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STRATEGIES FOR ENTREPRENEURIAL AWARENESS

ENSPIRE EU document

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Introduction

In order to create more jobs and build a competitive growing Europe we need more, competitive and growing businesses. To make that happen the European Commission expresses a need to create a more favourable societal climate for entrepreneurship. This framework is ENSPIRE EU's recommended strategies for politicians and officials to consider in the aim of creating an entrepreneurial mind-set and getting more people to want to become entrepreneurs.

* As a complement to this please see the document "ENSPIRE EU – 10 policy recommendations."

ENSPIRE EU is about inspiration, awareness and mind-sets

Studies show that the basic desire for Europeans to be self-employed is decreasing and that there is an overall lack of inspiration for people to start their own businesses. All the while economic organisations and governments all across the EU are talking about the need to develop the EU into a strong 'entrepreneurial economy', since this is the key to Europe's competitiveness and continued modernisation.

Although many things have been done to create better conditions for already existing entrepreneurs, the key issue seems to be that not many Europeans want to become entrepreneurs in the first place (European commission; Entrepreneurship in the EU and beyond - Analytical report). The ENSPIRE EU project is about improving the entrepreneurial mind-set and creating a climate where people are inspired to become entrepreneurs. It is about the very essence of entrepreneurship: mind-set, awareness and inspiration. It's about raising the individual's motivation and capacity, independently or within an organisation, to identify an opportunity and to pursue it in order to produce new value or economic success.

The entrepreneurial chain – Different objectives call for different methods

It is important to realise that it requires more than one type of support in order to create an environment that promotes entrepreneurship. To create the right conditions for businesses to develop one must understand the different steps of the entrepreneurial chain from an idea first taking place to the development of a business or a proprietor's shift. The whole chain needs to work successfully but in trying to better the system there has to be insight about the particular part that is intended to be improved. If the problem is people not considering becoming entrepreneurs in the first place then that calls for certain types of measures.

If the problem is people wanting to become entrepreneurs but not knowing how to then that calls for other types of measures, and so on.

This strategic policy framework focuses on the first part of the entrepreneurial chain, the mind-set, or in other words inspiring people to want to become entrepreneurs in the first place. It is not about reducing red tape or about creating better access to finance or improving the conditions for already existing entrepreneurs. The focus is purely on making more people inspired and wanting to start a business.

A supporting strategic framework for politicians and officials

As mentioned above there are many ways of tackling the subject of entrepreneurship depending on which part of the entrepreneurial chain that needs to be addressed, strengthened and improved. We all exist and act in different parts of this chain. And in realising that we can be more conscious in what areas we can make a difference. For example; Teachers and those working in Social Services are working at the front of the entrepreneurial chain and have the opportunity to affect potential entrepreneurs first hand, whilst politicians and local and regional officials often act further back in the chain, trying to create an inspirational environment for entrepreneurship to flourish.

This framework is ENSPIRE EU's recommended strategies for politicians and officials to consider in the aim of creating an entrepreneurial mind-set and getting more people wanting to become entrepreneurs. The framework builds on the gathered experience and knowledge produced through the ENSPIRE EU project as follows:

The core of the ENSPIRE EU project has been to look at 52 good practice initiatives, for developing the European entrepreneurial mind set, and to finally pick out the best ones which ended up being 14 best practices. The good and best practices were used as a basis for new knowledge on the European entrepreneurial mind set and how to affect it. The conclusions are presented in the report "ENSPIRE EU Pan European study". Within the project there were also twinning visits made. This was an experience exchange program where the partner regions visited each other and exchanged experiences about their initiatives. These experiences were then formed into an "ENSPIRE EU toolkit for business development agencies".

The results of the Pan European study, and the experiences from the twinning visits, were then complemented by a workshop and a digital survey. During the workshops the partner regions discussed the knowledge shared between them, as well as gained through the project, and sifted out the main recommendations for policymaking presented in the report “ENSPIRE EU, Creating Entrepreneurial policies – 10 recommendations” as well as the main recommended strategies to consider and presented this document ENSPIRE EU Strategic policy framework. An important consideration in regards to the survey has been to find whether there is a relationship between the regional policy level in the partner regions parallel to how the good practices flourish in each region. This was done by looking at the regions strategic policy framework and seeing if those regions represent best practice entrepreneurship initiatives chosen within the ENSPIRE EU. In most cases for partners in the ENSPIRE EU it is the case - a policy that expresses the importance of entrepreneurship and developing an entrepreneurial mindset in the region indicates that they have some best practices and vice versa. But there is a few deviation from this general picture. Since England shows low points on strategic policy framework and high points on numbers of good practices and Slovenia shows high points in strategic policy framework and no best practices chosen, it draws down the result. It can even indicate an opposite relationship. In addition, it is important to notice that the policy setup is very different and varies from region to region. For some regions the entrepreneurship policy serves as a part of a more general regional development strategy, whereas in other regions the entrepreneurship policy is an independent policy with well defined aims and measurable indicators. This is for instance the case for North-West Romania Region.

It should be said though that the strategic recommendations in this document is mainly based in qualitative study which is recommendations from the 11 ENSPIRE EU partner regions. Using the partner’s experiences and expertise, considering the subject of entrepreneurship policies and working to get more people to want to become entrepreneurs, and summarizing them into concrete applicable recommendations and strategies. To get a full answer to whether there is a correlation between a regions policy level in relation to having successful entrepreneurship initiatives there would have to be made a study over a longer period of time since it is reasonable to assume that the structural change that regional development policies aim to reach takes time. So to get a fair picture a study might be done considering the policies that was current 10-15 years ago and compare them to the regions producing successful initiatives today. The study would also need to take into account less successful initiatives and look at a larger number of regions for a fair picture.

In contributing to creating a positive entrepreneurial mind-set for Europe where more Europeans want to start businesses and become entrepreneurs these are the 4 strategies recommended by the ENSPIRE EU as shown in the figure below:



Strategy 1 – Use policies as instruments for inspiration

The overall aim of the ENSPIRE EU project is to inform and improve policymaking on the subject of promoting entrepreneurial mind-sets. The reason for improving the role of entrepreneurship at policy level rest upon two basic ideas:

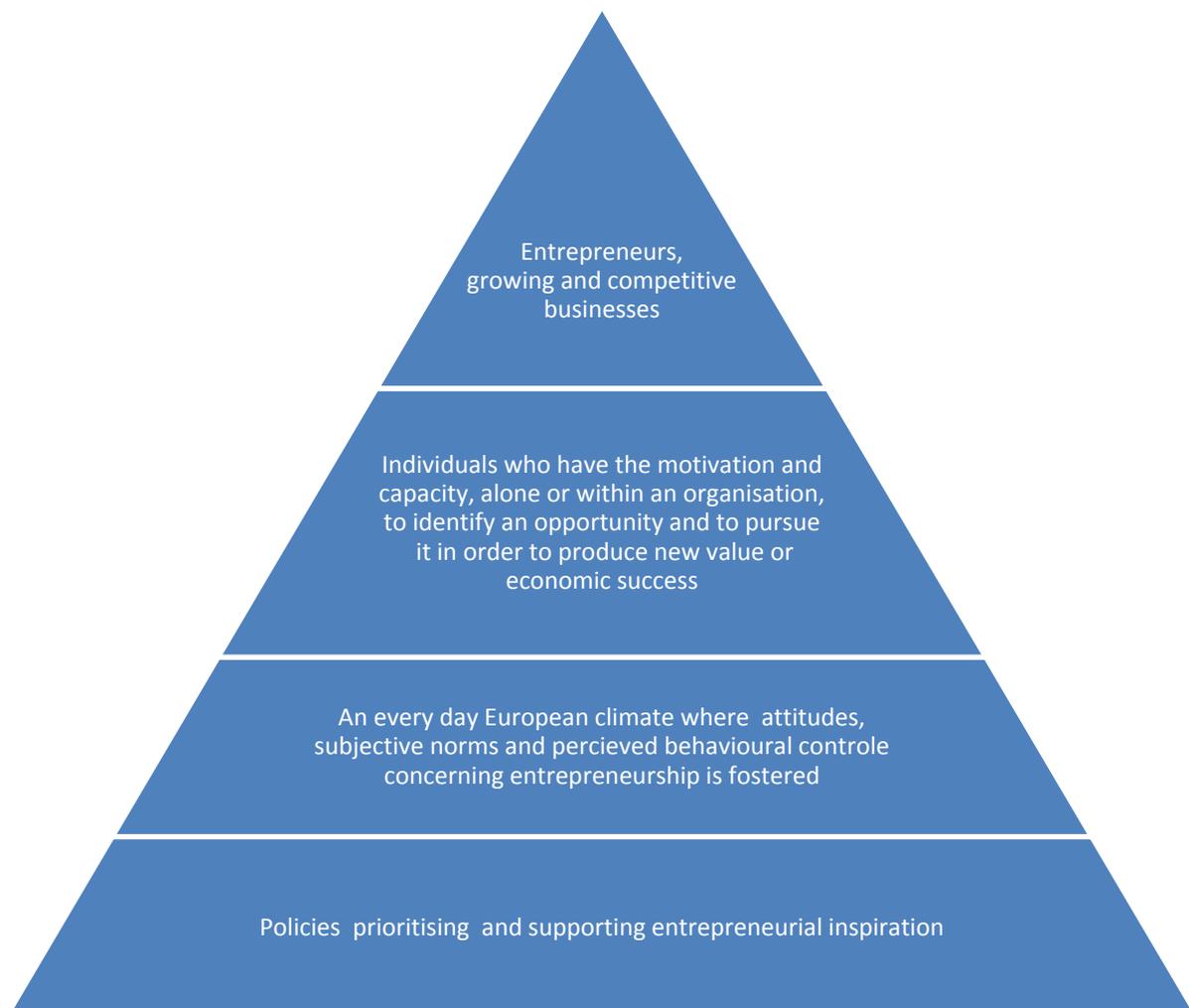
1. Changing mind-sets is a long term challenge

Changing mind-sets is a long term challenge and since policies are the long term commitments and statements of intent that regions, municipalities or organisations make, they are important instruments for changing mind-sets.

2. The entrepreneurial conditions in our communities are affected by the decisions taken at political level and consolidated into policies

Consciously crafted policies, that make way for successfully designed entrepreneurial mind-set activities, will change the entrepreneurial system and help create an everyday European climate where attitudes, subjective norms and perceived behavioural control is fostered.

This will in its turn foster individuals who have the motivation and capacity, individual or within an organisation, to identify an opportunity and pursue it in order to produce new value or economic success. It is these individuals who will become entrepreneurs and in the long run will create more, growing and competitive businesses in Europe as shown in the figure below:



Another key aspect to consider when improving policies is to:

Identify and target the right policies – Preferably several

Every local authority, region and country is different in terms of which kinds of policies have an impact on development work. Some policies stretch far into the future and some regions only have national policies, which may be difficult to have an impact on short term.

If you want to improve and develop policies and really make use of them as an instrument for entrepreneurial inspiration it is important to think outside the box and try to identify all relevant policies long term, short term, on different geographical and jurisdictional levels and even orientation. The ENSPIRE EU twinning visits report reveals that some good example can be drawn from South Denmark and Region Halland, Sweden where you'll find some clear policies for pupils at secondary school level for example.

The policy that would be the most effective one in reaching your goals might not be the one named "Regional entrepreneurial policy" it might just as well be the national syllabus or the overall strategies and objectives for a region where entrepreneurship needs to be mentioned and put on to the agenda. Keeping a flexible mind and being entrepreneurial in choosing policies is key to improvements and developments in the policy sphere.

It is also a matter of what is reasonable considering your time line, ambitions and needs. Perhaps in some cases it is better to look at a relevant local action plan which may be easier to have an impact on short term, whilst making improvements to regional or national policies will be more of a long term ambition.

It should also be said that there is a great strength in having several parallel policies on entrepreneurship to really reach an impact. European level policies are a great support to national ones, national ones to regional ones and so on. For example; to have the subject of entrepreneurship and entrepreneurial inspiration in the national syllabus greatly supports, and adds legitimacy to, regional and local educational policies and helps teachers on how to actually work with the subject of entrepreneurship not just declaring it as an important area to work with.

Naturally having the right policies to promote entrepreneurship is far from the only action that matters when it comes to creating an environment where new businesses can develop and grow successfully. But policies do have an important impact. And they could have an even greater impact granted that:

1. Entrepreneurial inspiration and mind-set is highlighted in the policies as an area of focus

As mentioned above there are many ways to approach entrepreneurship. Policies tend to be very general but it is important not to be too general since this might make it too broad in its direction, giving little indication as to what actually needs to be improved. This goes back to what was mentioned earlier on about the entrepreneurial chain and identifying what exactly needs to be improved. The policy needs to have specific priorities and not just mention entrepreneurship in general.

In this case, since the problem is that not enough Europeans want to become entrepreneurs, it means recognizing 'the entrepreneurial mind-set' or inspiration as an important area of development.

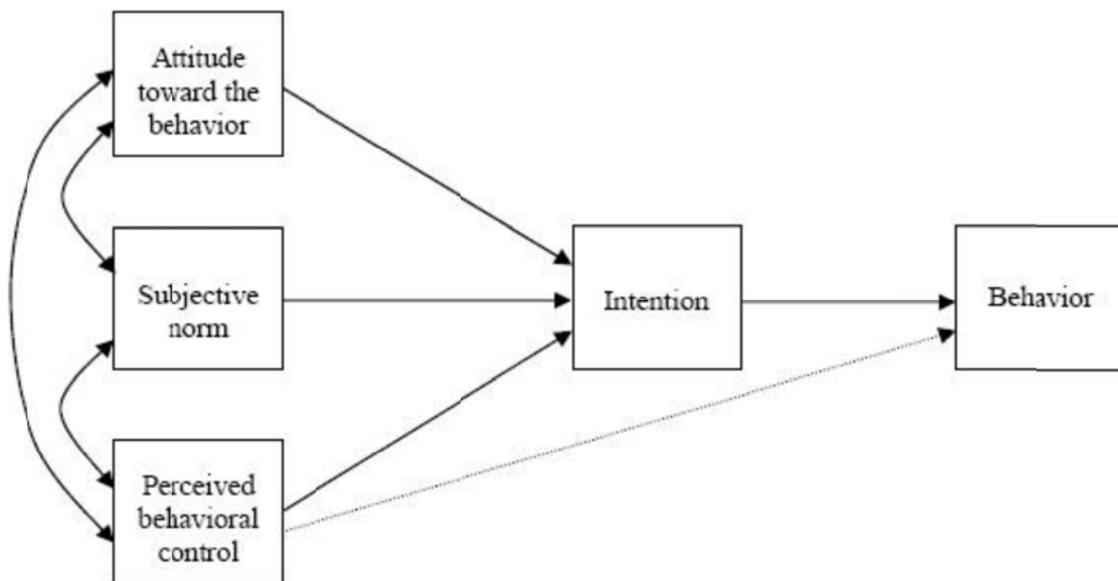
1. The policies are based on a deep understanding of what inspires and makes people want to become entrepreneurs

If we want more people to want to become entrepreneurs we need to understand what motivates and drives people. It means understanding human nature and what makes people choose – or not choose – to become entrepreneurs.

In other words, being aware of what type of activities and actions are likely to have an impact in terms of promoting entrepreneurship. Therefore it is recommended to base activities on existing knowledge and evidence.

Strategy 2 – Evidence base entrepreneurial mind-set activities

Entrepreneurship is first and foremost a mindset. This means that people need to be inspired to want to become entrepreneurs, having the motivation and capacity, to identify an opportunity and to pursue it in order to produce new value or economic success. To create this mind-set it is important to understand the three psychological triggers as shown in the figure below, and plan for the right type of activities that will improve the entrepreneurial mind-set.



Source: ENSPIRE pan European Study 2012

1. Attitudes towards becoming an entrepreneur

This means people's attitudes towards themselves becoming an entrepreneur and starting a business, considering the risks and gains. It is easy to confuse this with general attitudes towards entrepreneurship. It is common for people think business creation to be a good thing and to be positive towards others doing so. But it is another thing get them to consider starting a business themselves which is what Europe needs.

To improve attitudes you need to raise people's knowledge of how to start a business and what it requires. You also need to make people aware of what options and opportunities are at hand for starting a business. So when trying to improve attitudes it is recommended to teach skills like leadership, cooperation, team work and opportunity seeking as well as networking, social skills and creative problem solving. This can for example be done through coaching, mentor programs and business networks as well as international exchange for young people, students and teachers and to some extent with communication activities.

Selected as an ENSPIRE EU best practice, the Danish initiative "Ethnic Coach for Ethnic Entrepreneurs" is a good example of how getting a coach from the local business environment can help change the attitude towards becoming an entrepreneur by moving the advisory role away from the family to a professional advisor.

2. Subjective norms

This means the social norms and environment affecting a person. For example what do family and friends think, accept and expect of you? How positive and permitting are the norms? These are factors that have a big impact on the likelihood of people themselves becoming entrepreneurs.

Changing norms is difficult since they are often founded in each person from an early age, much like religion. A recommended method to start this change is to use role models such as for example celebrities or famous athletes that have started their own business and who can speak of the rewards of becoming an entrepreneur and to offer the opportunity to learn from their success. Role models can change people's view on entrepreneurship since they have the trust and respect from people in general and they can also provide invaluable advice drawing from their own successes as well as failure. Remember that failure is just as important as success. Firstly because it is the truth and there is no gain in sugar coating or hiding the fact that starting your own business can be tough. Secondly, because the fear of failure and the shame of failure is something that limits people. And people need to become more comfortable with risk taking to want to take the leap and start their own business, viewing failure as just a step on the way and a valuable experience gained.

As a part of the ENSPIRE EU twinning visits program the "IDEA Entrepreneurship Centre" is an example of how teaching students the importance of learning from your mistakes and not being afraid of failure is a very important educational step if you want to change the mindset of the next generation of potential entrepreneurs. See the ENSPIRE EU twinning visit report for more information.

3. Perceived behavioral control

Perceived behavioural control refers to people's self-confidence and belief in themselves to be able to seize an opportunity, realize an idea or start a business. It also refers to the level of knowledge concerning what opportunities and options are available to them to start a business. To improve perceived behavioural control activities that encourage and build confidence and motivation are recommended. For example mentor programmes, personal development courses, role play exercises and activities based on real scenarios aimed at teachers and young students. Communication activities can also be a good reinforcing activity to make people aware of the support and opportunities available for starting a business.

One of the objectives of the French initiative "Groupements of Createurs" was to foster more self-esteem, self-confidence and autonomy of action to the beneficiaries in the program. The fact that coaching and training actually works is supported by the fact that one year after the end of the programs training phase 73 % of the beneficiaries had either found a job or launched their own business.

Strategy 3 – Share inspirational awareness and know-how

There are many great examples of work being carried out to promote an entrepreneurial spirit. Drawing from successful examples can help to avoid mistakes and tackle entrepreneurship in a different more fruitful way than you would on your own. The EU's Cohesion policy encourages regions and cities from different EU member states to work together and learn from each other through study visits, exchange programs, projects, networks and joint information bases.

Sharing know-how, ideas and exchanging experiences between countries, learning from each other's mistakes and adopting the transferable success factors will accelerate development which is a key factor for integration and Europe's economic growth. The ENSPIRE EU Twinning visits program was designed to exchange know-how between regions about entrepreneurship initiatives and the twinning visit report supports the value of sharing know-how.

The Romanian initiative “A Different School” is an example of a direct spin-off from one of the twinning visits inspired by the best practice "InnoCamp", where pupils are faced with a challenge from a local company which they have three days to solve.

But not only does this refer to learning from someone else. It also refers to the fact that the one sharing benefits as well, which is also supported by the twinning visit report. Whether learning from others or being taught, it is always good to evaluate your own work and take time to learn from your mistakes, as this is the key to continuously improving oneself.

Strategy 4 – Target high potential groups

ENSPIRE EU is focused on initiatives that encourage those who are disadvantaged, disconnected and/or discouraged in our communities, also referred to as “the 3D’s”. Even though the three groups are very different, they share one important characteristic: They are susceptible to entrepreneurial inspiration. So there is a market opportunity so to speak, of untapped entrepreneurial potential that can be unlocked by making them aware of their competences and opportunities. This will benefit the regions and the European economy as a whole, which is the overall purpose of ENSPIRE EU. So these target groups are chosen for the overall objective of improving the effectiveness of regional development policies regarding the fostering of an entrepreneurial mind-set. The first group 'Disadvantaged' consists of people without the same opportunities as the average European –like ethnic minorities and women. The second group 'Disconnected' consists of people that are disconnected from the labour market like long-term unemployed and those with low education. The third group 'Discouraged' consists of young people in secondary level of education not influenced enough by entrepreneurial inspiration.

Although the 3D’s were the high potential groups initially pin pointed by ENSPIRE EU a fourth group transpired through a mapping of good practices made within the project. The fourth high potential group recommended is therefore “young people and children”. In order for Europe to get more and competitive businesses there is a need to foster people in general to want to become entrepreneurs. And since young people and children are our potential future entrepreneurs and a large part of their attitudes towards entrepreneurship forms during their formative years we need to start early and teach them how to use their creativity, trust their ideas and have the self-confidence to try to make business out of their activities.

Preferably entrepreneurial awareness activities target all the educational levels: Primary School (ages 7-11) Secondary School (ages 11-16), College, University and also business- and technical schools. As an example the ENSPIRE EU good practice initiative "Growth" from Göteborgsregionen, Sweden targeted several different educational levels (from primary to university). The Project aimed to raise awareness and promote positive attitudes towards entrepreneurship among children and youth through the teachers by creating a more entrepreneurial learning environment.

The high potential groups mentioned here are the ones selected by the ENSPIRE EU project, but it would seem sensible to be more market orientated and choose target groups more carefully when considering who it is that actually needs support. Do your homework on what groups you see as untapped market potential in your region and maybe also consider if there are other groups that you need to go through to reach them such as teachers to reach young people or social workers to reach unemployed.

** For further reading and ENSPIRE EU reports please see:*

www.enspire.eu

ENSPIRE EU Pan European Study

ENSPIRE EU Twinning visit report

ENSPIRE EU Toolkit

ENSPIRE EU Creating entrepreneurial policies, 10 recommendations

ENSPIRE EU Strategic policy framework Survey