TRAINING FOR LIFESTYLE ENTREPRENEURS - WHAT WORKS?

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Introduction

Many developed countries have issues with the movement of populations away from rural areas. This is often caused by the lack of career opportunities for the young as a result of the decline in rural industries and the inability of farming to provide a sufficiently high standard of living. There has been an active move towards ‘value adding’ in rural areas and in particular the development of tourism activities, to counter this trend. There is an additional challenge, in that many rural entrepreneurs are what might be called ‘lifestyle’ entrepreneurs (Alsos, Ljunggren & Pettersen 2007), whose capacity to contribute to local economic development is not well documented.

These lifestyle entrepreneurs may offer the way forward for many regions, using their existing expertise to develop enterprises that build on the very qualities that attracted them to the location. However, they may not be skilled entrepreneurs and therefore training to enable their businesses to be successful becomes vital.

This paper explores the curriculum development process and the delivery and evaluation of a training program for lifestyle entrepreneurs from the Hedmark Region of Norway. The program initiation, intentions, delivery and outcomes are documented and explored. The development and delivery of the training programme took place in Norway and Australia. The programme was substantially funded by Innovation Norway. The impact of the training on the growth and sustainability of individual micro-businesses and their potential to utilize existing, often irreplaceable resources, may have relevance outside of the Norwegian context.

Hedmark, Norway.

Norway is situated in the western part of the Scandinavian peninsula, about as far away from Australia as is possible. It is a very wealthy country with a population of just over 4.5 million. Nearly 70% of Norway is uninhabitable and covered with mountains, glaciers, moors and rivers, giving a low population density of 39 per square mile. Economically Norway is doing very well as a country with a high per capita income, low inflation and low unemployment. However, even the wealthiest of countries face challenges. (www.infoplease.com)

Hedmark county is one of only two Norwegian counties that do not have a coast line. It is situated in the south-eastern part of the country, bordering onto Sweden. The county has a population of 188,000 making up 4.11% of Norway’s population, whilst occupying 8% of the area. It has a population density of 7 per square kilometre, well below the country average, and distance is seen to be one of the challenges facing the development of small business in the region. Hedmark is one of the less urbanised areas in Norway as about half of the inhabitants live on rural land. The county’s extensive forests supply much of Norway’s timber and are part of the traditional lifestyle. It is the unspoilt nature of this region that the local entrepreneurs are seeking to exploit as a way of developing and enhancing the local economy. (e.wikipedia.org/wiki/Hedmark)
Methods

The methodology is qualitative and it is hoped the research will lead to a longitudinal study of the impact of lifestyle entrepreneurs on local economic development in rural areas. Qualitative research has the strength of providing rich data, directly from the entrepreneurs themselves. The action research process that was engaged in means that the entrepreneurs themselves are active participants in the research and the quality of their feedback and willingness to discuss their changed behaviour are critical to both evaluating the impact of the programme and the potential for further study on the economic impact of their activities.

The development process and the nature of the curriculum used for these entrepreneurs may well provide insights into effective training for lifestyle entrepreneurs in other contexts. The participants were asked to evaluate the programme immediately on its conclusion and six months after the programme when they were interviewed in their place of operation. Their insights into the benefits of the training received, including its location in an unfamiliar and exotic setting, provide an insight into the difficulties faced by micro-enterprises in rural areas, many of which were not identified by the participants prior to the training.

The development process included two visits to the location in which the entrepreneurs were establishing their enterprises, discussion with local economic development staff and a group of local entrepreneurs. This provided the data for the design of the curriculum which included targeted classroom sessions, site visits, experiential learning and small group coaching.

Entrepreneurship Training.

There is debate about whether entrepreneurship can be taught and this debate follows similar lines to the one that has been ongoing in the leadership literature – the relationship between personal characteristics, motivations, knowledge and skills. Despite this debate the number of entrepreneurship education and training programmes has grown exponentially over recent years with most university business programmes at undergraduate and post graduate level offering courses in various topics relating to entrepreneurship. Hisrich (1992) identified three types of skills required in entrepreneurship: technical skills, business management skills and personal entrepreneurial skills such as risk-taking, change-orientation, being innovative and persistent.

There are traditionally a number of different ways in which leadership training is delivered, and entrepreneurship training could be viewed through the same lens. Jay Conger (1992) identified 4 categories of leadership training; personal growth, skill building, conceptual development and feedback. Csoka (1996) provides a simple overview of these strategies.

Personal Growth. Leadership training programs featuring personal growth emphasise the need for managers to become more aware of their inner talents, abilities and limitations. This could be seen to be an integral part of the process of developing personal entrepreneurial skills. Personal growth strategies involve an approach to the learning process rather than a content area and involve participation and commitment on the part of the participant entrepreneurs.
Conceptual Development. This has traditionally been the strength of university programmes and works on the premise that if you know the concept you can act on it. Although this approach has fallen into disfavour in some quarters as being ‘out of touch with the real world’ it does focus on the expertise required by entrepreneurs in their particular context and provides the conceptual tools to deal with a rapidly changing environment.

Feedback. Feedback requires the development of double loop learning skills, the ability of the ‘teacher’ to provide positive and relevant feedback and the willingness and ability of the participant to accept and reflect on the feedback given.

Skill Building. This is perhaps the most commonly used method for leadership and entrepreneurship training as it has an intuitive appeal because of the practical approach which organisations need. Skill building is the other side of the conceptual development coin, and adds to the ability to understand, the ability to do.

The desirability of a balance between the conceptual and the practical is seen in the design of a number of entrepreneurship training programmes, where practising entrepreneurs are part of the learning process, adding insight into how the theory works in practice and adding credibility to the theory. (Collins, Smith & Hannon 2006). The importance of this can be seen in the feedback received from programme participants.

Given the individualistic nature of entrepreneurial ventures, and the fact that the entrepreneur controls and employs the key resources that make the business successful, a student centred approach is required, as each entrepreneur will bring a different range of skills and experience to the process. (Jones & English, 2004).

When exploring the design of the programme for existing and nascent entrepreneurs in rural Norway each of these ideas was born in mind. Both conceptual development and skill building were required, but it was also clear that given the stable and conservative nature of rural Norway, personal growth strategies were likely to be required. Norway has an excellent social support network which whilst ensuring a high quality of life for its citizens, does not encourage entrepreneurial risk taking and the independence and self confidence necessary to be successful in business. There was a need in the programme to ensure that participants had an opportunity to reflect on what being an entrepreneur meant within their context.

Therefore the assumptions behind the design and implementation of the programme lie in theories of adult learning, particularly the work of Friere, Mezirow and Knowles. These commentators on adult learning come from very different perspectives but they offer a number of ideas that have particular relevance for entrepreneurs.

The Knowles (1990) provides a synopsis of the development of adult learning theory. The androgogical model of learning includes a number of assumptions:

1. Adults need to know why they need to learn something before undertaking to learn it.

2. Adults have a self-concept of being responsible for their own decisions, for their own lives. Many adults have a memory of learning that is in conflict with this self-concept. They expect to be told what to do in class. It is important to assist adult learners to make the transition to
more self-directed learning, show them how to use the same skills in the classroom that they use in everyday life.

3. Adults become ready to learn those things that they need to know and be able to do in their real life situations - or in situations they want or expect to happen e.g. seeking promotion.

4. Adults tend to be task centred or problem centred rather than content centred.

5. While adults are motivated by external motivators like promotion, higher salaries etc, they are also motivated by internal pressures such as quality of life, increased job satisfaction.

6. Adults bring to learning a wealth of experience from life. This provides an extraordinary resource for learning. However, there are also some potentially negative effects from previous experience. There may have developed mental habits, biases and assumptions that close adult minds to new ideas and new ways of looking at things.

Using these assumptions the teacher becomes a facilitator of learning – not a transmitter of knowledge. These adult learning principles are extremely relevant when approaching the development of a group of adults who already have a level of success but who are seeking to move in a different direction. They may well have very fixed ideas about what is possible. What is taught has to be seen to be relevant, and existing patterns of thinking and behaviour have to be challenged in such as way as to lead the participants forward rather than creating resistance.

Hughes, Ginnet and Curphy (1999) discuss leadership development and the importance of an action-observation- reflection model of learning. This model is very important for learning from experience, rather than just experiencing. This is one of the processes used as part of the programme to enable participants to learn from their experience.

It is difficult to learn, and particularly to learn about yourself, without reflection. Most people interact with others and the environment based on a belief system that they have developed to deal with the world. This belief system, according to Argyris (1985, 1991), Dick and Dalmau (1991) tends to create defensive interpersonal relationships and limits risk taking. It also leads to what is called single loop learning, which really means that we seek from our environment and events those things which reinforce what we already know and believe. Little feedback is allowed that may confront fundamental ideas of actions. This leads to a self-fulfilling belief system and considerable constraint on the capacity to learn. Double loop learning on the other hand involves a willingness to confront personal views and to truly listen to other views. Mastering double loop learning can be thought of learning how to learn, how to identify blind spots, question and clarify assumptions.

Development Process

In July 2005 Dr Carol Dalglish visited Norway at the invitation of Christina Dyreson, a consultant to four local authorities in South Eastern Norway. Following a visit to Brisbane, Christian expressed an interest in bringing a group of Norwegian entrepreneurs and potential entrepreneurs to Brisbane to study marketing and customer service and look at Australian examples of small
business. He felt that the Queensland University of Technology’s Brisbane Graduate School of Business’s expertise in entrepreneurship would be able to make a contribution to economic development in rural Norway.

The visit to Norway identified a number of similarities between Queensland and Norway: e.g. small populations spread over a relatively large geographical area; concern about the movement of the young away from rural areas reducing the local communities’ prosperity and survival, an abundance of natural attractions and a growing number of residents interested in ‘lifestyle’ entrepreneurship. There were discussions with local mayors, academics at Hedmark University College and personnel at an incubation centre. She also visited a range of local attractions. As a result of this visit the idea of a study tour to Australia for rural entrepreneurs interested in engaging in tourism activities was proposed.

Dr Dalglish was invited to visit Norway again in February 2006 which provided the opportunity for her to see the country at a different season. Discussions were held with representatives of Innovation Norway, local business development officers, local banks and local entrepreneurs about the nature of the proposed program, its relevance and potential outcomes. Innovation Norway agreed to financially support a study tour for regional entrepreneurs interested in initiating or growing the tourism component of their businesses. The contract was let to Christian Dyreson and his company and Christian subcontracted the delivery to Queensland University of Technology. A nine day program was delivered in Brisbane in November 2006 for 19 participants.

Program Design

The goal of the program was to provide participants with theoretical knowledge and practical skills that they could use in the Norwegian context to develop their businesses. This was done through a combination of classroom learning, site visits and small group coaching. This goal is in line with Innovation Norway’s purpose ‘to promote nationwide industrial development profitable to both the business economy and Norway’s national economy, aiming to help release the potential of different districts and regions by contributing towards innovation, internationalisation and promotion.’ (www.norway.org.uk)

As of January 2004, Innovation Norway assumed the duties of the Norwegian Industrial and Regional Development Fund (SND), the Norwegian Trade Council, the Norwegian Tourist Board and the Government Consultative Office for Inventors (SVO). ‘Innovation is to be the backer and promoter of entrepreneurs, newly-founded and small and medium sized enterprises that seek to grow, as a rule in an international market.’ (www.invanor.no)

As such this programme fell clearly within their remit, although enabling entrepreneurs to study in a foreign country was unique and demonstrated their willingness to be innovative to achieve their objective.

• Participants

Participants in the program were potential entrepreneurs (small business owners) either engaged in, or interested in becoming engaged in, tourism in the Hedmark region of Norway. Alsos, Ljunggren and Pettersen (2003) identified three types of rural entrepreneurs; the pluriactive
farmer, the resource exploiting entrepreneur and the portfolio entrepreneur. These types differ in regard to their basic motivation and objectives, the source of their business ideas and the connectivity between the new business and farming. Pluriactivity is defined as the generation of income from more than one economic activity (Eikeland and Lie, 1999). Pluractivity could be motivated by a wish to keep the family farm going, emotional reasons such as not wanting to sell the family land or a wish to continue a particular lifestyle. The resource exploiting entrepreneur has the ability to discover opportunities based on relevant knowledge and the cognitive ability to evaluate the potential of this knowledge. Farmers, who start new business activities by discovering and exploiting opportunities while still maintaining their farm business can be seen as portfolio entrepreneurs. The participants in this programme included entrepreneurs with all of these motivations and strategies. All could also be seen as ‘lifestyle’ entrepreneurs in that part of their motivation has to do with sustaining a particular lifestyle, in a particular environment.

There were 19 participants representing 11 enterprises. Many were husband and wife teams whilst other brought employees or business partners with them. At this stage of their development they would all be considered micro-businesses, in that they were largely partnerships with few if any paid full-time staff. Micro-enterprises are typically defined as very small, informally run businesses, involved in activities other than crop production. These enterprises employ ten or fewer people, including the owner(s) of the business and any unpaid workers. A further distinction may be made between survival micro-enterprises, low skilled, low-cost, low return activities, and entrepreneurial micro-enterprises, which tend to require more skills on the part of the business owner and a greater use of capital and technology in production (Shaw, 2004). These entrepreneurs are not survival entrepreneurs in the normal sense of that word, but are lifestyle entrepreneurs who are making choices about being entrepreneurs based on particular lifestyle choices.

• Program

The program was delivered over 9 days and included classroom based discussion, site visits and small group coaching. The topics covered included:

• Planning the business
• Doing business in Australia
• Opportunity recognition
• Marketing
• Using the Web for marketing
• Customer Service
• Practical and cooperative marketing.

Site visits included travelling inland to undertake typical ‘Australian’ activities and travelling to townships where the community has worked together to develop a tourist ‘destination’. Talks were given on the site visits and back at the university by a range of small entrepreneurs engaged in tourism activities. The knowledge and experiences were drawn together through several coaching sessions, where individual participants had the opportunity to relate the experiences they had to the development of their own business. All of the participants drew up an action plan of what they would do when they returned to Norway.
The programme was designed to meet the particular characteristics of the participants. They were coming to Australia to see businesses that they could learn from. Most had not been in an educational environment for many years. All were operating in a second language. The coaching sessions were included to enable the participants to relate their classroom topics or their site visits to their own business circumstances, and encourage them to draw from their experiences on the course those elements that were directly relevant to their aspirations as entrepreneurs. This incorporate both cognitive and skill base learning (Csoka 1996). It also reflected adult learning principles in which the material was shown to be relevant to the task in hand. (Knowles 1990). To ensure that this pattern was sustained great care was taken in engaging lecturers who had both theoretical knowledge and practical experience and were willing to use a very participative, interactive and challenging process; people who were willing to challenge themselves to discuss the relevance of theory and observation on particular business enterprises. This bringing the material together through small group coaching was critical to the success of the programme.

A central role was played by the ‘tourist’ experience itself. Participants had a weekend during which they could pursue any activities, reporting back on how they found out about activities, and both the positive and negative experiences they encountered. This activity provided experiential learning, where the participants were in fact put in the shoes of their customers. They had access to the same range of services as any other tourist, and had to find their way around, and enjoy themselves in a short time in an unfamiliar environment speaking an unfamiliar language. Reflecting on their experiences had a significant impact on participants whether they had had good or bad experiences, and many of their plans for the future were generated by this activity.

Evaluation

The evaluation was undertaken in two phases. The first was immediately following the programme whilst the participants were still in Australia through the use of evaluation questionnaires. The second phase was conducted in Norway, at their place of business, through informal interviews.

Phase One indicated that the combination of activities and knowledge sharing, pulled together by the coaching, appears to have worked extremely well. Despite the fact that most participants did not speak English as their first language, everyone appeared to gain from the experience. It also became apparent that local networks were being established. People who had only known of each other began to look at ways in which they could work together. They appear to have found the speakers with both practical and theoretical knowledge very useful.

The elements that they found most useful included the coaching and reflective sessions. They also appreciated the combination of lectures, tours and felt that the opportunity for reflection was very effective. A critical element appears to have been the opportunity to debrief the activities that they participated in so as to draw the learning from them.

The major criticism, and it was not strong, was the difficulty of returning to study; the length of sessions and the feeling that perhaps they could have done more of the theory before they came.
A number of factors from this evaluation appear to have contributed to the success of the programme.

- The extensive development work done beforehand to understand the nature of the participants and the environment in which they are operating. This understanding led to both the content and the processes used in the program.

- The excellent teaching staff brought to the classroom both theoretical understanding and practical expertise. They were all willing to work with the participants, modify their style to suit the language abilities of the students and took a real interest in their students’ learning.

- The interest and resources provided by Innovation Norway and Christian Dyreson. It took courage to embark on such an innovative programme. The subsidies offered by Innovation to the participants were critical in allowing the programme to take place.

Phase Two provided an opportunity to see whether, in retrospect participants held the same view as at the end of the programme, and more importantly how the program had contributed to their entrepreneurship activities. Interviews were held with all participants, over a 3 day period, at the location of their businesses. This second objective was very important to Innovation Norway who hoped to see greater networking in the region, providing support for individual entrepreneurs and the development of locally based ‘packages’ for tourists.

All the participants remembered the course, and Australia, fondly. They were very willing to participate in further evaluation and also indicated a willingness to be involved in further research into the economic impact of their businesses on the region. The most notable impacts from the course appear to be:

- Much greater awareness of the needs of the customer and identifying the particular market they wish to attract. Many of the businesses have begun marketing strategies targeting very specific customer groups.

- The development of networking groups. The ‘Australian’ group continues but in addition two further networking groups have been established at the further reaches of the region where attending the ‘Australian’ network is difficult. These two additional groups have included a range of entrepreneurs not on the programme. These are not just social groups but have led to the entrepreneurs providing joint services and undertaking joint marketing activities. One network group recently won an award to for the best stand at a marketing forum.

- All the entrepreneurs appear to have gained confidence from the participation in the programme. They do not feel alone and are much more aware of the skills they have, the skills they need, and the potential for success. They are also much more aware of the services that can be offered by Innovation Norway.
Conclusions

The programme appears to have been a considerable success. Both the participants and Innovation Norway have provided very positive feedback. The impact over the long term still has to be measured. There is early evidence that this group are continuing to work together, to build ‘destinations’ through collaboration rather than competition. They experiences, both in the classroom and as tourist has led to a greater awareness of identifying their target market and providing excellent customer service.

Further research into the impact of the course on enterprise development over the longer term, and the impact that these enterprises have on their communities are important areas for further study. ‘Lifestyle’ entrepreneurs are a growing demographic in many developed countries with an aging population. Little is currently known about the development of these enterprises and their impact on the local economies and therefore the opportunities generated for a wide range of people. This could be a very fruitful area for further research and one of considerable significance in countries with aging populations.

Little is known about the potential for growth of lifestyle entrepreneurs, despite the growing number in rural areas of developed countries. Innovation Norway had an explicit desired outcome for the programme and that was to encourage individual entrepreneurs, known for their independence, to work together. The evaluations undertaken both immediately after the programme and 6 months later provide interesting reflections on what was considered the most effective learning strategy as well as the practical outcomes of the programme.

- The experiential learning, that is being put in the place of their potential customers proved an effective way to learn.
- Participants would have liked more coaching – that is being helped to relate their learning to their particular situations.
- The greatest benefit from the programme was the social and business network that was established and which was having a multiplier effect in the community.
- Participants were much more conscious of the need to be specific in identifying who their customer was and tailoring the products and services to particular markets.
- Participants indicated an interest in being part of a longitudinal study into the impact of their businesses on local economic activity.

References


