-Waremme  
Rue Chateau Massart 70  
4000 LIÈGE

### **DENMARK**

*Heebøll, John, Director*  
Innovationscentret  
Agern Allé 3  
2970 HOERSHOLM

*Jacobsen, Helle, Project Manager*  
Ministry of Business and Industry  
Danish Agency for Trade  
and Industry  
Tagensvej 137  
2200 COPENHAGEN

*Nielsen, Niels Christian, Director*  
Danish Technological Institute

### **EUROPEAN COMMISSION**

*Birch, Annette, Ms*  
European Commission  
Rue de la Loi 200  
1049 BRUXELLES

*Hennessy, Patrick, Director*  
European Commission  
DG XXIII  
Rue de la Loi 200  
1049 BRUXELLES

*Izquierdo, M., Ms*  
European Commission  
Rue de la Loi 200  
1049 BRUXELLES

*Koenig, Kurt, Mr*  
European Commission  
DG 23 B/3  
Rue de la Loi 200  
1049 BRUXELLES

*Zaremba, Hans-Dieter*  
European Commission  
Rue de la Loi 200  
1049 BRUXELLES

### **FINLAND**

*Johnsson, Raoul,*  
*Management Consultant*  
Förb för Hemslöjd och  
Konsthantverk  
Pl 186  
00181 HELSINKI

*Jäppinen, Eila, Business Analyst*  
Employment and Economic Dev  
Center  
P O Box 1550  
70111 KUOPIO

*Levonen, Anna-Liisa, Chief Counsellor*  
Ministry of Trade and Industry  
PL 230  
00171 HELSINKI

*Nyberg, Ritva, Managing Director*  
Ladies Enterprise Agency  
P B 331  
00101 HELSINKI

*Pitkänen, Nea, Development Manager*  
The Finnish Crafts Organization  
Kalevankatu 61  
00180 HELSINKI

*Sarkkinen, Jouko,*  
*Development Manager*  
Ministry Trade and Industry  
Employment and Economic Dev  
Centre  
Asenakatu 37  
90100 OULU

*Sistonen, Dea, Business Analyst*  
EEDC Uusima Business  
Department  
P O Box 310  
00100 HELSINKI

*Sjöholm, Ritva, Lawyer*  
Företagsjurister AB  
Central Assoc of  
Female Entrepreneurs  
Aurorankatu 15 B 22  
00100 HELSINKI

*Ylöstalo, Lauri, Managing Director*  
Otaniemi Science Park Ltd  
Tekniikantie 21  
02150 ESPOO

#### **FRANCE**

*Albert, Philippe, Director*  
49 rue de la Gare  
69890 LA TOUR DE SALVAGNY

*Boulestin, Maryvonne, Directeur Adjt*  
CAPAC Centre Atlantic  
10 Place du Temple  
79000 NIORT

*Clinell, Bim, Journaliste*  
92 rue Blomet  
75015 PARIS

*Delorge, Olivia, Directrice*  
Boutique de Gestion  
119 bis avenue de la 1ère Armée Fra  
32000 AUCH

*Le Marois, Henri, Director*  
E2i/Espace  
2 rue Ducourouble  
59000 LILLE

*Unternaehrer, Gerard,*  
*Directeur Recherche*  
Ecole des Mines d'Ales  
6 avenue de Clavières  
30319 ALES

#### **GERMANY**

*Finke, Roland, Mr*  
European Business School  
Kettelerweg 39  
44141 DORTMUND

*Zielke, Thomas, Dr*  
Bundesministerium für Wirtschaft  
Villemombler str 76  
53123 BONN

#### **GREECE**

*Koskovolis, Syros, Head of Section*  
The Hellenic Organisation  
Small & Med sized Entrepr and  
Handicraft

#### **IRELAND**

*Kelly, Michael, Assistant Principal*  
Dep of Enterprise Trade &  
Employment  
Davitt House Adelaide Road  
DUBLIN 2

#### **ITALY**

*Mamusa, Alessandro, Juris Doctor*  
CONFAPI-JEUNE  
Via S Benedetto 57  
09100 CAGLIARI

#### **LUXEMBOURG**

*Friederici-Carabin, Bernadette, Ms*  
Ministère des Classes Moyennes  
6 avenue Emile Reuter  
2937 LUXEMBOURG

*Reckert, Gilles, Mr*  
Chamber of Commerce

#### **NETHERLANDS**

*Brandon, Donny Y M, Mr*  
Ministry of Economic Affairs  
P B 20101  
2500 DEN HAAG

*Van der Sijde, Peter, Dr*  
University of Twente  
Liaison Group  
P O Box 217  
7500 AE ENSCHEDE

## **PORTUGAL**

*Carvalho, Armando*  
IEFP

*Fernandes, Luis Alberto, Directeur*  
G D O  
R Borya 55 - 2 c/v Dta  
1350 LISBOA

*Filipe, Luis-Miguel, Technician*  
G D O  
R Borya 55 - 2 c/v Dta  
1350 LISBOA

*Oliveira, Antonio*  
IEFP

*Prudente, José, Expert*  
IAPMEI  
Inst de Apio as Pequenas e  
Medias Empr  
Rua Rodrigo da Fonseca 73  
1297 LISBOA CEDEX

## **SPAIN**

*Alvarez Morillas, Inmaculada,*  
*President*  
OMEGA  
Org de Mujeres Empresarias  
y Ger Activa  
Paseo San Francisco de Sales 26 2 A  
28003 MADRID

*Campos Hernandez, José Antonio,*  
*Director*  
FASE  
S L  
Avenida Clave 55  
50004 ZARAGOZA

*Del Real Alvarez, Hermogenes*  
Gerente  
IADE-Univer Autonoma de Madrid  
Programa NOW  
Iae FCCEE UAM/Ctra Colmenar  
Viejo K  
28049 MADRID

*Gracia, Carla, Ms*  
Centre Tècnic per a la Dona  
Via Laietana 11  
08003 BARCELONA

*Martinez Gomez, Fernando,*  
*Director General*  
Min Economica y Hacienda  
Dir Gen de Pol de la Peq y Mediana  
Emp  
Po Castellana 162 Pl 11  
28046 MADRID

*Mercadé, Anna, Director*  
Centre Tècnic per a la Dona  
Via Laietana 11  
08003 BARCELONA

*Pardo, Ana, Advisor*  
Ministerio de Education y Cultura  
D G Formacion Profesional  
Los Hadrado 15-17  
28071 MADRID

*Sainz Ruiz, Elisa, Subdirectora General*  
Min Economica y Hacienda  
Dir General de Politica de la Pyme  
P Catellana 141 - 3 plania  
28046 MADRID

*Sanchez Henriquez, Luis, Mr*  
Escuela de Organizacion Industrial  
Gregorio del Amo 6  
28040 MADRID

*Vivas Moreno, Braulio, Mr*  
Escuela de Organizacion Industrial  
Gregorio del Amo 6  
28040 MADRID

## **SWEDEN**

*Carlstedt, Johan, President*  
Young Entrepreneurship

*Chaves, Ramon,*  
*Commercial Counsellor*  
Spanish Embassy  
Commercial Office  
Sergels Torg 12 14tr  
111 57 STOCKHOLM

*Dahlqvist, Jonas*  
NUTEK  
117 86 STOCKHOLM

*Erngren, Birgit, Director General*  
NUTEK  
117 86 STOCKHOLM

*Fernandez, Oscar H,*  
Commercial Officer  
Spanish Embassy  
Commercial Office  
Sergels Torg 12 14tr  
111 57 STOCKHOLM

*Halvarsson, Sune, Director*  
NUTEK  
117 86 STOCKHOLM

*Hansson, Agneta, Director*  
Halmstad University  
Box 823  
301 18 HALMSTAD

*Hedén, Therése, VD*  
Startcentrum Örebro Region AB  
Box 8023  
700 08 ÖREBRO

*Hägghmark, Lars*  
Ministry of Industry and Trade  
103 33 STOCKHOLM

*Johannisson, Bengt, Professor*  
Växjö Universitet  
351 95 VÄXJÖ

*Jorholm, Eva, Cio Ek*  
ALMI Företagspartner Värmland AB  
Box 356  
651 08 KARLSTAD

*Magnusson, Eva*  
Resurscentrum för Kvinnor  
Tingshuset  
Nora kommun  
713 80 NORA

*Melin, Pål, Mr*  
Createl Communications AB  
Teknikringen 4  
583 30 LINKÖPING

*Moberg, Mattias*  
Ministry of Industry and Trade  
103 33 STOCKHOLM

*Nilsson, Pernilla, Doctoral Candidate*  
Umeå University  
UMEÅ

*Prom, Inger*  
NUTEK  
117 86 STOCKHOLM

*Randen, Jeanette*  
NUTEK  
117 86 STOCKHOLM

*Rehn Jacobsson, Eleonor,*  
Consultant/President  
Centre for Female Entrepreneurs

*Rekke, Lars, State Secretary*  
Ministry of Industry and Trade  
103 33 STOCKHOLM

*Ronk, Tiina, Ms*  
Innovation Institute  
Drottninggatan 120  
113 60 STOCKHOLM

*Runeborg, Sylvia*  
NUTEK  
117 86 STOCKHOLM

*Stjernerdal, Ingalill*  
NUTEK  
117 86 STOCKHOLM

*Ström, Monica, Head of Division*  
NUTEK  
117 86 STOCKHOLM

*Wennberg, Kerstin*  
NUTEK  
117 86 STOCKHOLM

*Wester, Catarina*  
NUTEK  
117 86 STOCKHOLM

*Yanagiasawa, Elisabeth, Ms*  
Södermannagatan 16  
116 23 STOCKHOLM

## **UNITED KINGDOM**

*Chapelin, Howard, Mr*  
Business Link Directorate  
Dept of Trade and Industry  
St Marys House c/o Moorfoot  
SHEFFIELD S1

*Hannon, Paul, Unit Director*  
Durham University Business School  
Mill Hill Lane  
DURHAM DH1 3LB

*James, Joe, Director*  
Wigwam Digital Ltd  
Groewood Business Centre  
BELLSHILL ML4 3AD SCOTLAND

*McNab, Andrew,*  
*Enterprise Dev Manager*  
Lanarkshire Development Agency  
Strathclyde Business Park  
BELLSHILL ML4 3AD SCOTLAND

*Wilkinson, Lynn,*  
*Business Development Executive*  
Lanarkshire Development Agency  
Strathclyde Business Park  
BELLSHILL ML4 3AD SCOTLAND

*Yendell, Mike, Director*  
University of Strathclyde  
Strathclyde Entrepreneurship  
Initiative  
Livingstone Tower, Richmond Street  
GLASGOW