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COMMUNITY

START-UP TRAINING: TAILOR MADE FOR BETTER IMPACT



Start-up training prepares entrepreneurs and wanna-be entrepreneurs and gives them the confidence they need to succeed and to grow their businesses. Growing businesses are more likely to create jobs. Start-up training should vary according to the stage of development of a business and should not be a “one-size fits all”. It should include peer learning, sharing knowledge and know-how, and mentoring. Participants should be able to generate ideas, prepare business plans and take their businesses to the next level.

While the issues addressed here apply in particular to transition and middle-income economies in ETF partner regions (EU pre-accession area, Eastern and Southern Neighbourhoods, Central Asia) many of the recommendations apply equally to more developed, market economies.

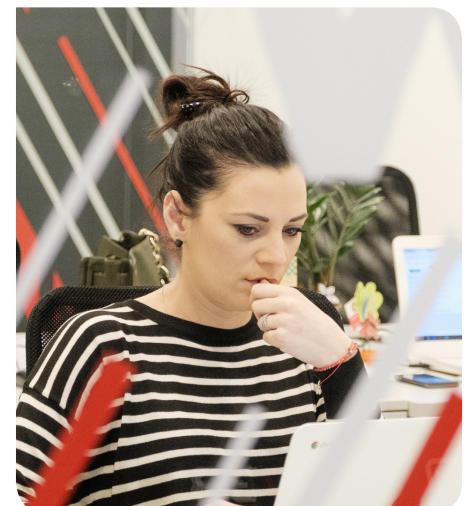
WHY IS START-UP TRAINING IMPORTANT?

Small and medium-sized enterprises (SMEs) account for over 99% of all firms in the EU. Ensuring these businesses are successful is important for economic development and job creation. SMEs account for 70% of all jobs in the EU while they generate 57% of the EU’s value addition (European Commission, 2017). On the down side, however, only 60% of newly-established businesses in Europe are still active after three years (Eurostat, 2018). Training is critical for new businesses and their success in the long-term (OECD, 2014). To support growth and employment, policymakers should ensure that more SMEs are created and that they are successful. Part of this process means providing training support for those considering entrepreneurship

as a career, through to business start-up, business growth and sustainability. At the outset, education and training play an important role in generating an understanding of what entrepreneurship means for young people and in building interest in entrepreneurship as a career (Danish Foundation, 2014). Secondly, it provides a vital step in getting young people to start their own businesses (European Commission, 2015). Thirdly, education and training plays a critical role in start-up survival (Gine & Mansuri, 2018) and helping businesses grow (CMI, 2015). Training helps start-ups to develop their business ideas, get access to finance and build networks, making them more likely to succeed in the long term (OECD, 2014).

- What makes start-up training effective?
- How could it be improved?
- Who should be targeted?

This policy briefing is aimed at policy makers who shape education and training to support small business development, as well as the training community in the front line of services to businesses.



WHAT TYPE OF TRAINING DO START-UPS NEED?

MENTORING AND COACHING

Research suggests that, on its own, a traditional training course does not lead to long-term business success and sustainability. Training should be part of a business support programme covering information sharing, consultancy and financial support (OECD, 2014). Business coaches and mentors who give guidance and advice on specific start-up challenges are important for entrepreneurs, and even more so for early-phase start-ups, up-starts and re-starts because they need more advanced support.

LEARNING WITH ENTREPRENEURS

Training programmes are most successful if they combine traditional knowledge sharing with learning activities in which entrepreneurs can learn from each other. Start-ups learn from peers, from more experienced entrepreneurs and from second-chance entrepreneurs. No matter what stage you are at in your business journey, there are always others facing similar challenges. Networking is an efficient way of learning, allowing entrepreneurs to discuss common start-up challenges, share business ideas, find potential partners and investors. Evidence shows that co-working spaces, where start-ups work in the same room, stimulate informal learning and are a good way of networking for start-ups.

INNOVATIVE AND FLEXIBLE TRAINING

Entrepreneurs are get-up and go people; they do not want to stay sitting down in training sessions for days at a time. Training programmes need to be in tune with the mind-set of their audience: entrepreneurs have a business to run, they want to learn as much as they can in the shortest possible time. 'Learning-by-doing' is an effective approach and training courses should be practical and based on real-life cases. Self-study through on-line courses and webinars is a cost-efficient learning method. Online courses are widely accessible, relatively cheap, and allow people to study when and where they choose.

TARGETED TO THEIR ENTREPRENEURIAL JOURNEY

Training is most effective when targeted at the specific needs of entrepreneurs at each stage of their entrepreneurial journey. The ETF has identified five target groups for start-up training: 1) **Maybe entrepreneurs**, 2) **Wanna-be entrepreneurs**, 3) **Early start entrepreneurs**, 4) **Up-start entrepreneurs** and 5) **Re-start entrepreneurs**. A further sixth category, the "new-start entrepreneurs" can be identified. These are known as serial entrepreneurs but are not covered in this policy brief.

MAYBE ENTREPRENEURS

Who?

Anyone with an interest in becoming an entrepreneur, but are not yet sure about it. This could include students between 15 and 18 yrs old and unemployed people.

What do they need?

To realise what it really means to become an entrepreneur and to develop entrepreneurial thinking, innovation and creativity.

Key topics:

- Basics of entrepreneurship;
- Developing entrepreneurial thinking, innovation and creativity;
- Pros and cons of a career in entrepreneurship.

How does learning happen?

Self-assessment on entrepreneurial spirit; Real life start-up stories from young and experienced entrepreneurs (role models); Apprenticeships; Virtual or mini companies; Visits to companies; Participate to competitions (e.g. the best entrepreneurship idea); Career guidance and counselling.

ETF Good Practice: **Europen-pen International, Practice Enterprise Concept, Germany**

Students are running a virtual company and discover the different functions within a company.

 www.penworldwide.org

WANNA-BE ENTREPRENEURS

Who?

Anyone with a business idea wanting to turn it into a viable business opportunity. This could include: university students, graduates, unemployed people, career switchers, women, seniors and migrants.

What do they need?

Support to develop an entrepreneurial idea from concept to reality.

Key topics:

- Developing business plans or canvas;
- Prototype building;
- Pitching business ideas;
- Market research;
- Sales and marketing;
- Basics of financial literacy and fundraising methods;
- Presentation and networking skills.

How does learning happen?

Short workshops and courses; Webinars or MOOCS (Massive Online Open Course); Peer learning and networking events such as start-up weekends or summer schools; Participate to competitions (e.g. best business plan).

ETF Good Practice: **Bryo startup, Belgium**

Organised by the Flemish Chamber of Commerce, Bryo provides interactive workshops and organises networking events that give young entrepreneurs the opportunity to meet with more experienced ones.

 <http://www.bryo.be/>
 @VOKA_bryo

EARLY START ENTREPRENEURS

Who?

Entrepreneurs who are in the first phase of running their business (3 to 5 years from business registration). This could include: young entrepreneurs, women entrepreneurs, senior entrepreneurs, second chance entrepreneurs and migrant entrepreneurs.

What do they need?

Support to survive the critical start-up phase and help to make their business sustainable.

Key topics:

- Redefining business plans or canvas;
- Product development and innovation management;
- Financial literacy including accountancy, bookkeeping, data analysis
- Website development, social media, e-commerce, digital sales and digital marketing;
- Tax regimes and patent procedures;
- Team working, networking and negotiating skills.

How does learning happen?

Mentoring and coaching; Visits to start-up companies; Start-up events and competitions (e.g. best start-up of the year or best pitch), Short workshops and course modules; Business incubators programs; Bootcamps (e.g. on design thinking and innovation).

ETF Good Practice: Incredibol! – L'INovazione CREativa DI BOLogna, Italy

Young creative start-ups in the cultural and creative industries get support from a network of professionals to develop their ideas into valuable businesses. Incredibol! organises coaching sessions, networking events and provide consulting services.



<http://www.incredibol.net/en/>



@incredibol

UP-START ENTREPRENEURS

Who?

Entrepreneurs in their first phase of business but who are preparing to scale-up the business.

What do they need?

Support to prepare their business to growth and innovation and make it scalable.

Key topics:

- Strategic Management;
- Leadership;
- Digitalisation and use of new technologies;
- Financial literacy including investment methods and calculating risks;
- Intercultural management and foreign languages;
- International law, trading regulation, export documentation, intellectual property rights.

How does learning happen?

Mentoring, coaching and business counselling; Business Accelerator Programmes; Innovation Camps; Networking events such as trade fairs, international conferences and competitions; Hackathons during which entrepreneurs are challenged to generate an idea in a very short time.

ETF Good Practice: Female High Fliers, DCU Ryan Academy, Ireland

An accelerator programme designed exclusively for start-ups founded and run by female entrepreneurs aiming to accelerate business development and growth.



www.ryanacademy.ie



@Ryan_Academy

RE-START ENTREPRENEURS

Who?

Entrepreneurs who have experienced business failure and want to learn from their mistakes before they start again.

What do they need?

Help in recovering from the losses suffered and becoming successful the second time round.

Key topics:

- Professional, financial, social and psychological effects of business failure;
- Analysing their failure;
- Overcoming fear.

How does learning happen?

Mentoring, coaching and business counselling, conferences and gatherings, on-line forums, blogs, social media.

Example: "Fuck-up nights"

where entrepreneurs openly speak about their mistakes and reasons why their business failed. The concept was born in Mexico in 2012 and is now extended to more than 150 cities around the world, including Pristina, Tirana, Sarajevo, Cairo, Jerusalem, Beirut, Almaty, Yerevan.



www.fuckupnights.com



@FuckupNight

The content, complexity and means of delivery (e.g. workshop, start-up bootcamp) must be tailored to the needs of each target group, though there are some overlaps.

FINANCIAL TRAINING

Through training, entrepreneurs learn how to get access to finance and manage it better, which decreases the risk of bankruptcy. Training in financial literacy should be a precondition for grants, loans or other financial support. This would also make investment in start-ups safer for financial service providers.



MEASURED IMPACT

Governments and training providers want to know what works and how much it costs. The cost-effectiveness and relevance of training programmes need to be closely monitored and evaluated, and their impact be measured. University incubators, for example, should have a tracking system to monitor how many students start their own business and how successful they are. Is the business still alive after 3 years? How many people does it employ? Did the profit margin grow? Tracking data can also be valuable for training providers to promote their training programmes.

HOW CAN POLICY MAKERS AND TRAINING PROVIDERS HELP IMPROVE START-UP TRAINING?

- **Develop the entrepreneurial mind-set:** make entrepreneurship as a key competence part of the national education system. This is particularly important for students following technical or vocational education.
- **Identify target groups according to the entrepreneurial journey:** distinguish the maybe entrepreneurs from the real starters and those with potential to grow. Think about re-starts too.
- **Offer integrated support services for start-ups:** combine training with coaching, mentoring and financial support (grants, tax reduction, training vouchers, etc) to enhance long-term business sustainability.
- **Promote peer-to-peer learning and networking:** organise national and international networking events and competitions (e.g. best business idea, start-up of the year).

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WHAT SKILLS DO ENTREPRENEURS NEED?

We now understand that it requires a combination of business skills, entrepreneurship as a key competence and occupational skills needed to work in a given business sector (e.g. tourism, ICT, hospitality, beauty and lifestyle, health care). As a key competence, entrepreneurship refers to a set of attitudinal and behavioural traits to develop an entrepreneurial mind-set (European Commission, 2016).



USEFUL LINKS

- For further reading and details on the examples of ETF good practice, see the ETF social platform: www.etf.europa.eu/
- Many EU initiatives exist to support start-ups that are also applicable to some of the ETF partner countries.
- **COSME:** <http://ec.europa.eu/growth/smes/cosme/>
 - **Erasmus for Young Entrepreneurs:** <http://www.erasmus-entrepreneurs.eu>
 - **European Enterprise Network:** <http://een.ec.europa.eu>
 - **European Investment Fund:** <http://www.eif.org/>
 - **Startup Europe partnership:** <http://startupeuropeclub.eu/get-connected-across-europe>
 - **Startup Europe One Stop Shop:** <http://startupeuropeclub.eu/>

For information on our activities, job and tendering opportunities, as well as all the examples of good practice in this area selected by the ETF, please visit our website, www.etf.europa.eu

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