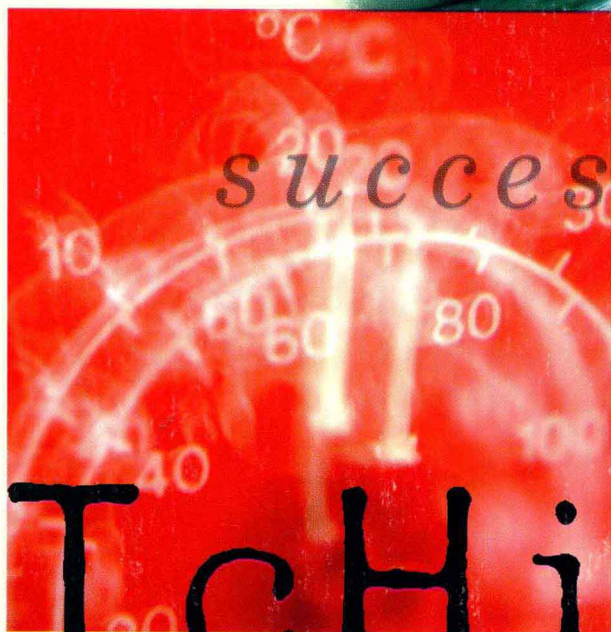
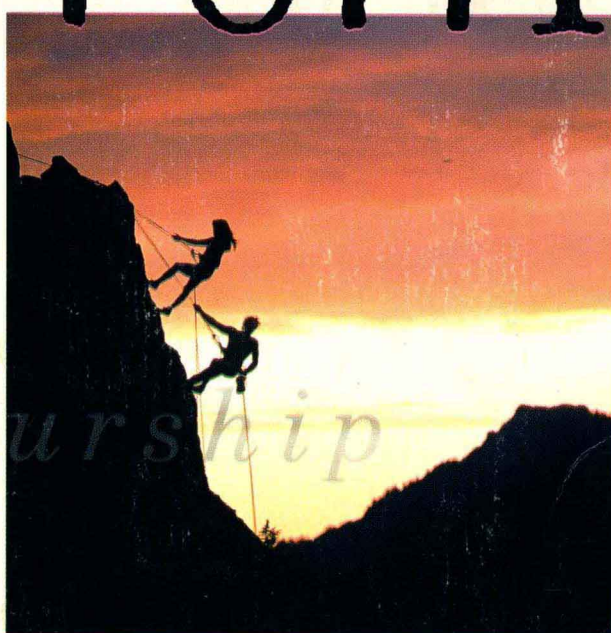
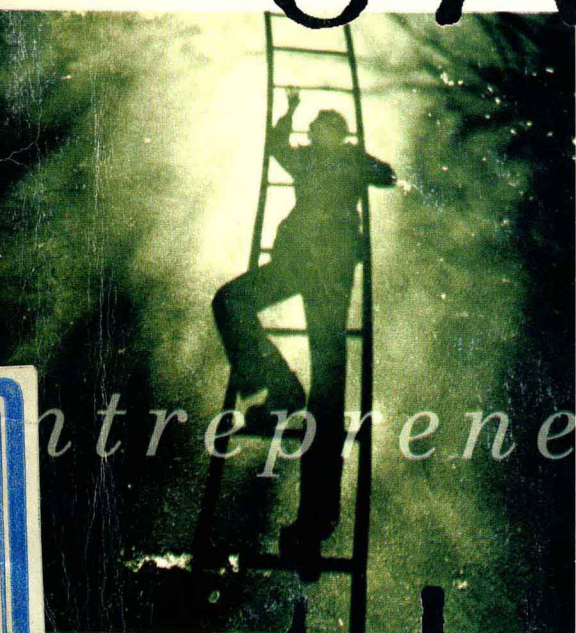


framework for youth
entrepreneurship success



CATCHING



entrepreneurship

the
wave:

CATCHING THE WAVE:

**FRAMEWORK FOR YOUTH
ENTREPRENEURSHIP SUCCESS**

ACKNOWLEDGEMENTS

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Working Group on Youth Entrepreneurship

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BACKGROUND TO THE RESEARCH

In January 1996, a Working Group on Youth Entrepreneurship was established with co-ordination provided by Human Resources Development Canada. The Working Group on Youth Entrepreneurship is composed of three Sector Council organizations: the Canadian Council for Human Resources in the Environment Industry, the Canadian Professional Logistics Institute, and the Forum for International Trade Training

Early in 1996, the Working Group initiated a process to undertake research to support effective entrepreneurship skills development. The Working Group perceived that a number of needs existed in the area of youth entrepreneurship development and believed that, through new research activity, these needs could be addressed and a variety of benefits realized. The perceived challenge and benefits were as follows.

THE CHALLENGE

The target outcomes for the research were:

- to build a consensus National Guideline for Youth Entrepreneurship Education and Training identifying the core factors generally regarded as highly correlated with entrepreneurial initiative and success;
- if possible, to build a Framework for a Training Plan based on the proposed National Guideline for Youth Entrepreneurship Education and Training;
- to develop a plan (a) for a joint consultation/negotiation with potential national partners, (b) to harmonize national initiatives and enable shared learning and experience, and (c) to establish effective partnerships at the national and international levels;
- to develop a framework for a Candidate Recruitment Process; and
- to develop a Competencies Guideline identifying and defining the key elements of an entrepreneurship education or training plan.

THE POTENTIAL BENEFITS

If the research could achieve these target outcomes, the potential benefits should be:

- enhanced synergy, partnership, collaboration, and alignment among various and disparate activities throughout Canada as a consequence of these activities working in pursuit of common outcomes;
- improved self-assessment by individuals to help determine the relevance and potential benefit of entrepreneurship training programs;

- improved ability of organizations to recruit and select candidates who stand to benefit most from participation in the programs offered;
- improved ability of individuals and organizations to assess the impact of training programs and efforts related to the entrepreneurship development of participants;
- improvements in the establishment and operation of national partnership efforts in support of youth entrepreneurs;
- improvements in the sharing of knowledge, information, and experience among partnership groups; and
- to bring some order (but not too much) to some of the chaos that seems to be prevalent in the field of entrepreneurship education and training in Canada.

The Working Group contracted the Canadian Foundation for Economic Education (CFEE) to undertake the research. CFEE worked in collaboration with officials from Human Resources Development Canada and the Sector Councils and a network of leaders in entrepreneurship education and training.

This publication, which is the result of the research, is designed as a working tool to provide a platform to discuss the challenges, solutions, and benefits related to fostering entrepreneurial success. It summarizes the research and focuses on the highlights of the research findings.

Fax Back Forms are included in the Appendices because we want your feedback on this report. We are also interested in learning more about the youth entrepreneurship education and training initiatives under way across the country. And we would like to share that information with others who might be interested.

Our contacts in the field have confirmed that this research effort was both needed and wanted. Many people involved in youth entrepreneurship education and training are not aware of the various other efforts and activities that exist. As a result, opportunities for exchange, collaboration, and efficiency are being missed.

From our discussions with individuals across the country, we have concluded that there is widespread support for the notion of a national guideline. There is a desire for more information sharing, increased partnership, improved alignment of goals and objectives, and greater sharing of resources, ideas, and information about "what has worked and what hasn't."

Recognizing that no individual or group is bound by a set of established target outcomes, we nonetheless believe that an effort to establish a national consensus on a number of key areas pertaining to youth entrepreneurship education and training is highly desirable. Indeed, there is a high level of international interest in whatever progress Canada is able to make in this direction. The following, then, represent our proposals to those Canadians and international authorities working in the area of youth entrepreneurship education and training. We hope that this report of our research serves to stimulate discussion so that all of us can continue to improve our collective efforts to improve youth entrepreneurship development across Canada and throughout the world.

EXECUTIVE SUMMARY

The Canadian Foundation for Economic Education was asked to undertake research to achieve the target outcomes described on page v.

We have achieved the following through our research and consultation efforts involving leading experts in the field of entrepreneurship education and training across Canada and from other nations.

1. We have proposed a *National Guideline for Youth Entrepreneurship Education and Training* that we believe will stand as a consensus achievement.

We have included within the proposed *Guideline*, the delineation of stages of entrepreneurship development. These stages are:

- Formative stage
- Developmental stage
- Start-up stage
- Growth stage

We have found widespread support for this delineation.

We have concluded that the most important factor related to success is the existence of a “desire” or “passion” that motivates a person to act.

We have drawn a distinction between “attributes” and “attitudes.” Attributes are the factors that lie largely within that relate to how a person feels about him/herself and his/her potential. Attitudes relate more to how a person acts.

We have grouped these factors of desire, attributes, and attitudes into a classification called “internal factors.” We see the internal factors as those relating primarily to one’s regard for self and the manifestation of such feelings in how one acts. These internal factors will be the primary focus at the formative stage of entrepreneurial development.

We have developed a second category called “external factors,” which we see as those related primarily to interactions with others and with the environments within which one learns, works, and plays. They relate to how one learns about, and takes action in, his or her living environments. Within this category, there are two key factor groupings—“learning” and “vision”—which deal with how one learns, what is learned, and how that learning can be applied in setting goals, creating a vision for future initiative, and accepting risks that may be associated with potential accomplishment. This category embodies the “strategic skills” associated with establishing goals and a vision for initiative.

The final category is that of the important tactical skills that are key to planning, launching, operating, and expanding an entrepreneurial venture. First, there is the level of skill development that will precede actual start-up. Efforts related to “learning,” “vision,” and the development of “pre-start-up tactical skills” comprise the developmental stage of entrepreneurship development.

The next phase of skill enhancement is focused upon the skills important to actual start-up and operation of the venture. Not surprisingly, this constitutes the start-up stage of entrepreneurship development. Finally, there are those tactical skills that will be important to an entrepreneur who is seeking to expand a venture and achieve significant growth. The tactical skills associated with this stage of development are the focus for the growth stage of entrepreneurship development.

Altogether, and summarized within the report, these factors appear to have widespread support as those that are most highly correlated with success. It must be emphasized, however, that all factors identified are not prerequisites for success and all are not needed by an individual to be successful. Rather, they stand as the key target outcomes for those individuals, programs, and initiatives that hope to enhance the potential for entrepreneurial success among youth.

2. We have developed a proposed Youth Entrepreneurship Training Framework that identifies key activities and learning opportunities that should help in achieving the target outcomes established in the *National Guideline*. The Training Framework we have developed should assist both those who currently offer programs in the area of youth entrepreneurship and those who plan to do so (or may plan to do so) in the future.
3. We have developed a framework to support the development of both local partnerships and a national partnership model. There are many local partnership activities under way and planned, and there is a very strong desire, and need, for some umbrella national partnership to help connect the local partnerships and enhance efficiency, effectiveness, sharing, and complementarity of effort.
4. We have proposed a Framework for a Candidate Recruitment Process. Our conclusion is that, to date, most efforts in this area have been quite traditional and independent and have assigned relatively little priority to creating unique, innovative efforts to recruit candidates.
5. We have developed a proposed *Competencies Guideline* based on the *National Guideline for Youth Entrepreneurship Education and Training*. We believe the key value of the proposed *Competencies Guideline* will lie in its ability to serve as a catalyst to future discussions and debate. It should help to provide a focus for such discussions/debate while providing guidance and assistance to those working in the area of youth entrepreneurship education and training.

It is not intended as an edict carved in stone. It is an effort to facilitate increased collaboration, co-operation, and synergy among Canadian educators and trainers working in the area of youth entrepreneurship development. We are not aware of any other effort in the world to date that has tried to develop a *Guideline* and *Competencies Guideline* such as these, which have been the focus of this research. We are encouraged by the common perception of "need" for such research, the widespread willingness to co-operate, and the extraordinary degree of consensus.

Based on our research, we believe the following initiatives are needed, and would be welcomed, by those participating in youth entrepreneurship education and training. We make the following recommendations.

- Recommendation #1. Produce a concise presentation of the *National Guideline* with a much more concise preamble and circulate it widely as a working tool.
- Recommendation #2. Convene a national forum to discuss the findings of this research effort and to help chart a course, and build an action plan, for the future. Encourage the active participation of entrepreneurs in this forum.
- Recommendation #3. Work toward developing a national partnership based on the model proposed.
- Recommendation #4. Utilize the national partnership to help develop, coordinate, and improve candidate recruitment efforts.
- Recommendation #5. Develop validated instruments enabling:
 - the assessment of an individual's entrepreneurship development based on the key factors presented in the *National Guideline*.
 - self-assessment by individuals to determine interest in, and potential for, entrepreneurial initiative.
- Recommendation #6. Develop a model for "business planning" based on the various planning stages and needs.
- Recommendation #7. Research the extent to which needed curriculum, resources, strategies, and related technologies currently exist or need to be developed to support education and training efforts to achieve the target outcomes established in the *National Guideline*.

Readers should be aware that application of the *Guidelines* proposed will depend to a large extent on the aims and target audience for each individual entrepreneurship education or training program. Some programs will have specific objectives and, therefore, may focus on only certain components of the *Guidelines*. Others will have a target audience that will mean only certain components are relevant. It is certainly not to be assumed that all programs should cover all of the factors and elements proposed. Programs will focus attention on the appropriate components.

Furthermore, it should not be assumed that an individual requires knowledge, skill, and ability in all of the areas proposed in order to be a successful entrepreneur. We have identified the various factors and elements seen as important and correlated with success—not essential for success. In the same way that program developers will have to focus on those components of the *Guidelines* seen as relevant to their education and training efforts, individuals will also have to focus attention on those elements most relevant to their individual needs.

It is hoped that these *Guidelines* will support both the program deliverers and

those individuals seeking entrepreneurship education and training and assist with the decisions, choices, and priorities that will need to be determined. We also hope that a large number of individuals and organizations will take the time to review, and respond to, the *Guidelines* proposed. For those of you who choose to do so, a review form is provided at the end of this report, and we look forward to your comments. In all cases, we wish you success with your entrepreneurship education and training efforts.

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NATIONAL GUIDELINE FOR YOUTH ENTREPRENEURSHIP EDUCATION AND TRAINING

INTRODUCTION

The first challenge was to develop what was originally termed an “entrepreneurship skills model.” The term “skills” has very specific connotations, and we suggest that it does not provide the opportunity to capture the range of important factors that are commonly regarded as correlated with entrepreneurial success. Therefore, we have suggested the title *National Guideline for Youth Entrepreneurship Education and Training*, which leaves the range of possible factors broad enough to capture all that we believe should be included. Other possible titles naturally exist, and we welcome any thoughts and suggestions. For our purposes, we will refer to the *National Guideline for Youth Entrepreneurship Education and Training*.

Before we move on to discuss the rationale behind the proposed *Guideline*, we want to emphasize a number of key points.

IMPORTANT NOTES AT THE OUTSET

- We believe, and recognize, that anyone can consider the option of being an entrepreneur. What we have done here is to identify the key factors that appear to be highly correlated with success. We do not mean to imply that these factors are essential, nor are they intended to exclude or dissuade anyone from exploring the entrepreneurial challenge.
- The “building blocks” that begin on page 6 reflect building blocks in our analysis and lead to our conclusions. They should not be seen as building blocks for an entrepreneur. They are not a series of stepping-stones in entrepreneurial development. They are thinking and analytical building blocks serving as the basis for our conclusions.
- The *Guideline* we are presenting is not intended to describe what an individual must have before setting out as an entrepreneur. Skills and so forth can, in many cases, be developed and honed along the way. The *Guideline* does draw attention to those factors seen as most important.
- The primary target audience for the *Guideline* is those who will help to create and implement programs to help people who are interested in developing their entrepreneurial capability. The *Guideline* has not been designed as a document for those who are exploring the entrepreneurial option—although they could, if they wished, certainly use it as a reference.
- Although the *Guideline* will serve to provide a focus for the development of key areas (attributes, skills, and so on), it is important to highlight the vital role often played by mentors and role models in addition to those who provide instruction and training.
- Although the *Guideline* emphasizes the key role that “environments,” “communities,” and “cultures” play in either encouraging or discouraging entrepreneurship development, our conclusions should not be interpreted as prescriptive. Every community and societal grouping will make independent and

collective decisions that will influence the potential for entrepreneurship development. Though many may regard efforts to nurture entrepreneurship development as desirable, we acknowledge that there are those who think otherwise.

We have concluded that cultural and environmental conditions are very important and closely linked to entrepreneurship development. We have also identified environmental conditions and attributes that tend to be supportive of entrepreneurship development. But, obviously, each community will have to decide whether or not such conditions and attributes are desirable in light of its priorities and beliefs.

We will now present the rationale and “building blocks” behind the proposed *National Guideline for Youth Entrepreneurship Education and Training*. The *Guideline* itself is presented at the end of this section.

BACKGROUND TO OUR RECOMMENDATIONS

In the course of our research, we have:

- contacted directly many of those who are regarded as leaders and authorities in the field of entrepreneurship in Canada and in other nations;
- made extensive use of the Internet to seek out new, “most current” information as well as to extend our network of contacts;
- implemented a detailed literature search; and
- drawn upon the books and periodicals generally regarded as leading works in the field.

It is important to summarize some of the key research findings that have influenced our recommendations. Whenever something is “built,” the construction entails a series of building blocks. In building our recommended *Guideline*, we have used a number of “building blocks” to form the basis for the *Guideline*'s structure. These are not presented in any specific order, which is consistent with the fact that proportionately little material associated with entrepreneurship is linear in nature. They are, however, presented within the context of certain groupings. These groupings relate to the general structure developed for the *Guideline*.

The *Guideline* is constructed around (a) the various “stages” associated with entrepreneurship development and (b) the various “factor categories” that appear to be the best organizational groupings for the success factors we have identified.

The following are the general stages associated with entrepreneurship development.

- **The Formative Stage:** This relates to the various factors that influence the development of the desires, attributes, and attitudes that we have found to be most highly correlated with entrepreneurial success.
- **The Developmental Stage:** This relates to the learning and skill development that equip and prepare an individual to consider the start-up and launch of an entrepreneurial venture.
- **The Start-up Stage:** This refers to the specific skills and supports that are required by an individual during the start-up, launch, and initial operation stages of a new venture.
- **The Growth Stage:** This refers to the specific skills and supports that are required by a successful entrepreneur who is looking to advance an initial start-up venture to a period of growth and expansion.

Various education and training programs may focus on one or more of these stages. Certainly there is no restriction as to which individuals or organizations are responsible for any particular stages of development. However, as a general view, it is likely that family, community, and school cultures (with related programs, activities, experiences) contribute significantly to the formative stage.

In most cases, colleges, universities, enterprise centres, and so forth (with keen attention to skill and knowledge development) make significant contributions to the developmental stage. Colleges, universities, professionals (and their associations), industry associations, and various community organizations and institutions are similarly frequently involved in assistance to the start-up stage.

Entrepreneurs, once established, will then tend to draw upon a wide range of resources to assist them in preparing for growth. These resources may include

the groups mentioned above as well as others, including mentors and other experienced entrepreneurs.

As you will see below and on the next page, there are various factor categories to consider within these various stages.

Before we move on to the general structure of the proposed *Guideline*, it is important to re-emphasize that the building blocks we will present are not intended as a prescription for an individual's entrepreneurship development. Rather, they are the building blocks associated with our findings, thinking, and analysis. They are the cornerstone for the *Guideline*.

Therefore, we do not want anyone to mistakenly think that a person needs to "build" all the factors we are about to discuss in order to be a successful entrepreneur. Possessing a certain portion of these proposed factors may well enable success. But our goal was to identify all the factors that appear to be most highly correlated with success—not all the things a person has to have in order to be successful. These building blocks stand as the foundation for our conclusions regarding key success factors, not as the prescription for what you need to be an entrepreneur.

Although "success" obviously means different things to different people and can be applied to a very wide range of endeavours, for the purpose of this report we are regarding "success" as the successful creation, planning, start-up, and operation of a business venture. The attributes, attitudes, and skills associated with entrepreneurship, and as they are presented here, can be applied to all kinds of endeavours, business and otherwise. We recognize, however, that the priority concern of immediate users of this report is on new business ventures and related job creation success. Hence, we have focused particular attention on the factors most highly correlated with the successful creation, planning, start-up, and operation of a business venture.

THE GENERAL STRUCTURE FOR THE PROPOSED GUIDELINE

Formative Stage:

- **The Environmental Factors – The "Community/Culture"**
 - the environments within which we live, work, and play and the extent to which they encourage, or enable the development of, entrepreneurial initiative
- **The Internal Factors**
 - **Seed (Want):** the heart of our entrepreneurial potential, that is, the desire, want, engine that motivates a person to be an entrepreneur
 - **Attributes (Why):** the internal factors that influence one's regard for oneself; those that are introspective, intrapersonal, and that can be developed (these tend to relate to the motivations underlying a person's actions, a person's potential for taking initiative, and why a person might be willing to take initiative)
 - **Attitudes (How):** the internal values that drive entrepreneurs that are often environmentally determined and that can be developed (they tend to relate to how one acts and the nature of one's actions)

Developmental Stage:

- **The External Factors**

- **Learning:** the willingness and ability of a person to acquire information, knowledge, and experience from the world around him/her
- **Vision** (Strategic Skills): how a person sees the world and envisions what is possible/desirable in the world around him/her

Start-up Stage:

- **Skills** (Start-up Tactical):

- the skills that are important to developing a business plan and establishing, launching, and operating a business

Growth Stage:

- **Skills** (Growth Tactical):

- the skills that are important to moving a successful business into a period of growth and expansion

It is important to note that this document is not intended to identify those features that are unique in some way to entrepreneurs. The elements proposed in this *Guideline* are those to look for in an individual if one is looking to assess the individual's chances of entrepreneurial success (this can pertain to self-assessment or assessment by others).

The following are the building blocks on which we have based our conclusions. The various building blocks relate to the structure for the proposed *Guideline* in the following way.

- Building Block #1 relates to environmental factors.
- Building Blocks #2–12 relate to internal factors.
- Building Blocks #13–19 relate to external factors
- Building Blocks #20–39 relate to skills.

THE “BUILDING BLOCKS” FOR OUR RECOMMENDATIONS

Building Block #1: The Fertility of the Ground—The Environmental Factors

As we will discuss in a moment, one of the most essential factors related to entrepreneurial success is the existence of a true want or desire to be an entrepreneur. People who are successful entrepreneurs usually have one or more dominant reasons for wanting to be an entrepreneur.

For there to be a want, it seems logical that there must be a reason. There must be a reason for a person to want to act, to take initiative, to be an entrepreneur.

It is our conclusion that this concept of reason relates to the community and the cultural context that exist in our lives. A reason to be an entrepreneur, to

want to take entrepreneurial initiative, will arise from the various environments, experiences, and educational opportunities that are afforded to an individual. Our research has shown that there is overwhelming support for the fact that many of the factors we have concluded are most essential for entrepreneurial success can be either taught or nurtured. Previous assumptions that entrepreneurs are “born, not made” were based on the fact that, in the past, the only nurturing environment was usually that of the household of an entrepreneur. Our schools, workplaces, policymakers, and so forth did not assign a priority to ensuring that entrepreneurship and its related “characteristics and skills” were nurtured and encouraged. Indeed, one could argue that most of our environments have historically been counter-productive in encouraging the development of entrepreneurship.

The research is full of evidence that the school systems have focused predominantly on “left-brain” development and reward. Hence, more academically inclined students have been rewarded and encouraged, whereas “right-brain” dominated individuals (somewhat more prone to entrepreneurial initiative) have experienced less reward and encouragement.

Our workplaces have historically been more oriented to “convergent” thinking rather than “divergent” thinking. Workplace environments placed greater emphasis on conformity than on creativity and individual expression.

Our public policy for many years tended to focus more on the concerns of our larger enterprises than on the needs of and requisite conditions for our smaller businesses.

Times have now changed. Workplaces are changing. Policy priorities are shifting. Schools are changing. Training programs exist, and are being developed, to assist the development and success of our entrepreneurs. These changes have provided further evidence of the fact that entrepreneurs can, indeed, be assisted, nurtured, and developed. We are now at a point (including this project) to determine what works and what doesn’t and how intervention efforts can be more focused and successful.

But the key point is to ensure that the focus regarding the potential for entrepreneurial success is not placed solely on the profile and potential of the *individual*. The *community* (in its broadest sense—family, school, neighbourhood, workplace, province, region, nation) will influence the extent to which an individual acquires the *seed*—the *reason* to be an entrepreneur, from which will evolve the *want* and the *desire*. The community will establish the environment that will encourage or discourage entrepreneurship; plant the seed for initiative or blow it away; till, fertilize, and nurture the ground for the seed to take hold or erode the foundation for development; support and assist or inhibit and frustrate.

It would be unrealistic for those communities and regions of Canada that are anxious to encourage and develop more entrepreneurs and entrepreneurial initiative to rely on the fact that an increased number of people will simply choose to be entrepreneurs. There has to be encouragement, incentive, a rationale. In short, there has to be a *reason* for a person to want to be an entrepreneur. Part of that reason will come from within, a result of the internal factors to be discussed later. The other part will come from the external environment and the conditions that are conducive to and supportive of entrepreneurial initiative.

It is our conclusion that even if a training program is successful in developing entrepreneurial skills in an individual, the chances of success are significantly enhanced if the community environments are entrepreneurial, and significantly diminished if they are not.