

Chapter 3: Entrepreneurship training models and programmes

“We cannot ensure that entrepreneurship training programmes would create a Bill Gates or any other successful entrepreneur that you know of, as a physics professor would not be able to guarantee you an Albert Einstein, but give us a student or course attendant with a orientation towards business and we can improve the performance of such an individual.”

- Bygrave and Hofer (1991: 16)

3.1 Introduction

Despite the increase in the amount of research conducted into the area of entrepreneurship training and education, Jennings and Hawley (1996: 1305) suggest that many entrepreneurship training initiatives do not actually address the real needs of entrepreneurs. They feel that there is often a significant gap between the perceptions of the training providers and those of the entrepreneurs in terms of training needs, for what sometimes appear as key problem areas to the trainer may have little importance for the entrepreneur. This may be because many providers have limited managerial or vocational experience of small firms and fail to understand the practical problems facing entrepreneurs.

Timmons and Spinelli (2004: 66) mention that there is a limit to what can be taught in entrepreneurship training programmes and that the only way to learn is through one's own personal experience. With this in mind, they see the quality of the resulting business plan as a key measure of effective experiential learning. In the various surveys reported on by Dunsby (1996: 53), financial management and marketing have also been highlighted as critical areas in which entrepreneurs require assistance.

This chapter investigates entrepreneurship education and training further by focusing on entrepreneurial training models. Two training models are discussed to serve as a basis for the chapters that follow. Various training programmes in different countries including South Africa, the rest of Africa, the USA, Europe and Asia are examined. A content analysis is done on various entrepreneurship programmes to investigate the

main areas of training that trainers and facilitators need to focus on. Chapter 2 highlighted the fact that the main areas of concentration in this study of entrepreneurial training programmes are business skills training, technical skills training and entrepreneurial skills training. This chapter explores these skills further by means of models. The objectives, design, content and duration of entrepreneurship training programmes are described, as well as how to measure the effectiveness of such programmes.

3.2 Entrepreneurship training models

An entrepreneurship training model can be defined as a structure or layout of constructs that form the framework of an entrepreneurship training intervention. A model includes all of the training elements that are presented when the training is carried out. Pretorius *et al.* (2005: 420) define such a model as a structure that is used as the guideline for the compilation of entrepreneurship training programmes. Two existing models were independently developed for entrepreneurship programmes in South Africa. Several other entrepreneurship training models exist worldwide, but for the purpose of this study these two models only will be discussed. Each model was developed for its own and different contextual outcomes. The first model that will be discussed is the Entrepreneurial Performance Education Model.

3.2.1 Entrepreneurial Performance Education Model (E/P model)

The formula for the E/P model is illustrated as:

$$\mathbf{E/P = f [aM (bE/S x cB/S)]}$$

Where,

E/P = Entrepreneurial Performance

M = Motivation

E/S = Entrepreneurial Skills

B/S = Business Skills

a to c = Constants

The model, as developed by Van Vuuren and Nieman (1999: 6), is concerned with the elements that drive entrepreneurial performance and was developed to guide syllabi and curriculum development. The four elements (E/P, M, E/S and B/S) that are evident in this model are described in detail.

3.2.1.1 Entrepreneurial Performance (E/P)

According to Ladzani and Van Vuuren (2002: 156), entrepreneurial performance is based on the starting of a business/utilising of an opportunity, and growth of the business idea. Holland (1985: 20) states, in his theory of vocational choice, that the interaction of work environment and personality may affect performance in a career. Specifically, he argues that higher levels of fit between the personality and work environment characteristics will result in higher performance in that role. Van Vuuren (1997:3) agrees that entrepreneurial performance goes hand in hand with entrepreneurial achievement or results with regard to the realising of set entrepreneurial goals. This construct can be presented as: firstly, an increase in productivity; secondly, the increase in the number of employees employed, which implies the expansion of the business; thirdly, the net value of the business; fourthly, a core aspect in entrepreneurship, namely the increase in profitability; and finally, the completion of the first market-related transactions.

McClelland (1961: 40) similarly argues that need for achievement will be related to successful performance in an entrepreneurial role. Entrepreneurs who are high in achievement motivation are more likely to overcome obstacles, utilise resources for help, compete and improve their skills. Therefore, one would expect to find differences in achievement motivation in high-performance entrepreneurs versus low-performance entrepreneurs. Friedrich *et al.* (2003: 3) report on the findings of McClelland's Achievement Motivation training of small business conducted in India and in the USA in 1969. The results showed evidence that Achievement Motivation training significantly improves small business performance, provided that there is some minimum support from the economic infrastructure in the form of available loans, market opportunities and the labour force.

3.2.1.2 Motivation (M)

Buelens, Kreitner and Kinicki (1999: 189) conceptualise motivation per se as those psychological processes where consciousness, direction and perseverance of purposeful voluntary actions are created. Herron and Sapienza (1992: 49) state: "Because motivation plays an important part in the creation of new organisations,

theories of organisational creation that fail to address this notion are incomplete”. What motivates a person to start his/her own business? The development of performance motivation of the entrepreneur should be incorporated in all programmes. Pretorius *et al.* (2005: 416) suggest that it contributes towards qualities like inner control, persistence, leadership, decisiveness, determination and sheer guts. From the above statements, it is evident that another important aspect that can be associated with motivation is a need for achievement. The concept of need for achievement (nAch) was formulated in the 1950s (McClelland, Clark, Roby & Arkinson, 1958: 11). McClelland and his colleagues argued that high-nAch people are more likely than low-nAch people to engage in energetic and innovative activities that require planning for the future and entail an individual's responsibility for task outcomes. McClelland (1961: 35) argued that high-nAch people should also prefer tasks that involve skill and effort, provide clear performance feedback and hold moderate challenge or risk. The author based his hypothesis on individual observation, and proposed the following logical psychological supposition: The more an individual achieves, the more he/she would like to achieve. This achievement is tied to specific action behaviour. The author therefore argues that the motives are rational or can be rationally deduced from the completion of certain actions.

Collins *et al.* (2004: 95) conducted an investigation of 47 different achievement motivation studies, 21 of which used the “Thematic Apperception Test” - TAT (McClelland), six used the Miner Sentence Completion Scale and 20 used various types of questionnaire-based method. Overall, their results supported McClelland's theory that achievement motivation is significantly related to both occupational choice and performance in an entrepreneurial role. The results were further consistent with McClelland's prediction that individuals high in achievement motivation are more likely to be attracted to occupations that offer high degrees of control. Therefore, as suggested by McClelland (1961: 36), it seems likely that individuals high in nAch should be attracted to and perform well in entrepreneurial jobs. Mahadea (1988) in Antonites (2003: 53) mentions that the need to achieve can be fostered through a training intervention. He quotes the following authors who proved this statement empirically: McClelland and Winter (1969; 1987); Timmons (1971); Durand (1975); Boshoff (1987) and Van Vuuren (1997).

It is important to note that training in achievement motivation within the entrepreneurial context is fundamentally aimed at emphasising rivalry and competition in order to set very high standards for achievement. Antonites (2003: 54) therefore believes that motivation on the one hand and achievement motivation on the other play a vital role throughout the training aimed at providing entrepreneurial as well as business skills. McClelland and Winter (1971) in Henry *et al.* (2003: 35) point out that training courses designed to develop achievement motivation have significantly improved small business performance.

3.2.1.3 Entrepreneurial Skills (E/S)

Individuals' belief in their own ability to start a business plays an important role in their decision to start a business. People who believe that they have the ability to start a business are five times more likely than others to actually attempt to start a business (Orford *et al.*, 2004: 34).

Carney and Turner (1987), in Henry *et al.* (2003: 96), based on the work carried out on the CITY project (Community Improvement through Youth Programme) in Adelaide, South Australia, identify a set of twelve core enterprise skills that are essential for successful entrepreneurship. These include the ability to assess and appreciate one's strengths and weaknesses and evaluate one's performance; to communicate with other people; to negotiate; to deal with people in power and authority; to resolve conflict; and to cope with stress and tension. In addition, making decisions, planning one's responsibilities and solving problems were highlighted.

Hisrich *et al.* (2005: 21) stress that the development of particular skills, namely inner control, risk taking, innovativeness, being change oriented, persistence and visionary leadership differentiates an entrepreneur from a manager. Herron and Robinson (1995: 75) refer to entrepreneurial skills as the ability to discover opportunities for profitable reallocation of resources to new endeavours. For the purpose of this study risk propensity, creativity and innovation, opportunity identification, following of role models and networking are all categorised under the E/S construct. Hisrich *et al.* (2005: 20) and Nieman (2001: 445) argue that the skills required by entrepreneurs can be classified into three main areas: technical skills, business management skills

(which will be discussed under the B/S construct) and personal entrepreneurial skills (refer to Table 3.1).

Table 3.1: Classification of entrepreneurial skills

Classification	Description
Technical skills	<ul style="list-style-type: none"> • Written and oral communication • Monitoring of environment • Taking advantage of technology • Interpersonal relationships • Ability to organise • Management style
Business management skills	<ul style="list-style-type: none"> • Decision making • Planning and strategising • Human relations • Marketing • Finance • Accounting • General Management • Negotiation skills • Business planning • Communication • Managing growth
Personal entrepreneurial skills	<ul style="list-style-type: none"> • Inner control • Risk propensity • Innovativeness • Creativity • Opportunity identification • Change orientation • Persistence • Visionary leadership

Source: Adapted from Hisrich *et al.* (2005: 20)

For the purpose of this study only a few skills will briefly be discussed:

- *Risk propensity*: Readiness to take risks involves a preparedness to make use of opportunities that are identified, even if there is a possibility of financial loss. Henry *et al.* (2003: 38) defines risk-taking as the ability to deal with incomplete information and act on a risky option that requires skill to actualise challenging but realistic goals. A number of authors have disaggregated risk into different elements. For example, McCarthy (2000: 53) identifies three components of risk, namely conceptual, administrative and environmental risk. Conceptual risk is the risk of imperfect formulation of an issue or problem; for instance, using an incorrect mode, making false assumptions, choosing incorrect decision criteria and so on. Common examples are over-estimating the size of the market or growth rates. Administrative risk concerns the fact that even a well-thought-out issue or plan may not be implemented appropriately, an example being poor management of cash flow. Environmental risk emanates from unanticipated change in the external environment, primarily in the form of changes in demand, competition and technological development. Casson (1990: 11) describes entrepreneurial risk as the result of insecurity due to the fact that the success or failure of market penetration can never really be determined beforehand. To conclude, entrepreneurial risk can include:
 - Financial risk (cost of establishment of a new venture, product development cost and the costs of running the business on a daily basis);
 - Personal risk (the energy and effort that the entrepreneur puts into the business and the fear of failure);
 - Time risk (the time it takes for a new idea to be developed into an opportunity and then into a final product/service to be considered right for the market);
 - Social risks (being socially accepted or rejected in the community with reference to starting an own business).

- *Creativity and innovation*: The two constructs creativity and innovation must be distinguished. Creativity is the thought process that leads to the development and generation of ideas. Innovation is the practical implementation of the idea concept to ensure that the set aims on a commercial, profitable basis are met, in line with a specific opportunity in the market environment (Antonites, 2003: 109). De Bono (1996: 3) defines creativity as the formulation or creation of something

that was not previously available in its present state. Csikszentmihalyi (1996), in Antonites (2003: 79), states that no clear-cut characteristics can be allocated to the individual to declare him or her as someone who is able to create a novelty or new product/service. Gilmartin (1999: 34) locates innovation between creativity and opportunity identification and regards creativity as the foundation for innovative behaviour. Drucker (1994: 20) suggests that innovation is an entrepreneurial instrument, one which is used to develop a differentiated undertaking or service. It is evident that creativity, innovation and opportunity finding as entrepreneurial skills are necessary in the field of entrepreneurship training and development.

- *Opportunity identification:* The continuous identification of opportunities throughout the life cycle of the business is a differentiating characteristic of the true entrepreneur. Timmons and Spinelli (2004: 82) point out that not all ideas are opportunities. They distinguish the two by indicating that opportunities must be:
 - Durable (long-lasting in the market and industry);
 - Timely (during the period when the window of opportunity stays open);
 - Attractive (there must be a demand in the market for the product/service); and
 - Able to add value (add benefits, convenience to customers' lives).

- *Use of role models:* The use of role models could be a direct guideline for the entrepreneur in terms of certain role expectations that need to be present per definition (Buelens *et al.*, 1999: 292). Within the training context the use of successful entrepreneurs as examples could act as a strong motivational technique.

- *Networking:* Herron and Robinson (1995: 75) state that networking skills involve the ability to create and effectively use human networks in obtaining information. Nieman *et al.* (2003: 168) define entrepreneurial networking as the active process of setting up and maintaining mutually rewarding and cooperative relationships with other persons or businesses that can offer critical support for the development and growth of a business. Prabhu (1999:144) states that networking with other organisations within the geographical operating area, as

well as with similar organisations operating elsewhere, is crucial for any entrepreneur for receiving relevant information, mutual learning, getting appropriate personnel and for joining together for common causes. Dana (2001: 406) mentions that a network can teach individuals a great deal about sourcing, regulation, production, marketing, distribution logistics, customer service and even taxation. Dubini and Aldrich (1991: 305) stress that networks must be central to the training of entrepreneurs.

Antonites and Van Vuuren conducted a study in 2002 in which 70 different global entrepreneurial training programmes were evaluated and the content of these programmes was assessed. The results, as shown in Antonites (2003: 62), indicate which of the training programmes listed the entrepreneurial skills as presented in this study. The following table indicates the extent of use of different entrepreneurial skills included in the 70 entrepreneurship training programmes.

Table 3.2: Entrepreneurship training programmes: Entrepreneurial skills

Entrepreneurial skills	Frequency	Percentage (%)
Risk propensity	5	0.7
Creativity and innovation	52	74
Opportunity identification	28	40
Role models	37	53
All entrepreneurial skills	23	33
N = 70		X = 50

Source: Antonites (2003: 62)

Please note that networking was not included as an entrepreneurial skill in Table 3.2.

3.2.1.4 Business Skills (B/S)

Business skills are required to run the business on a daily basis. Nieman and Bennet (2006: 4) mention that there are certain functional areas in a business which are essential for any entrepreneur. These areas include: general management, marketing management, financial management, human resource management,

production and operations management, corporate communications management, information management and e-business, and purchasing and materials management. For the purpose of this study the most significant business skills are summarised in Table 3.3.

Table 3.3: Business skills required by entrepreneurs

Business skills	Description
General management	How a business works and how it must be managed. Planning, organising, leading, motivating and control also form part of general management. Proper planning for the future, the investigation of all production factors, leading the operation and the control of all staff activities will ensure that the performance of the entrepreneur is greatly enhanced.
Marketing management	Conducting market research, selecting a target market and how to sell to it and positioning the business in the market. Identifying the marketing mix (price, product, place, promotion, physical evidence, people and process) within the business as well as managing consumer behaviour.
Legal skills	Business forms, contractual law, understanding the necessity for ethical behaviour within a business as well as registering trademarks, logos and designs.
Operational management	Manufacturing the finished product and service, identifying raw materials and suppliers, identifying wholesalers and retailers.
Human resource management	Management of people within the business. Recruiting, selecting and training and development of employees on a continuous basis are important.
Communication skills	Internal communication between employees and owner/manager and external communication between the entrepreneur and all other stakeholders such as customers and suppliers.

Table 3.3 continued...

Business skills	Description
Business plan compilation	Before committing time and energy to preparing a business plan, the entrepreneur should do a quick feasibility study of the business concept. The feasibility study - done by the entrepreneur – is in preparation for writing the business plan. The business plan is a comprehensive action plan of how an entrepreneur will achieve his/her business goals.
Financial management	How to do financial planning, how to collect money from customers and pay suppliers, what sources of finance must be used to obtain capital and how to compile financial statements – income, balance and cash flow statements.
Cash flow management	Managing the cash inflow and outflow in a business and solving cash flow problems.

Source: Own compilation

Finally, the entrepreneurial performance education model is summarised by Antonites (2000: 21), who formulated a table to develop the entrepreneurship training model.

Table 3.4: The entrepreneurship training model based on the entrepreneurial performance education model

Entrepreneurial Performance (E/P)	Performance motivation (M)	Entrepreneurial Skills (E/S)	Business Skills (B/S)
Establishment of own business	Motivation	Risk propensity	General management skills
Growth in net value of business	Role models	Creativity and Innovation	Marketing skills
Recruitment of employees		Opportunity identification	Legal skills

Table 3.4 continued...

Entrepreneurial Performance (E/P)	Performance motivation (M)	Entrepreneurial Skills (E/S)	Business Skills (B/S)
Increasing productivity levels		Role model analysis	Operational skills
Increasing profitability		Networking	Human resource management skills
			Communication skills
			Business plan compilation
			Financial management
			Cash flow management

Source: Adapted from Antonites (2000: 21)

3.2.2 Entrepreneurial Education Model (E/E model)

The second model that needs further explanation is the E/E model. The formula for the E/E model is illustrated as:

$$E/E = f[aF(bA \times cB/P) \times (dE/S \times eB/S)]$$

Where,

E/E = Entrepreneurial education for start-ups

F = Facilitator skills, knowledge and motivation

A = Approaches used by facilitator(s)

B/P = Business Plan utilisation

E/S = Entrepreneurial success themes and knowledge

B/S = Business Skills and knowledge

a to e = Constants

This model, developed by Pretorius (2001: 122), considers not only the content of entrepreneurial education programmes but also the context within which such programmes are operated by the facilitators and the approaches that they use. The model will also describe the requirements for any learning programme that should enhance the ability of participants to achieve the level of competence needed for micro and small business venture start-ups. The model identifies five constructs relevant to entrepreneurial education, as explained below.

3.2.2.1 Entrepreneurial success themes

The entrepreneurial success themes are similar to the entrepreneurial skills discussed previously in section 3.2.1.3, but include leadership, motivation and issues related to the attitude and character of the person involved. Stumpf and Tymon (2001: 52) agree with Pretorius (2001), and mention that entrepreneurship is fundamentally concerned with vision and action, which indicates that visionary leadership results from systemic analysis, and must be included as an entrepreneurial success theme. These authors continue by explaining that visionary leadership enables the entrepreneur to:

- Share a vision of what the venture could become;
- Overcome setbacks by being resilient;
- Continue to champion innovative ideas when faced with substantial resistance;
- Build and sustain a risk-taking, opportunity-seeking climate; and
- Live in the future and manage the present.

3.2.2.2 Business knowledge and skills

Business skills was identified as a construct when discussing the first model in section 3.2.1.4. The topics and field to be included require the facilitator to fully understand the context and to select from the available fundamental knowledge what is required to achieve the selected outcomes.

3.2.2.3 Business plan utilisation

A proper business plan should show evidence of complete understanding, sufficient homework, proper integration and incisive research, proving that the opportunity, resources and entrepreneurial team can be integrated successfully (Pretorius, 2001: 86). The business plan thus serves as the academic heart of entrepreneurship and business training (Solomon *et al.*, 1998: 3). Pretorius (2001) includes the business plan as a separate construct in his model whereas the model of Van Vuuren and Nieman (1999) includes the business plan as part of the business skills construct. The elements, preparation, presentation and evaluation of a business plan will be discussed in Chapter 5.

3.2.2.4 Learning approaches

Several approaches can be followed in a training programme to ensure that meaningful learning has taken place. They include:

- instructor-centred strategies (the direction of communication is one-way, from instructor to the participants);
- individual learning strategies (participants are permitted to learn at their own pace; an example would be for participants to do homework);
- interactive strategies (there is two-way communication between the instructor and participants; an example would be group discussions); and
- experiential learning strategies (active learning takes place; an example would be doing real-life case studies).

Other approaches to learning include: in-depth company investigations; role-playing; interviewing entrepreneurs; on-site visits; and internships with a venture, as presented in Chapter 2.

3.2.2.5 The facilitator and the programme context

The facilitator is very important; a good facilitator or group of facilitators can achieve more with poor programme content than poor facilitators can with good programme content (Pretorius *et al.*, 2005: 424). Olivier (1999: 70) mentions that the overall role of the facilitator is to ensure that learning takes place through activities such as

creativity, self-learning and critical thinking. If successful in this process, the participant of a programme would:

- Master the critical cross-field outcomes of formulating, identifying, performing, concluding, interacting and assessing.
- Master the required knowledge and values, which become evident through the processes of identification, application and assessment.
- Acquire the necessary skills and values that become evident when the learners first secure the methods to acquire the competencies; then master the competencies; and finally apply the competencies to achieve the outcomes.

The programme context includes the knowledge and past experience level of participants. A needs analysis before the actual training takes place will ensure that the programme context meets the participants' expectations.

The two models of Van Vuuren and Nieman (1999: 6) and Pretorius (2001: 122) are compared in Table 3.5 to show their individual strengths, weaknesses and differences. Pretorius *et al.* (2005: 421) thus found that evaluating the core constructs of each model, makes it clear that motivation is much stronger in the entrepreneurial performance model (Van Vuuren & Nieman), while the facilitator and pedagogical approach constructs are much stronger in the entrepreneurial education model (Pretorius). The comparison therefore identifies weaknesses in each model.

Table 3.5: Comparison of the education models of Van Vuuren and Nieman (1999) and Pretorius (2001)

Construct element	Entrepreneurial performance model (E/P) according to Van Vuuren and Nieman (1999)	Entrepreneurial education model (E/E) according to Pretorius (2001)
Entrepreneurial performance	Considers the performance of the individual as entrepreneur (or venture) and not as manager (where entrepreneur refers to utilising an opportunity to start a venture)	The requirements of the context determine the programme content. One required outcome is the start-up of a venture

Table 3.5 continued...

Construct element	Entrepreneurial performance model (E/P) according to Van Vuuren and Nieman (1999)	Entrepreneurial education model (E/E) according to Pretorius (2001)
Motivation (M)	Motivation as seen as the level of nAch (need for achievement) of the individual, including: desire to be successful and to do well; urge to improve; motive to achieve excellence for its own sake	Absent as a separate construct but considered partially as an element of E/S under motivation to excel
Entrepreneurial skills (E/S)	Considers: creativity and innovation; identification of opportunities; risk taking; interpretation of role models	Seen as entrepreneurial success theme and considers: commitment; personal leadership; opportunity obsession; tolerance for risk and ambiguity; creativity; motivation to excel
Business skills (B/S)	Covers both skills and knowledge associated with the general functions; life cycle stages of a venture and the business plan	Similar except that the business plan is a separate construct
Approaches used to transfer knowledge and skills (A)	Absent, as it assumes that a motivated person would find a way to master the skills once knowledge has been gained	Considers both: the involvement of the learner in the learning process; and the variety of learning approaches used
Facilitator (F)	Absent	Considers: own practical experience; how reinforced thinking is used; entrepreneurial way of being; use of apprenticeships; multidisciplinary approach and thinking

Table 3.5 continued...

Construct element	Entrepreneurial performance model (E/P) according to Van Vuuren and Nieman (1999)	Entrepreneurial education model (E/E) according to Pretorius (2001)
Business plan utilisation (B/P)	Absent as a separate construct but stated under the B/S construct	Coverage of how the business plan is utilised by: preparation; presentation; defence and execution
Contextual description	Absent but implied	Considers: previous experience; minimum education level; outcomes of the programme; needs analysis of participants

Source: Adapted from Pretorius *et al.* (2005: 417)

Pretorius *et al.* (2005: 421) summarise by drawing the following observations from Table 3.5:

- Compared with the importance that Van Vuuren and Nieman attach to the motivation construct in their E/P model, the E/E model of Pretorius is markedly weak in this construct, despite its being implied within the E/S construct.
- The nature of the E/P model does not require reference to approaches and the facilitator as constructs, as its focus is on the performance of the entrepreneur rather than the success of the training course.
- The business plan construct is implied as part of the business skills required for the E/P model, while in the E/E model it is regarded as an important tool for training, especially to assist in the holistic conceptualisation of the venture and its future operations.
- The business plan can also be regarded as part of the approaches construct as it forms part of the pedagogy used to develop insight into the business as a whole. The value of the business plan itself is probably less than the value of the creation process, and opinions vary widely between academics, financiers and entrepreneurs.

- The E/E model refers to the skills needed by entrepreneurs as the entrepreneurial success themes, whereas the E/P model refers to those skills as entrepreneurial skills.

Once the models have been compared, one can take the next step of integrating the two models. Although motivation to excel is mentioned as part of the entrepreneurial skills (E/S) construct by Pretorius (2001: 122), it is considered as key to the E/P model. Both E/S and B/S are common to both models, and therefore the following integrated model is proposed for education for entrepreneurial performance (Pretorius *et al.*, 2005: 422).

3.2.3 The Education for improved Entrepreneurial Performance Model (E for E/P model)

The integrated model can be formulated as the E for E/P model. The formula for the E for E/P model is illustrated as:

$$\mathbf{E \text{ for } E/P = f[aF \times bM (cE/S \times dB/S) \times (eA + fB/P)]}$$

Where:

E for E/P = Education for improved Entrepreneurial Performance

F = Facilitator's ability, skills, motivation and experience

M = Motivation

E/S = Entrepreneurial Skills

B/S = Business Skills

A = Approaches of learning used by facilitator(s)

B/P = Business Plan utilisation

a to f = Constants

Education for E/P, therefore, is a linear function of the facilitator's ability and skills (aF) to enhance motivation (bM), entrepreneurial skills (cE/S) and business skills (dB/S) through the creative use of different approaches (values of eA) and specifically the business plan (fB/P). This E for E/P integrated model is in line with the work of Solomon, Winslow and Tarabishy (2002: 6), who suggest that entrepreneurial activities are a function of human, venture and environmental conditions. Typically motivation and entrepreneurial skills would be elements of the

human skills, while business skills and the business plan utilisation are elements of the venture skills. Apart from the normal environmental factors governing strategy and operation of the venture, the approaches used and the facilitator will contribute as elements of the learning environment. WEP will be evaluated, in Chapter 5, based on the new improved entrepreneurship training model that was originally assembled by Antonites (2000). Table 3.6 below illustrates the improved entrepreneurship training model presenting all the constructs that have been taken into account in the integrated model (E for E/P) and also the added constructs that are highlighted in blue. This intergraded model has been validated in 2005 (Pretorius *et al.*, 2005: 420).

Table 3.6 is presented on the next page.

Table 3.6: The improved entrepreneurship training model

Entrepreneurial Performance (E/P)	Performance Motivation (M)	Entrepreneurial Skills (E/S) and entrepreneurial success themes	Business Skills (B/S)	Facilitator and programme context (F)	Approaches to learning (A)	Business Plan utilisation (B/P)
Establishment of own business	Motivation	Risk propensity	General management skills	Previous experience of facilitator and participants	Involvement of participant	Elements
Growth in net value of business	Mentorship	Creativity and Innovation	Marketing skills	Outcomes of the programme	Learning approaches used	Preparation
Recruitment of employees	Role models	Opportunity identification	Legal skills	Needs analysis of participants		Presentation
Increasing productivity levels		Role model analysis (success factor)	Operational skills			Evaluation
Increasing profitability		Networking	Human resource management skills			
		Leadership	Communication skills			
		Motivation	Financial management			
		Attitude of participant	Cash flow management			
		Social skills				
		Start-up skills				

Source: Own compilation as adapted from Antonites (2000: 21)

Mentorship as a sub-element under P/M, and social skills as a sub-element under E/S were also added to Table 3.6 and need further explanation.

Mentorship is another important element that could enhance entrepreneurs' motivation in the long haul. Raffo, Lovatt, Banks and O'Connor (2000: 361) state that entrepreneurs seem to value the opportunity of having someone, a specific expert or mentor figure, to support them in their daily problem-solving needs. It is evident that some form of mentoring appears to have a positive impact on the performance of most, if not all, entrepreneurs (Sullivan, 2000: 169). This view is supported by Churchill and Lewis (1983: 44), who point out that a mentoring programme has had direct or indirect impact on the performance of entrepreneurs. As it appears that mentoring does add value, it is important that it be defined and discussed in order to understand its importance as a learning tool.

The definition of Sullivan (2000: 169) is best suited to mentorship in the context for support to start-up entrepreneurs, being a protected relationship in which learning and experimentation can occur, potential skills can be developed, and in which results can be measured in terms of competencies gained, rather than curricular territory covered. Nieman *et al.* (2003: 168) define business mentoring as an ongoing, long-term business counselling relationship between an experienced business adviser (or corporate executive) and an entrepreneur, which covers a diverse range of topics as a business develops over time towards an agreed set of objectives. Business counselling is further defined by Stone (1999: 7) as a process whereby business problems are diagnosed and resolved in such a way that the clients learn not only how to overcome their current difficulties, or exploit their opportunities, but also how to tackle similar situations in future. Sullivan (2000: 163) mentions that while a mentor cannot effectively "lecture" to an individual entrepreneur's prior experience, he or she may be in a position to give meaning to or aid understanding of that experience. The role of a mentor is to enable the entrepreneur to reflect on actions and, perhaps, to modify future actions as a result; it is about enabling behavioural and attitudinal change. Sullivan (2000: 166) reports on the value placed on different mentor impacts in the First Business Programme, as outlined in Table 3.7. It was found that the significance of intervention is thought by clients to be greatest in terms of achieving objectives, ability to learn and the ability to

cope with problems. It is interesting that the transference of skills or “ability” is rated highly as opposed to the act of “doing for” or of being more directive.

Table 3.7: Mentor programme: significance of intervention (rank order)

Difference to:	Second stage rank order	First stage rank order	Change in rank order	Mentor ranking
Achieving objectives	1	1	0	1
Ability to learn	2	3	+1	7
Ability to cope with problems	3	2	-1	3
Profitability	4	7	+3	5
Ability to manage	5	4	-1	8
Ability to cope with change	6	5	-1	2
Turnover	7	6	-1	6
Employment	8	8	0	4
Number of firms/sample size	27	45		10

Source: Sullivan (2000: 167)

First-stage rank order was derived from research undertaken as entrepreneurs were beginning both their business and their relationship with the mentor. The second-stage research was carried out when the mentoring relationship had matured, between 12 – 18 months into the relationship. In addition a number of interviews were conducted with mentors. It could therefore, be argued that it appears that the First Business mentoring programme is successful in terms of giving new start-up entrepreneurs the “tools” necessary to succeed or to cope and learn from critical incidents during the early phases of development.

The second element that was added to the improved entrepreneurship training model is social skills. Social skills can be defined as the ability to read others accurately, make favourable first impressions, adapt to a wide range of social situations and be persuasive (Baron & Markman, 2000: 106). Training in social skills could help many entrepreneurs succeed. Such training would be especially valuable in cases where entrepreneurs' ideas are sound and where their experience, technical competence and motivation are high, yet they fail in their efforts to start new ventures. According to Baron and Markman (2000: 111), such negative outcomes may stem from a lack of social skills on the part of the entrepreneurs. They are lacking, to some degree, in the skills necessary to negotiate effectively with others, to persuade them, or to induce them to share the entrepreneurs' beliefs about what their new venture can and will become. As a result, entrepreneurs lacking in social skills make poor first impressions, fail to generate enthusiasm for their ideas or business and may even annoy or irritate persons who hold the fate of their new ventures in their hands. Gartner (1990: 299) comments on the findings that entrepreneurs whose companies are successful engage in more communication with others and are more effective in this activity than entrepreneurs whose companies fail.

3.3 Entrepreneurship training programmes

When looking at entrepreneurship training programmes it is helpful to categorise such programmes. Falkäng and Alberti (2000: 101) suggest that entrepreneurship training courses fall into two categories:

- Courses *about* entrepreneurs, entrepreneurship and small business. The content tries to explain entrepreneurship and the importance of small businesses in the economy and society. These courses have an outsider perspective on entrepreneurship, and students/participants remain at a distance from the subjects.
- Courses with the objective of educating and training students/participants in the skills they need to develop their own business. The education emphasises the real world and experience-based learning.

The difference between these two approaches is important to the design of educational programmes about entrepreneurship and consequently in determining how such programmes should be assessed. This is also seen in the development of

the two entrepreneurship training models discussed under section 3.2. Many researchers agree that many training programmes do not address the real needs of entrepreneurs. Garavan and O’Cinneide (1994a: 6) summarise the most significant weaknesses of many entrepreneurial education and training programmes:

- Entrepreneurship education and training programmes are frequently of very short duration compared with other educational programmes concerned with helping people embark on a major career.
- While there is evidence that many of the entrepreneurship education and training programmes are already highly committed to the owner-manager role and that trainers are successful in raising commitment even higher, as well as reducing doubts, there is parallel evidence to suggest that this mental preparation does not go nearly far enough and that, indeed, it represents one of the major weaknesses of many programmes.
- Many entrepreneurs are specialists within a particular field and tend to have a poor grasp of the intricacies of managing across the range of functions. It is in these situations that entrepreneurial skills are demanded: to work across boundaries on complex, interrelated problems requiring the ability to take a holistic view and exercise skills of analysis and synthesis.
- Trainers often try to accommodate too wide a range of start-up businesses within a single programme. It is usual to group together people who are starting a diverse range of small businesses and to offer them a more or less common skills programme.

Sullivan (2000: 172) supports the above statements and stresses that many volume-driven small business training programmes deliver up-front prescriptive training that may not be of immediate relevance to participants, and as such the added-value of such provision could be brought into question. In all, it would be most useful if knowledge, skills and reflective learning could be facilitated as and when required by the entrepreneur. Donkin (2004: 18) agrees, and argues that the best training interventions are those based on an assessment of specific training needs.

Dana (2001: 405) argues that to be truly successful, training programmes must be relevant to the host environment where the programme is taking place. It would be a fallacy to assume that a programme that has been functional in one environment will

necessarily have the same effect elsewhere. A great danger lies in attempting to translocate training programmes. *“It is better to teach a man how to fish, rather than simply to give him some fish.”* Dana (2001: 410) uses this statement to conclude that perhaps more relevant is the fact that salmon and lobsters are not harvested in the same way. A training programme should be customised for the specific target group that is going to be trained. Similarly, the results of a study conducted by Lean (1998: 232) suggest the need to avoid a dogmatic approach when it comes to designing support programmes for micro firms; Lean recommends that support packages should take account of the distinct needs of such firms so that the support gaps can be appropriately identified.

Nieman (2001: 451) mentions some of the findings, conclusions and recommendations of research papers on training of SMMEs in the 1990s. Many of these recommendations must be read keeping in mind the diverse nature of the South African population in respect of race, language and religion:

- The training emphasis of most service providers seems to be more on conventional management training than entrepreneurial training.
- Any training programme that addresses the daily running of a business should be adapted for the different cultural groups.
- The training needs of people in the informal business sector are very different from the needs of those in the more sophisticated sectors.
- The training that is available tends to concentrate on commerce and services, with little or no training for market-related production.
- The trainers must ideally have had business experience, be supportive towards the trainees and preferably speak their home language.

3.4 Objectives of entrepreneurship training programmes

Having discussed the background of entrepreneurship training programmes, it is now necessary to look at the objectives of such programmes. Hills (1988: 111) conducted a survey on 15 leading entrepreneurship educators in the USA and identified two important objectives of entrepreneurship education programmes. These were to increase the awareness and understanding of the process involved in initiating and managing a new business; and to increase students' awareness of small business

ownership as a serious career option. Cox (1996: 12) believes that a primary objective of training interventions targeted at the awareness stage of entrepreneurial development is the promotion of self-efficacy with regard to new venture creation. Henry *et al.* (2003: 94) agree and suggest that it is important to provide mastery experiences or opportunities to act entrepreneurially, as well as provide exposure to several real-life entrepreneurs.

Garavan and O’Cinneide (1994b: 14) undertook a European-wide evaluation of six enterprise programmes across five European countries: Ireland, France, Italy, Spain and England. They compared the design features (comprising objectives, content, duration, learning styles and outcomes) of each, as well as the target market. In their review they discovered that there were seven commonly cited aims of entrepreneurship programmes. While broadly similar to those described by Hills (1988: 111), in that the development of new start-ups as well as the acquisition of various skills and abilities believed to be necessary in such courses were highlighted, the objectives identified were more specific. These included recognising the risk-averse bias of many analytical techniques, developing empathy and support for the unique aspects of entrepreneurship and devising attitudes towards change. In addition, emphasis was placed on the acquisition of knowledge germane to entrepreneurship and the development of skills to analyse business situations. According to Garavan and O’Cinneide (1994a: 5), the following are the most commonly cited objectives of entrepreneurship education and training programmes:

- To acquire knowledge germane to entrepreneurship;
- To acquire skills in the use of techniques, in the analysis of business situations and in the synthesis of action plans;
- To identify and stimulate entrepreneurial drive, talent and skills;
- To undo the risk-averse bias of many analytical techniques;
- To develop empathy and support for all unique aspects of entrepreneurship;
- To devise attitudes towards change; and
- To encourage new start-ups and other entrepreneurial ventures.

Although the objectives mentioned above are relevant for a venture start-up programme, they may lack the key element, namely of acting in the process of venture establishment.

Hisrich *et al.* (2005: 32) examined the objectives of entrepreneurship programmes from the participants' perspective. Some of the key learning aims of the entrepreneurship students included developing an understanding of the strengths and weaknesses of different types of enterprises, as well as the opportunity to assess one's own entrepreneurial skill. Knowing the essentials of marketing, finance, operations planning, organisation planning and venture launch planning, together with obtaining resources, were also considered essential. Consideration of the views of participants was a feature of the development of a small business training programme by Le Roux and Nieuwenhuizen (1996: 9). To ascertain those elements deemed to be most important by prospective students, they surveyed 220 aspiring and developing entrepreneurs and discovered that the interests were similar to those cited by Hisrich *et al.* (2005: 32) and included marketing, entrepreneurship, business planning, management and financial management.

While the courses in entrepreneurship vary by university and country, there is a great deal of commonality, particularly in the initial one or two programmes in this field of study. The programmes tend to reflect the overall objectives for a programme in entrepreneurship, as indicated in Table 3.8. These tend to centre around skills identification and assessment, understanding entrepreneurial decision making and the entrepreneurial process, understanding the characteristics of entrepreneurs and their role in economic development on a domestic and, more recently, on an international basis, assessing opportunities and coming up with an idea for a new venture.

Table 3.8: Overall objectives of a course in entrepreneurship

Objectives of entrepreneurship programmes
<ul style="list-style-type: none"> • Starting an own business
<ul style="list-style-type: none"> • Understanding the role of new and smaller firms in the economy
<ul style="list-style-type: none"> • Knowing the general characteristics of an entrepreneurial process
<ul style="list-style-type: none"> • Understanding the entrepreneurial process and the product planning and development process

Table 3.8 continued...

Objectives of entrepreneurship programmes
<ul style="list-style-type: none"> • Knowing alternative methods for identifying and evaluating business opportunities and the factors that support and inhibit creativity
<ul style="list-style-type: none"> • Understanding the aspects of creating and presenting a new venture business plan
<ul style="list-style-type: none"> • Knowing how to identify, evaluate and obtain resources
<ul style="list-style-type: none"> • Knowing the essentials of: <ul style="list-style-type: none"> ○ Marketing planning ○ Financial planning ○ Cash-flow planning ○ Operations planning ○ Organisation planning ○ Venture launch planning
<ul style="list-style-type: none"> • Knowing how to manage and grow a new venture

Source: Adapted from Hisrich *et al.* (2005: 20)

3.5 Design, content and duration of entrepreneurship training programmes

While access to education is important, limited access is not the only aspect of the educational system that could be contributing to lower levels of entrepreneurship in South Africa. It is also important to consider the content and quality of education. As already stated in section 3.4, Garavan and O’Cinneide (1994b: 14) have summarised the content of five different entrepreneurship programmes and found that the focus of the programmes varied from idea generation and business planning to the identification of products, market research and business formation.

These authors indicate that in terms of the design features of entrepreneurship education and training programmes, the following can be assumed:

- A well-designed entrepreneurship education and training programme will utilise a mixture of didactic, skill-building and indicative learning strategies;
- The programme facilitator will play a combination of role model, consultant and counsellor roles;

- A well-designed programme will allow sufficient time for self-managed and individual-based learning;
- A successful programme will focus on the needs of a well-defined, relatively homogeneous group of participants;
- The objectives of a successful programme will contain an appropriate mixture of knowledge, skill competence and attitude domains of learning; and
- A well-designed programme will emphasise the need for participants to develop an internal locus of control and a positive attitude towards risk.

Hazeltine and Falk (1999: 2) report on the results obtained from an exploratory study of 24 entrepreneurship and small business management textbooks. Their research reveals that there are 19 common topics, emphasising varying aspects of content for each topic. These topics include the major business functional areas, and strategy formulation and business planning, acquisitions and start-ups, and international business and ethics. The main topics seem to include marketing, financial and operations planning and human resource issues (defined earlier in this chapter under business skills, section 3.2.1.4). Since their investigation was mainly aimed at undergraduate students, the target audience influenced the selection of their course content. In another study conducted by Raffo *et al.* (2000: 356), the findings suggest that entrepreneurs learn best by being able to experiment with ideas, by “doing” and networking with others and by working with more experienced mentors in the different sectors.

If one begins to examine what is actually taught in an entrepreneurship programme, it becomes clear that some programmes tend to be more task oriented than behaviour oriented, focusing on specific skills for small business management such as finance and marketing, as opposed to creativity, innovation and problem-solving abilities (Deakins, 1996: 32). McCabe (1998: 8) argues that many structured training interventions do little to alter the approach of the entrepreneur to solving business problems. Entrepreneurs who become task-oriented are more likely to fail. With this in mind, Garavan and O’Cinneide (1994b: 15) question what can actually be taught in entrepreneurship programmes that is specific to entrepreneurship itself. They support Versper’s (1982: 323) view that most entrepreneurship programmes do not even promote entrepreneurship, in that they are not “resource effective” and their

results are poor in comparison with the throughput of participants. Currently the problems of entrepreneurial training are seen in the lack of consensus that exists where the content of courses and curricula is involved. Loucks (1990: 45) supports this statement by pointing out that there is a big gap where substantial standardised components exist within the entrepreneurial training programme.

In a study where Van Vuuren (1997: 598) validated the E/P model (refer section 3.2.1) and conducted secondary research on entrepreneurship education and training, the researcher found the current entrepreneurial programmes as:

- Overemphasising theoretical and quantitative instruments;
- Having too few relevant qualitative factors;
- Placing too much emphasis on instruments, concepts and models;
- Focusing on bureaucratic management only;
- Placing too little emphasis on entrepreneurial activity; and
- Having facilitators that concentrate more on virtual than on real problems.

Another point that must be highlighted is the wide variety in the duration of entrepreneurship training programmes. The programmes currently available to entrepreneurs seem to range from one day to one year and, in general, are very short, perhaps too short, when one considers what needs to be included and also when one compares them with other career development courses.

3.6 Measuring the effectiveness of entrepreneurship training programmes

Many researchers, including Curran and Stanworth (1989), Gibb (1987), Block and Stumpf (1992), Cox (1996) and Young (1997), as quoted by Henry *et al.* (2003: 102), have identified the need for evaluating entrepreneurship education and training programmes. Hill and O’Cinneide (1998: 3) have noted that only a few studies have investigated the effects of entrepreneurship education. Falkäng and Alberti (2000: 101) agree, suggesting that there is a need for much more research on methodologies for measuring entrepreneurship education effectiveness. McMullan, Chrisman and Vesper (2001: 39) have argued that it is necessary to assess the

effectiveness of entrepreneurship courses on a number of grounds:

- There is an expectation that the net benefits of entrepreneurship programmes should outweigh their costs and risks;
- Training programmes and courses can be expensive in terms of money from sponsors and time for participants;
- In addition to the more obvious costs highlighted by these authors there, are hidden costs which should also be taken into consideration when assessing a programme's effectiveness. For example, extra costs might be borne by guest speakers, mentors and unpaid consultants associated with programme delivery; and
- Participants may take additional risks if they decide to implement advice from entrepreneurship programmes. Thus, they suggest that central to such evaluations is an assessment of the cost-effectiveness of a particular programme as well as its opportunity costs.

A further opinion is expressed by Storey and Westhead (1994: 31), who criticise the training performance link approach: *“Even if you accept that training has caused the performance, how do you decide when looking after the performance measure, which part of the performance changes were due to the training and which due to other factors such as the market, the personal life of the owner or action of competitors.”*

Cushion (1996) summarise several often-quoted stages of success measurements of small business training (Friedrich *et al.*, 2003: 3):

- Knowledge and skills required;
- Delivery of training;
- Learning occurring in recipient;
- Behaviour change as a result of learning;
- Behaviour leading to a change in business performance; and
- Change in business performance measured.

Storey (2000) and McMullan (2001), in Henry *et al.* (2003: 103) suggest that the best way in which to evaluate training courses is to directly relate programme outcomes to objectives. The determining and measurement of effectiveness of entrepreneurship

training programmes, specifically the Women Entrepreneurship Programme, will be explained and presented in Chapter 6 of this study.

3.7 Selected entrepreneurship training programmes in South Africa

As previously noted, the GEM report of 2002 stated that a lack of education and training is the most important weakness restricting entrepreneurship development in South Africa (Reynolds *et al.*, 2002: 23). According to Ladzani and Van Vuuren (2002: 155), entrepreneurial skills training is relatively new in South Africa. The government's Reconstruction and Development Programme (RDP) places major emphasis on entrepreneurial awareness and training. However, it is only since the early 1990s that colleges for vocational education and National Senior Certificates have started recognising the need for intensive training in entrepreneurship (Bowler & Dawood, 1996: 9). Selected entrepreneurship training programmes are presented in Tables 3.9 and 3.10. These tables emphasise the different providers of the programmes as well as content and outcomes. Table 3.9 illustrates the Youth Entrepreneurship Programmes in South Africa and Table 3.10 examines several short courses in entrepreneurship offered by various South African universities and technikons.

Table 3.9 is presented on the next page.

Table 3.9: Selected South African Youth Entrepreneurship Training Programmes

Programme Name	Training Institution or organisation	Content and duration	Outcome for learner/delegate	Target market/ Delegates/ Participants	Reference or website accessed
Business Box	Entrepreneurs on the Move	Used in schools to provide theoretical knowledge and practical entrepreneurial skills	Resulting in the start-up of a business and culminating in the eventual employment of people	School teachers and pupils	www.netventures.co.za
Business Ventures	South African Institute of Entrepreneurship (SAIE)	Learning materials for each grade at schools. These materials comply with all the requirements for teaching the Economic and Management Sciences (EMS) learning area (which includes entrepreneurship.) Duration – one year	Start own business	School Pupils (Grade 2 – 12)	www.entrepreneurship.co.za/products.asp
YES (Youth Enterprise Society)	Education with Enterprise Trust	Life skills, understanding the market economy, business ideas, evaluating the community, setting goals, market research, the business plan, business finance, human resources, business promotion, selling the product, business accounts, business records leading and managing, business communications and entrepreneurship as a career	The medium to longer term aim is to establish a future entrepreneurial stratum, especially in regions of low income populations, which can then help create jobs, build community resources and thus help contribute to the overall national economy. Start own business Further education Secure formal sector employment	Programme for grade 9 (std 7), grade 10 (std 8) and grade 11 (std 9) pupils.	www.ewet.org.za/yes/yes.html

Source: Own complication

It is evident that the Business Box Programme provides entrepreneurial skills (E/S), whereas Business Venture and YES provide business skills (B/S) as well as entrepreneurial skills (E/S).

Other youth entrepreneurship programmes to take note of that were not discussed in Table 3.9:

- Enterprise Dynamics Programme (Junior Achievement South Africa);
- Business Incubation-cum Entrepreneurship Development Centre in Durban;
- Mindset; and
- Hands-on Market (Foundation for Enterprise and Business Development).

Table 3.10 is presented on the next page.

Table 3.10: Selected short courses offered at various South African Universities or Technikons

Programme Name	University/ Technikon	Content and duration	Outcome for learner/delegate	Target market/ Delegates/ Participants	Reference or website accessed
Executive entrepreneurship Programme	University of Pretoria	Module 1: Introduction to Corporate Entrepreneurial Strategy and Culture Module 2: Formulation and Implementation of corporate Entrepreneurial Strategy Module 3: Corporate Venturing and innovation management Module 4: Entrepreneurial Functional Management and growth Module 5: Study tour – Visit five most entrepreneurial companies on USA East Coast Duration: 16 days spread over a period of one year	Delegates should be able to formulate and implement corporate entrepreneurship strategies and management of the corporate venturing process	This programme is aimed at top executives with a honours degree	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Certificate in Entrepreneurship and Small Business management	University of Pretoria	Skills covered during this course: Motivation, creativity, opportunity identification and risk-taking. Role models are discussed (case studies). Marketing, financial and human resource management skills are covered Duration: 5 day course	Write own business plan and start own business.	Course is aimed at delegates with matric (Grade 12) and one year's working experience	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Advanced Certificate Programme in Entrepreneurship (abacus)	University of Pretoria	Teach motivational, entrepreneurial and business skills Duration: 10 day course	Write own business plan and start own business.	Course is aimed at delegates with matric (Grade 12) and two-three years' working experience	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Advanced Programme in Entrepreneurship	University of Pretoria	Module 1: Introduction to entrepreneurship Module 2: Corporate entrepreneurship Module 3: Creativity and innovation Module 4: Entrepreneurial development Module 5: Growth, failure and turnaround Module 6: Advanced entrepreneurship	Starting own ventures	Employees in financial institutions, participants in the enabling environment, government officials and prospective entrepreneurs	Continuing education at the University of Pretoria, available from http://www.ceatup.com

Table 3.10 continued...

Programme Name	University/Technikon	Content and duration	Outcome for learner/delegate	Target market/ Delegates/ Participants	Reference or website accessed
		Duration: one year programme			
Corporate entrepreneurship development programme	University of Pretoria	This course improves the entrepreneurial capacity of middle managers and provides them with a competitive advantage in their business environments. Elements covered: entrepreneurial skills, business skills and strategic entrepreneurial growth Duration: 18 days spread over a period of one year	Initiate new ventures inside the organisation, manage such new ventures, contribute to the growth of the organisation, increase the competitiveness and profitability of the organisation and create an entrepreneurial vision	Delegates with B degree and three years' management experience	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Corporate venturing	University of Pretoria	Module 1: Creativity and opportunity identification Module 2: Corporate venturing Module 3: Business skills Duration: 15 days spread over a period of one year	Delegates should design and write business plans.	Delegates with matric (Grade 12)	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Teaching entrepreneurial skills development programme	University of Pretoria	Introduction to entrepreneurship and business skills. Duration: 3 day course	Delegates should be able to understand the process of entrepreneurship, the development of entrepreneurial orientation and understand basic business principles	Educators, trainers and small business owners	Continuing education at the University of Pretoria, available from http://www.ceatup.com
Women Entrepreneurship Programme (WEP)	University of Pretoria	Entrepreneurial skills and business skills are taught during the course. Networking, counselling, mentoring, and balancing work and family are discussed. Duration: Six day course with a week and a half break between days four and five in order for delegates to prepare their business plans.	Developing own business plans, starting own business, growing own business, networking with other women entrepreneurs, receiving mentors to work with in	Women with matric (Grade 12) who want to start their own businesses as well as helping those who are in business already to grow their own businesses	Continuing education at the University of Pretoria, available from http://www.ceatup.com

Table 3.10 continued...

Programme Name	University/ Technikon	Content and duration	Outcome for learner/delegate	Target market/ Delegates/ Participants	Reference or website accessed
			future.		
Business Development Management Programme (BMDP)	Technikon Witwatersrand (now University of Johannesburg)	Module 1: Management Principles and Practice Module 2: Personnel Function Module 3: Marketing Module 4: Financial Accounting Module 5: Law of Contract Module 6: Introduction to Operations Management Duration: 3 trimesters of part-time study	Overview of the most important managerial functions and essential skills to manage the business more effectively	First level managers, or entrepreneurs running their own business	Technikon Witwatersrand, available from http://www.twr.ac.za
Short course in writing a business plan	University of South Africa	Providing entrepreneurs with the necessary skills and knowledge to write a business plan. Duration: Three months	Compiling a business plan for their own businesses	People who wish to start a new business, or who want to expand an existing business and/or delegates who need to obtain finance	University of South Africa, available from http://www.unisa.ac.za
Programme in Entrepreneurship and Small Business Management	University of South Africa	Module 1: Introduction to entrepreneurship Module 2: Entering the business world Module 3: The business plan. Module 4: Managing the small business Duration: One year	Transfer entrepreneurial and managerial skills to potential entrepreneurs through Africa-relevant multi-media (mainly case studies, simulation of real business situations). Improve small business management skills of those entrepreneurs who already own a small business.	A Senior Certificate or equivalent qualification.	University of South Africa, available from http://www.unisa.ac.za
Entrepreneurship and Small Business Development	Technikon Witwatersrand, (now University of Johannesburg)	Topics: entrepreneurship and new venture formation, human resource management in small business, marketing and accounting Duration: 130 teaching hours spread over one year	This programme aims to improve performance, deepen knowledge and provide useful analytical business tools.	Participants should have matric (Grade 12) and have three to five years' experience.	Technikon Witwatersrand, available from http://www.witsplus.wits.ac.za

Table 3.10 continued...

Programme Name	University/Technikon	Content and duration	Outcome for learner/delegate	Target market/Delegates/Participants	Reference or website accessed
How to start your own business	University of The Free State	Introduction to entrepreneurship. Organising the venture – business skills. Business plan preparation. Duration: 16 hours contact time	Understand entrepreneurship, determine the feasibility of a business idea, draw up business plan and apply some basic selling skills and customer relations	Delegates must have at least one year of experience in the private or related sector or any qualification in Economic and Management Sciences	University of Free State, available from http://www.uovs.ac.za
Business Management/ Entrepreneurship	Cape Peninsula University of Technology	Introduction to entrepreneurship, internet, management process, other business skills and the business plan. Duration: 36 hours, comprising a 2-hour session every Tuesday and Thursday	Improve general management skills and startan own business	Owners and managers of small and medium businesses who need to improve their management skills as well as those considering starting their own business.	Cape Peninsula University of Technology, available from http://www.cput.ac.za

Source: Own compilation

The content analysis was based on the information provided by each institution and may not reflect what is actually taught in the various programmes. According to Table 3.10 above, all the short courses presented provide E/S and B/S. The Women Entrepreneurship Programme (WEP) is the only one of its kind in South Africa and Chapter 4 will highlight why there is a need for such a programme. Chapter 5 will emphasise the content of the WEP and illustrate how it differs from other programmes offered to both genders.

Table 3.11 presents other entrepreneurship short courses/programmes and centres in South Africa that are available to entrepreneurs.

Table 3.11: Other entrepreneurship short courses/programmes and centres

Name of programme/short course	University/Technikon/Centre
New Venture Creation	Wits Business School, University of Johannesburg
Entrepreneurship and Small Business Development	Technikon Free State
Entrepreneurship teaching programmes Focus areas include: <ul style="list-style-type: none"> • Business Planning, Corporate Entrepreneurship, Business Mentoring, Finance and General Administration 	Graduate School of Business – University of Cape Town
Various programmes	UCT Centre for Innovation and Entrepreneurship
Matie Community Service	University of Stellenbosch
Entrepreneurship programme	Centre for Entrepreneurship, University of KwaZulu-Natal
Business Beat	Deloitte & Touche Project

Source: Own compilation

There are many more entrepreneurship programmes and short courses that are offered by various organisations or institutions that could not be mentioned in this study. It is, however, evident that for an institution to claim that it provides entrepreneurship training is not enough. The content of what is provided, analysis of potential entrepreneurs and the expertise of trainers should also play an important role (Ladzani & Van Vuuren, 2002: 156).

In a study conducted by Ladzani and Van Vuuren (2002: 158) in the Northern Province (now Limpopo) in South Africa, the following actions are recommended to strengthen entrepreneurship training for successful small business enterprises:

- Existing training firms should revise their training material;
- SMME service providers should benchmark their services against similar successful institutions;
- Educational institutions should introduce and/or strengthen entrepreneurship education; and
- Emerging and potential entrepreneurs should be encouraged to take courses in entrepreneurship.

3.8 Existing Entrepreneurial Skills Development Programmes (ESDP) in Africa

According to Nafukho (1998: 100), youth unemployment in Africa has reached alarming proportions. Since most African countries gained their political independence, there has been increased population growth, rapid expansion of the education systems, high levels of rural-urban migration, political conflicts and worsening economic performance. These factors have led to the problem of unemployment, especially among the youth leaving various educational institutions. This has led to the introduction of ESDPs in countries like Gambia and Nigeria in West Africa, Malawi and Zimbabwe in Central Africa, Swaziland in Southern Africa and Uganda and Kenya in East Africa.

Rao (1991: 2) defines ESDP as any comprehensively planned effort undertaken by an individual, a group of individuals, or any institution or agency to develop entrepreneurial competencies in people. Competencies are intended to lead to self-

employment, economic self-sufficiency and employment generation through long-term education or short-term training (Nafukho, 1998: 100). Table 3.12 sets out the entrepreneurial programmes and activities within some African countries.

Table 3.12: ESDPs in several African countries

Country	Entrepreneurship organisation/Educational Institution	Programme objectives and outcomes
Gambia	The Gambian Technical Training Institute	Prepares candidates for mid-level employment
	Business Advisory Service	Provides expert advice to potential entrepreneurs with technical skills
Nigeria	Industrial Development Centre (IDC)	Stimulates new ventures and provides sufficient motivational force to improve the existing situation
Malawi	The Small Enterprise Development Organisation	Provides financing to motivated entrepreneurs, and development activities of the Malawian Traders Trust provide advisory services to traders
	Chifukuko Cha Amayi M'malawi	Provides advice to women on how to start income-generating activities
	Malawian Entrepreneurs Development Institute	Conducts courses and seminars for beginning entrepreneurs, established entrepreneurs and those who possess neither technical nor entrepreneurial skills
Zimbabwe	The Cooperative Development Centre	Run by the Department of Housing, Community Services
	Ponesai Vanhu Technical Center	Provides management skills to

Table 3.12 continued...

Country	Entrepreneurship organisation/Educational Institution	Programme objectives and outcomes
		those leaving school with various trades. It also provides skills training in agriculture, building, metalwork and home economics
Swaziland	Small Enterprise Development Company	Initiated by the United Nations Development Programme. Provides financial assistance and entrepreneurship information
	Manzin Industrial Training Centre	A business management extension that gives training information with the assistance of US AID
	Swaziland Training for Entrepreneurs Project	Provides financial assistance, baseline information, technical assistance and distribution of relevant information regarding entrepreneurship
Uganda	Namutamba Project	Basic education integrated into rural development
	National Youth Organisation	Develops positive attitudes and cultivates an entrepreneurial spirit
Kenya	The country has more than 500 youth polytechnics, 20 technical training institutes, 16 institutes of research, science and technology and three national polytechnics	These institutions have always offered training in technical skills and in 1990 entrepreneurship education was added to the curriculum.

Source: Own compilation as adapted from Nafukho (1998: 101)

Nafukho (1998: 103) states that a crucial issue that needs to be addressed if entrepreneurship is to be promoted in Africa relates to the content of training in entrepreneurship. There is a need to systematically build up a body of knowledge and skills in the new field of entrepreneurship education.

3.9 Other international (USA, Europe and Asia) entrepreneurship programmes

According to Garavan and O’Cinneide (1994a: 3), a wide range of factors have contributed to the revival of interest in entrepreneurship and small business in both Europe and the USA in the 1990s. Entrepreneurship education is a fast-growing area in colleges and universities in the USA and throughout the world.

3.9.1 The US perspective

The United States Small Business Administration (USSBA) reports that small businesses represent more than 99.7 % of all employers, employ more than half of all private-sector employees and generate 60 to 80 % of new jobs annually in the USA (Longenecker, Moore, Petty & Palich, 2006: 6). These figures may seem unbelievable, but it should be taken into account that the USA does not make use of a standard definition to define a small business, as is the case in South Africa. The United States Small Business Act states that a small business concern is one that is independently owned and operated and which is not dominant in its field of operation. The law also states that in determining what constitutes a small business, the definition will vary from industry to industry to reflect industry differences accurately (USSBA, 2006).

It is clear that entrepreneurship and small business training is seen as high priority in the US. Tertiary institutions only started presenting entrepreneurship during the early 1970s in the USA. Today more than 1000 universities and colleges are presenting courses in entrepreneurship, compared with 50 in 1975, 117 in 1979, 263 in 1983 and 417 in 1986 (Timmons, 1994: 7). Hisrich *et al.* (2005: 19) agree that many universities in the USA offer at least one course in entrepreneurship at the graduate or undergraduate level and a few actually have a major or minor concentration in the

area. Falkäng and Alberti (2000: 101) state that there were at least 102 endowed positions (chairs and professorships) in entrepreneurship in 1995.

Hills, Romaguera, Fernandez, Gonzalez, Hamilton, Perez and Rollman (1996: 23), reporting on entrepreneurship training developments in Puerto Rico, South America, suggest that there are three emerging models for entrepreneurship education and training programmes:

- Introductory courses which focus on the development of a business plan;
- Courses for established businesses which focus on growth; and
- Management-related courses which emphasise innovation, team-building and entrepreneurial characteristics.

3.9.2 The European perspective

Volery (2004: 1) notes that the recent Entrepreneurship Green paper published by the European Union (EU) states that there are lower levels of entrepreneurial activity in the European Union than in economies such as the USA. It appears that too few Europeans set up their own businesses and too few small businesses in Europe experience substantial growth. Yet almost half of Europeans note that they would prefer to be self-employed, and almost a third of Europe's Small and Medium Enterprises (SMEs) cite growth as their main ambition.

There would appear to be general consensus within the EU that SMEs are the key sector for generating employment opportunities and growth throughout Europe. The European Commission (2001: 15) states that 66 % of total employment in the EU comes from the SME sector and that the potential for SMEs to grow and create even more jobs has not yet been fully realised. The European Commission (2001: 17) introduced a multi-annual programme for the period 1997-2000 which includes the following:

- The reduction of "red tape", which hampers entrepreneurship;
- Ensuring better involvement of SMEs with state agencies in the decision-making process;
- Helping to finance the SMEs which can create jobs;
- Vigorous action to promote research, innovation and training for SMEs; and

- Enhancing competitiveness and internationalisation of SMEs.

A key challenge facing Europe is how to motivate individuals to become entrepreneurs and to equip them with the right skills to turn opportunities into successful ventures (Volery, 2004: 1). Van Voorhis, Stenhorn and Hofer (1996: 435) incorporated a 30-week entrepreneurship training schedule into the “B-17 Educational Plan”, a Swedish pilot programme for teaching entrepreneurship to the unemployed. The course, involving a cross-functional team approach with 20 team members and a “president” per business proposal, has been designed to progressively develop and/or enhance the core enterprise skills required for setting up a new business. Strong emphasis has been placed within the course on sales training. As Van Voorhis *et al.* (1996: 435) point out, in their experience selling skills are not only crucial to the successful start-up of a new business venture, but are highly valued by government agencies and funding bodies whose ultimate goal is to create more exports. Hence, the “B-17 Educational Plan” uses sales capability as a discriminating factor as participants progress through the programme. Since the “B-17 Plan” is still in its infancy, no empirical data has yet been gathered to test the long-term effectiveness of the programme.

Furthermore, as previously mentioned, Garavan and O’Cinneide (1994b: 13) reviewed the literature on the design of entrepreneurial education and training programmes in Europe. The six programmes that were studied included:

- The High Technology Entrepreneurship Programme, Limerick, Ireland;
- The Entrepreneur Programme, Lyon, France;
- The Students’ Entrepreneurship Programme, Lyon, France;
- The Gemini New Entrepreneurs’ Programme, Milan, Italy;
- The High Technology Start-up Programme, Barcelona, Spain; and
- The Business Growth Programme, Cranfield, England.

All the programmes take as a philosophical starting point the view that there is a strong connection between the quality of the founding entrepreneurial team, its growth potential and its ability to attract funding. A second dimension of philosophy common to all the programmes is the use of learning strategies. Participants are expected to take full responsibility for the learning process and to view it as

continuous. This is done through workshops, individual counselling, peer evaluation, case studies and role-plays.

Another study conducted by Henry *et al.* (2003: 124) describes the comparative analysis of eight other entrepreneurship training programmes in Europe. The programmes included in the investigation were as follows:

- Four programmes from Ireland:
 - An all-Ireland, industry sponsored programme (Programme A)
 - A cross-border programme (Programme B)
 - An industry-sponsored redundancy programme (Programme C)
 - A Dublin based programme (Programme D)
- One programme from the Netherlands (Programme E)
- One programme from Sweden (Programme F)
- One programme from Finland (Programme G)
- One programme from Spain (Programme H)

Some problems were encountered by Henry *et al.* (2003: 145) when they conducted the comparative analysis on the eight different European entrepreneurship programmes. In a number of cases, a breakdown of specific programme elements was not available and often no distinction was made between formal training and practical workshops, or between mentoring and business counselling. In spite of these constraints, it was possible to compare the programmes by content, specifically in terms of training, in Table 3.13.

Table 3.13 is presented on the next page.

Table 3.13: Comparative analysis of eight European entrepreneurship training programmes

Programme	Programme description	Structure and Content	Other support services provided	Overall Effectiveness
Programme A	Designed to promote graduate entrepreneurship throughout the island of Ireland.	Delivered over a six-month period and included topics such as generating the business proposal, determining legal and financial requirements, planning the business operation and human resource development	Mentoring Counselling Access to finance	By the end of the programme three out of the 35 participants reported that their businesses had already reached start-up stage, 15 indicated that they intended to proceed to start-up.
Programme B	This programme was designed to assist those with technology based product or service ideas.	The programme had a total duration of 15 months and was structured in two stages. Stage one concerned market feasibility. Stage two focused on developing a prototype, determining an appropriate marketing strategy and completing a business plan.	Mentoring Counselling Incubation Access to finance	During the first three rounds of the programme, a total of 30 technology projects were supported through the complete 15-month phase, resulting in the establishment of 26 new businesses.
Programme C	Programme designed for redundancy individuals	Three-day training programme. Covering areas of marketing, finance and developing a business plan.	Mentoring Access to finance	By the end of the programme three of the 48 individuals who had participated had managed to set up their businesses, with a further 15 stating that they intended to proceed.

Table 3.13 continued...

Programme	Programme description	Structure and Content	Other support services provided	Overall Effectiveness
Programme D	This programme was designed to assist entrepreneurs in developing knowledge-based enterprises.	This programme was offered over a nine-month period. The content included: improving efficiency and identifying opportunities for expansion, developing a business plan and analysing business ideas.	Mentoring Counselling Access to finance	During the first year of operation, this programme supported 11 entrepreneurs, where 7 had already established businesses and they all rated the programme as “excellent”.
Programme E	This programme was designed to encourage graduates of the Dutch University to set up their own knowledge-based businesses.	Support was offered over a one-year period. This support included: Office space and facilities, training, financing and mentoring.	Mentoring Counselling Incubation Access to finance Follow-up support	From its establishment in 1984 up to the end of 1997, 230 individuals had participated in this programme, resulting in the creation of 170 knowledge-based firms.
Programme F	This programme was an initiative of a Centre for Innovation at a Swedish based University. It was targeted at individuals who had a viable business idea.	The participants must develop business plans, mentoring is an important aspect of this programme.	Mentoring Counselling Access to finance Follow-up support	This programme was first developed in 1993 and during the following four-year period, 25 new firms were created.
Programme G	This programme is a	This programme helps new entrepreneurs to	Mentoring	By the time this research was

Table 3.13 continued...

Programme	Programme description	Structure and Content	Other support services provided	Overall Effectiveness
	joint venture between the scientific institutions, technical research centres, public authorities, financiers and the local business community.	identify the resources needed to develop their ideas into businesses or to license them to other companies. It also assists entrepreneurs in estimating the profitability of proposed new ventures.	Counselling Access to finance Follow-up support	conducted, this particular programme had received more than 600 applications and 230 had been accepted, of which 170 had progressed through the programme and developed new companies.
Programme H	This programme is managed by one of Spain's Polytechnic Universities and its main objectives are to introduce new employment opportunities to graduates and support technology transfer through the creation of new firms.	This programme was structured in two parts. Part one: Submission of a short proposal by aspiring entrepreneurs interested. Part two: lasted 10 – 12 months; participants were helped to develop a full business plan, offered finance for the development of their products or services.	Mentoring Counselling Access to finance	The programme has been in operation since 1992 and up until 1999. 431 proposals were accepted and 77 business plans were developed, which in turn created 56 new businesses.

Source: Own compilation adapted from Henry *et al.* (2003: 124–150)

Three of the programmes (programmes E, F and G) provided follow-up support, although it was unclear what this involved.

3.9.3 The Asian perspective

3.9.3.1 India

According to Dana (2001: 405) the National Institute for Entrepreneurship and Small Business Development is the parastatal organisation that oversees the formal training of small business managers in India. The institute organises entrepreneurship development programmes, prepares manuals and produces educational videos. Non-governmental organisations also teach small business management in India. The Progress Harmony Development (PHD) Chamber of Commerce is notably active in this field. Since its establishment, in 1905, the chamber has grown to include over 1 600 direct members and 80 associates serving over 22 000 small enterprises (Dana, 2001: 406). Since 1988, the Konrad Adenauer Foundation of Germany has cooperated with the chamber, sharing the belief that the development of enterprising spirit and initiative among individuals can help a society achieve self-reliance and optimal development. Functions of the PHD Chamber of Commerce and Industry include: developing entrepreneurial skills and attributes; training of small firms to improve productivity; fostering a spirit of self-reliance and self-confidence to make entrepreneurship self-generating; and providing vocational education and training.

3.9.3.2 Indonesia

To encourage enterprise among the indigenous Indonesians – known as pribumis – the state introduced a policy allowing these people favourable credit terms and easy access to business permits (Dana, 2001: 406). Yet they often lacked entrepreneurial skills and were rarely interested in pursuing entrepreneurial training. In 1973, Indonesia introduced the Small Enterprises Development Programme, a subsidised credit scheme. Results were less than satisfactory and the programme was discontinued. The government concluded that small-scale entrepreneurs could be better assisted through vocational education and training than with finance alone, and a special guidance scheme was introduced to train these entrepreneurs.

3.9.3.3 Malaysia

In recent years, Malaysia's Ministry of Entrepreneur Development has been very involved in training entrepreneurs (Dana, 2001: 409). Its courses teach business registration, book-keeping and ethics. The focus is on teaching the managerial skills required to operate a small firm successfully.

3.9.3.4 The Philippines

The Small Enterprises Research and Development Foundation of the Philippines (SERDEF) was established by the private sector to initiate, sponsor, promote, assist and conduct research, training and development in micro-enterprises, cottage industries and small and medium sized firms in the Philippines. The foundation works with a variety of organisations, forging linkages with government agencies, industry associations and educational institutions, such as the University of the Philippines Institute for Small Scale Industries. SERDEF has funded several training and support publications, including: *Introduction to Entrepreneurship; Credit Manual for Small and Medium Enterprises* and *Filipino Women in Business*. (Dana, 2001: 409).

3.10 Training programmes for women entrepreneurs

This study is concerned with a training programme designed for women entrepreneurs (WEP) and therefore it is necessary to explain why there is such a programme. A long-running debate in the development of start-up training programmes and services for women has been concerned with the need for single-sex provision (Richardson & Hartshorn, 1993: 43). The key issue in single-sex provision lies in the fact that some women may require greater nurturing of self-confidence and esteem, as well as business skills. The WEP includes topics that are not normally included in entrepreneurship training programmes for both genders. The WEP includes topics such as: networking and support; making use of role models, mentors and counsellors; confidence-building; and places more emphasis on the financial and marketing aspects of a business. A needs analysis was done (presented in Chapter 4) which highlighted the fact that women want a programme

specifically for them. For this reason, it seems clear that if there is a demand for such services, there should also be provision (Carter, 2000: 330). Chapter 4 will further emphasise why there is a need for a women entrepreneurship programme and Chapter 5 will focus on the design of this programme.

3.11 Conclusion

This chapter endeavoured to answer the questions concerning “objectives, content, design and duration” and “effectiveness” of the entrepreneurship programme with regard to the training models and programmes presented.

Although there has been a growth in the number and type of entrepreneurship programmes and courses in South Africa, it would appear that little empirical research has been directed towards evaluating the content and pedagogy of these programmes, and also their effectiveness. Falkäng and Alberti (2000: 102) agree that many studies aimed at assessing the impact of educational content or method tend to be centred on a specific course, with obvious problems of generalisation.

Two training models were discussed and an improved entrepreneurship training model was developed. This was done to provide the framework for developing the WEP, discussed in Chapter 5. Various entrepreneurship training programmes in South Africa and internationally were presented in this chapter. The chapter concluded by focusing on specific training programmes for women entrepreneurs. It is, however, necessary to do a thorough investigation into the literature on women entrepreneurs in the next chapter, with specific reference to education and training.