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**CREATING AN INCLUSIVE BUSINESS
DELIVERY FOR MICROBUSINESSES**

FRAMEWORK REPORT

Output / Activity N.	O1 / A6 – FRAMEWORK REPORT
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Introduction

1.1. Background



The Framework Report is the result of a series of activities undertaken by the project *Inclusive Business Launch Pad - An Accelerator Programme for disadvantaged entrepreneurs in microbusinesses* (IB Launch Pad). It has been developed in order to understand the different national contexts and the challenges that the entrepreneurs of the target group are facing in their access to support and training and in growing their (micro)businesses.

The project targets entrepreneurs and owners from microbusinesses currently facing disadvantages or misrepresentation, for example, migrants, people with disabilities, lone parents, 50+ individuals, and women.

The overall objective of the intellectual output 1 (IO1) of IB Launch Pad is to gather insights from four partner countries: Austria, Cyprus, Netherlands and the United Kingdom. Insight will be gained about the needs, gaps and challenges of the target group in the associated country in order to provide recommendations for training and support for the initial set up, growth, continuation and expansion of their microbusiness.

The report is supported by primary and secondary data, which has been gathered by the project partners in the form of desk research, focus groups and interviews. The framework aims to elevate innovation in the delivery of business services, assessing the perspectives of content and accessibility. Furthermore, it aims to enhance the awareness of the unique challenges faced by the target group to support the tailoring of existing and potential development of new business services. In particular, the findings will support the design of the curriculum and the modules of the next project outputs, and offer guidance to policymakers and supporting organizations within a partnership context.



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1.2. Methodology and Scope

The methodology used for data collection in the Output 1 (O1) combined quantitative and qualitative approaches, through gathering secondary and primary data in order to understand the current context surrounding microbusiness and entrepreneurs facing any disadvantage or misrepresentation in the partner countries (Figure 1).

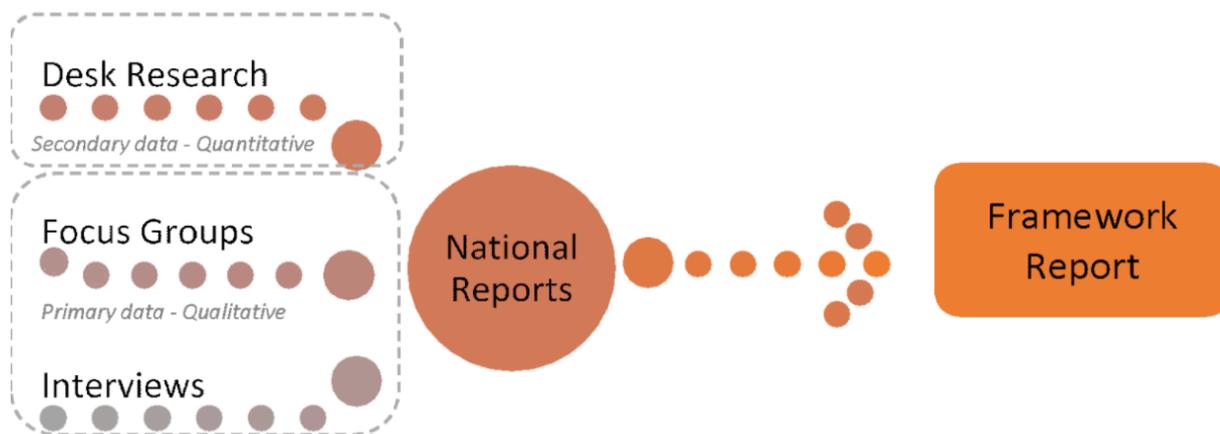


Figure 1. Process outline for O1

Following the guidelines and instruments for the data collection, partners undertook four main activities in relation to their national contexts.

- Firstly, they undertook desk research to gather relevant secondary data and statistics related mainly to the topic of entrepreneurship and to identify some latent needs and gaps.
- Secondly, they ran semi-structured focus groups with entrepreneurs and owners from microbusinesses, who were currently facing disadvantages, to explore further pertinent topics related to their needs and challenges in the country.
- Thirdly, they conducted interviews with supporting agencies and organisations relating to the desk research and focus groups findings.
- Lastly, they developed a national reports compilation with the main results and potential insights of the data collection done in each partner country (see appendix).

1.2. Methodology and Scope

This Framework Report is based on the national reports provided by each partner. It includes an overview of the main challenges found, as well as gaps and weaknesses discussed regarding the support and training offers provided, as perceived by the entrepreneurs in focus and by supporting agencies and organisations. The results provide a good understanding of the current situation of the target groups in the partner countries and interesting insights to the future path of the project. The scope and timeframe of the output is presented in Table 1, below.

Activity	Timeframe	Total number	Notes
Desk Research	Jan-Feb 2021	4	Total number of country reports.
Focus Groups	Mar-May 2021	26	Aggregated number of participants in the focus groups (entrepreneurs).
Interviews	Apr-May 2021	13	Aggregated number of participants in the interviews (supporting actors).
National Reports	May-Jun 2021	4	Total number of country reports.

Table 1. Scope of data collection of IO1



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Main results

2.1. Comparative data on Entrepreneurship context

This section shows a comparative table with existing secondary data from partner countries gathered by desk research. The figures and statistics provide an overall picture of Austria, Cyprus, Netherlands and UK national contexts. The table presents the most recent data available by the time of the desk research completion. The figures presented derive mainly from national statistics reports (*Microenterprises and Entrepreneurs*) and Global Entrepreneurship Monitor data (*Entrepreneurial Behaviour and Attitudes, Entrepreneurship framework conditions*).

	UK	Netherlands	Cyprus	Austria
Micro enterprises and Entrepreneurs	2019	2019	2019	2018
N. and % of micro enterprises	1.900.000	1.137.686	51.300	506.000
	90%	95.60%	92.90%	92%
N. and % of female entrepreneurs or business owners	1 in 3	-	3839	-
	33.3%	37.0%	5.3%	37.0%
N. and % of entrepreneurs or business owners aged +50	NA	NA	NA	NA
	NA	NA	NA	NA
N. and % of migrants' entrepreneurs or business owners	NA	NA	NA	NA
	NA	NA	NA	NA
N. and % of entrepreneurs or business owners with disabilities	NA	NA	NA	NA
	NA	NA	NA	NA

(the table continues onto next page)



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2.1. Comparative data on Entrepreneurship context

	UK	Netherlands	Cyprus	Austria
<u>Entrepreneurial Behaviour and Attitudes</u>	2019	2019	2019	2018
Perceived Opportunities Rate	43.8%	64.6%	38.5%	47.0%
Perceived Capabilities Rate	55.2%	41.9%	58.2%	48.0%
Fear of Failure Rate	44.5%	27.1%	36.4%	45.0%
Total early-stage Entrepreneurial Activity Rate	9.3%	10.4%	12.2%	10.9%
Established Business Ownership Rate	8.2%	10.8%	10.1%	6.5%
High Status to Successful Entrepreneurs Rate	-	63.1%	-	75.0%
<u>Entrepreneurship framework conditions – Highly Sufficient to Highly Insufficient</u> (1 lowest, 9 highest)	2019	2019	2019	2018
Governmental Policies: Support and Relevance	4.02	5.76	4.31	4.66
Government Entrepreneurship Programs	4.32	6.13	3.99	4
Physical and Services Infrastructure	6.54	7.94	6.38	7.58
Financing for Entrepreneurs	5.33	6.25	3.59	4.99
R&D Transfer	3.77	5.43	2.61	4.47
Entrepreneurial Education at School Stage	3.37	5.45	2	2.62
Entrepreneurial Education at Post School Stage	4.65	5.84	3.28	5.23

Table 2: Comparative analysis of data on entrepreneurship and enterprises. Sources: Global Entrepreneurship Monitor, country-related studies and statistics (see references).



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2.1. Comparative data on Entrepreneurship context

Data from table 2 shows that all IBL consortium partner countries rely heavily on micro-enterprises. The highest fraction of micro-enterprises can be found in the Netherlands (95,6%). Unfortunately, data and statistics of disadvantaged groups are rare to find. It could indicate that still not enough attention to the specific situation of target groups is given by the relevant national statistics reports.

Considering the European countries' data provided by GEM, for the most recent year of participation in the study, the project countries of this project have a relatively high early-stage entrepreneurial activity and also a high fraction of established entrepreneurs.

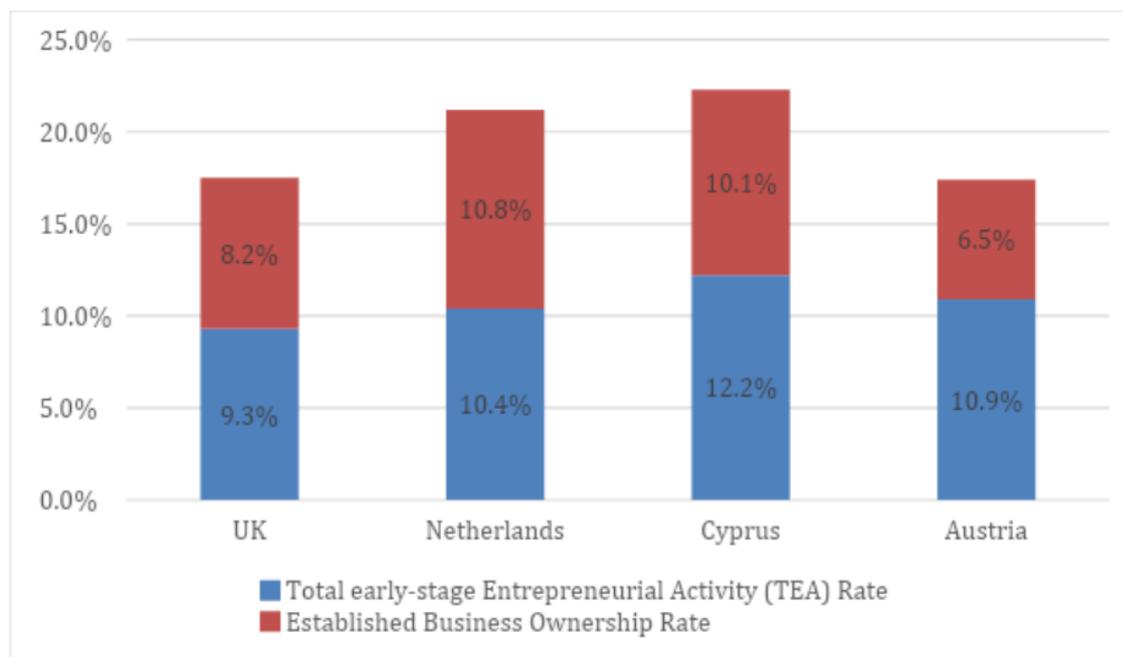


Figure 2. Entrepreneurial activity

As an example, in the year 2018, the Netherlands was ranked 1st and Austria 3rd in Europe for their early stage entrepreneurial activity. Relating to the Established ownership rate, for example, a rate over 10% is considered very good, between 10-8% is considered a good level of activity and below 6 is considered low.

2.1. Comparative data on Entrepreneurship context

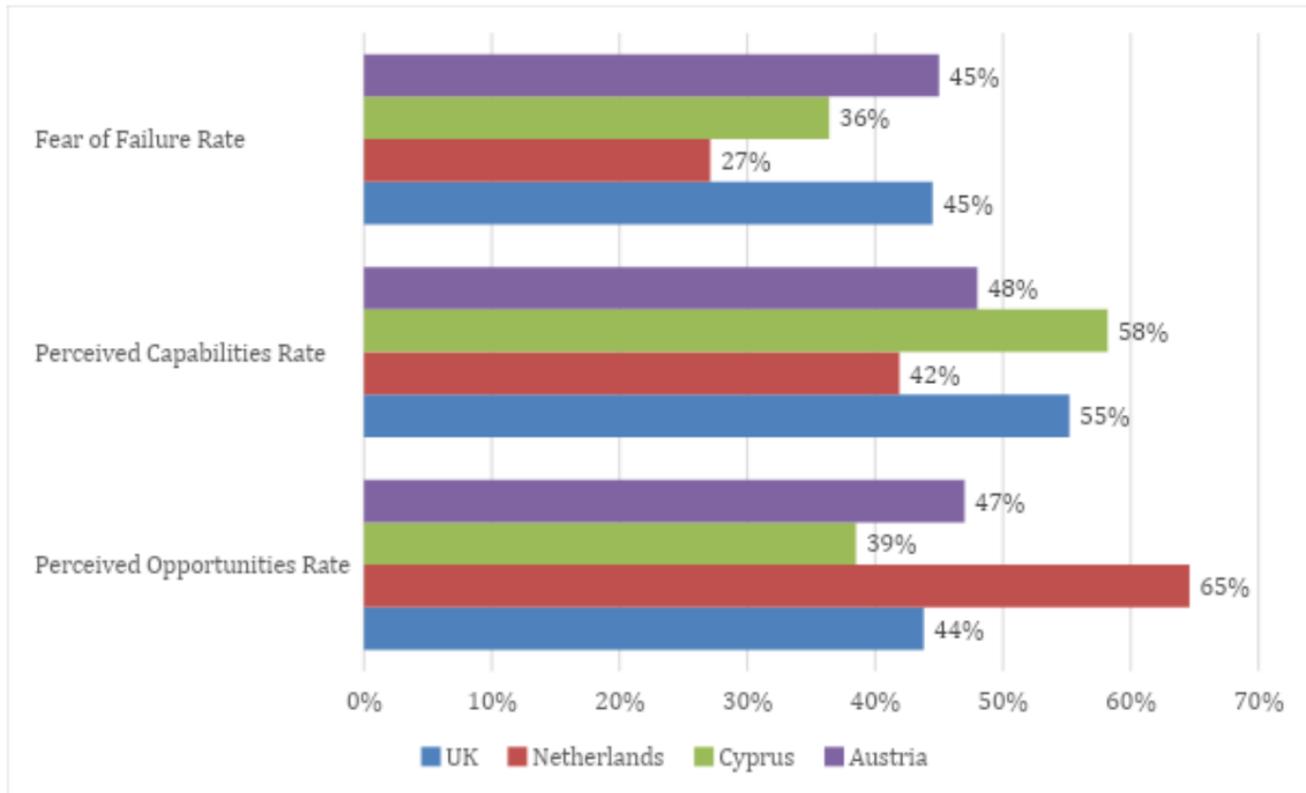


Figure 3. Entrepreneurial Behaviour and Attitudes

Surprisingly, the Netherlands shows the lowest fraction of people with perceived capabilities of becoming entrepreneurs, with Cyprus scoring the highest (58%). In contrast, Cyprus has the lowest rate of perceived opportunities, while the Netherlands has the highest (65%). When it comes to the fear of failure, the Netherlands shows the lowest rate (27%) with the UK and Austria scoring the highest (45%) among the participating countries.

The data relating to Entrepreneurial Behaviour and Attitudes presented in Figure 3 are aligning well with the entrepreneurial activity presented in Figure 2, with the Netherlands being the country with the highest perception of opportunities and lowest fear of failure, also having the highest entrepreneurial activity in both early and established entrepreneurship.



2.1. Comparative data on Entrepreneurship context

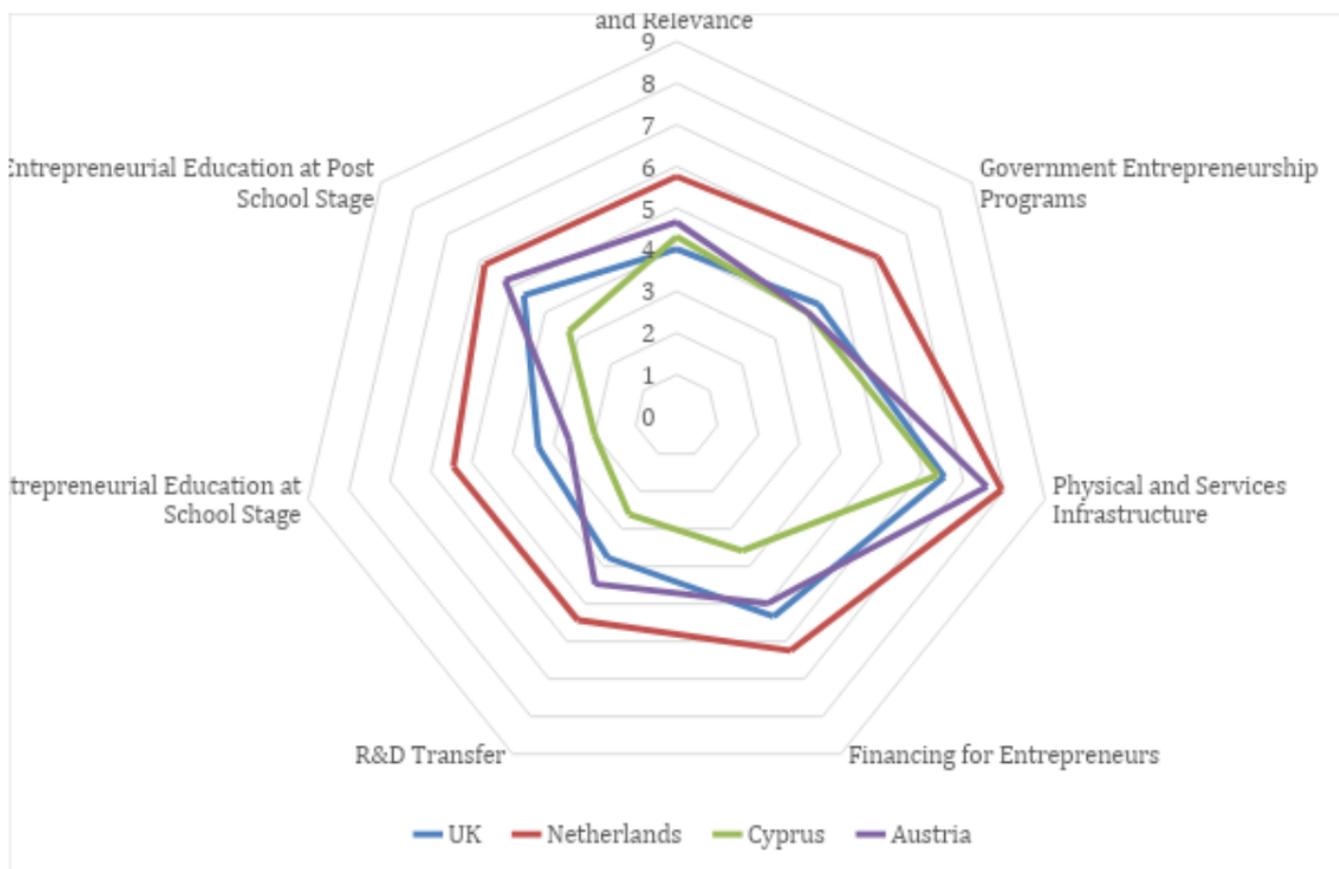


Figure 4. Entrepreneurship framework conditions

Considering the data on figure 4, the Netherlands has also the best framework conditions among the participating countries. They are leading in each of the analysed items. Nevertheless, entrepreneurial education is an important topic to consider in all of the IBL project countries, especially when it comes to education in schools, as we can see as the factor with the lowest scores. Another weak point in all countries, according to the data gathered, relates to the R&D transfer. Contrarily, all partner countries perform well when it comes to physical infrastructure and services for entrepreneurship.

2.2. Qualitative data – Challenges and Gaps

This section provides an overview of the main challenges, gaps, and weaknesses derived from the data collection activities aforementioned. These results guide the recommendations that will be presented in chapter 3.

The tables have been created by presenting the relevant factors derived from the data collection in the first column, followed by paraphrases from the national reports supporting the factor, if these are when available, the countries participating columns and the relevance according to the project main aims, rated by the experts of the FH Joanneum team aligned with the insights of the national reports provided.

Factor	Paraphrase	Country 1	Country 2	Country 3	Country 4	Relevance
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The factors are rated with stars. The stars show if this factor was raised in the respective country reports. The number of stars relates to the frequency of mentions related to the factors presented, in each national context.

- * mentioned once
- ** mentioned multiple times



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2.2.1. Challenges

The table below represents the most relevant challenges mentioned in the national reports, mostly based on the point of view of entrepreneurs and microbusiness owners, but also considering some inputs from supporting organisations.

Challenges	Direct quotes from National reports	Austria	Cyprus	Netherlands	United Kingdom	Relevance
Networking	<i>"Group sessions within the same sector to share experiences and learn from each other's experiences."</i>	**	**	**	**	high
Lack of cultural and business understanding	<i>"There was also a challenge due to the difference in business language and culture"</i>	*	*	**	**	high
Information about specific support not widely spread	<i>"[They] had not found any programs that focused on disadvantaged entrepreneurs"</i>	**		**	**	high
Heterogeneity of the target group	<i>"Currently working on a range of events to focus on BAME women in business, and different spot lights on different groups including disabled category."</i>	**		**	**	high
Language and communication	<i>"There appeared to be a persistent language barrier issue"</i>	**		**	*	medium
Lack of technical knowledge/digital business tools	<i>"We need more support to help with automation, segmentation of leads and opportunities and LMS, digital learning systems."</i>			**	**	medium
Work-life balance	<i>"The availability of courses based on my limited/restricted time due to childcare issues"</i>			**	**	medium
Lack of motivation with online learning (virtual settings)	<i>"I prefer direct instructions at a personal level. Would appreciate personal one-on-one feedback as that works for me as a person."</i>				**	medium
High level Bureaucracy	<i>"Everything related to visas, governmental procedures as all was so new"</i>	**			**	low
Lack of self-consciousness	<i>"I don't know what I don't know so how can I improve?"</i>				**	low
Lack of awareness of target groups specific needs	(No direct quote from national reports)	**				low
Cost of technology	(No direct quote from national reports)			**		low



2.2.1. Challenges

The group of entrepreneurs targeted are diverse. Whilst some challenges apply to most of the group, other challenges may only be applicable to one member of the group.

Migrants tend to face challenges regarding language and cultural understanding. Some are bothered by technological barriers, such as the lack of literacy in IT or the cost of technology. Other target groups are concerned with the work-life balance and having work and private life under control; for example, this issue particularly impacts lone parents and women. A challenge can also be a matter of the specific country, for example, coping with bureaucracy, which is seen in Austria and Britain, and not mentioned as a limitation by the target groups interviewed in the other two countries.

General challenges, for instance, relate to the establishment of professional networks and the difficulty in finding training and support that are specific to their circumstances. A challenge for training providers is to get people engaged and active, in the online settings.

The top four challenges, derived from the national report, are networking, lack of cultural and business understanding, information about specific support and training not being widely spread, and heterogeneity of the target group. These are followed by, language and communication barriers, lack of technical knowledge or digital business tools, work-life balance, and lack of motivation with online learning.



2.2.2. Gaps and Weaknesses

The table below (Table 3) presents the gaps and weaknesses, based on the answers of the supporting organisations and recommendations raised in the national reports. It also considers answers from the entrepreneur interviews.

Gaps and Weaknesses	Direct quotes from National reports	Austria	Cyprus	Netherlands	United Kingdom	Relevance
Implementation of Coaching and Mentoring programs	"I would appreciate personal one-on-one feedback as that works for me as a person."	*	**	*	**	high
Lack of courses with specific content (practical)	(No direct quote from national reports)	**		**	**	high
Lack of targeted programs for specific groups	"Not specifically targeting disadvantaged entrepreneurs, but we do love to be as inclusive as possible in who our programs will attract"	**		**	**	high
Entrepreneurial teaching within schools	(No direct quote from national reports)	**			**	low
Lack of effectiveness of public training programs	(No direct quote from national reports)	**				low
Lack of specific funding and grants	(No direct quote from national reports)				*	low

Table 3. List of main gaps and weaknesses





2.2.2. Gaps and Weaknesses

In all the countries it was found that there is enough training offered, but the interviewees mentioned the fact that the training is too general and does not appear to be tailored to the target groups in question. According to the results from the focus groups, respondents want to have training and support that is more specific to their circumstances. It was mentioned more than once that the target groups would prefer to have a more “individualised training”. In Austria, it was mentioned that training programs issued by public bodies are not effective for their specific needs. In the United Kingdom and in the Netherlands, respondents mentioned that there could be more mentoring and coaching provided to the target groups. Also, the results point out that mentoring for entrepreneurs facing a disadvantage seems to be a major issue in all countries participating.

On a more general level and perhaps not a focus of the project, some respondents mentioned a lack of specific funding and grants and that there is not enough provision of entrepreneurial subjects within schools.

It can be said that, in general, support for entrepreneurs and microbusinesses is available in every partner country, for example in the form of training, consulting, networking, mentoring, or funding. The support offered for start-ups seems to be increasing in recent years. However, the target groups of the project do not appear to be the main focus of the governmental policies, and tailored offers of support are perceived to be unavailable, due to mentioned reasons. These include a lack of interest of policymakers in some target groups or difficulties in reaching target groups.



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Recommendations

The following recommendations aim to enhance the relevance and innovation in the delivery of the business services offered to the target group of IB Launch pad, looking at the perspectives of content, format and accessibility. It is also an objective to elevate the awareness of the unique challenges faced by the target group to the local policymakers as well as to the supporting organisations and intermediaries. In particular, the points highlighted below should serve as support to the curriculum and modules design of the next project outputs.

Re-design of the term “disadvantaged entrepreneurs” (DE)

According to the results and experiences of the partners, the term DE should also be revised for the project’s narrative. The target groups reported not identifying themselves as a “disadvantaged group” and in some cases, it has made it difficult to bring them onboard. The project should find a terminology more embracing and empowering for its narrative.



Include the target groups in national research data for statistics

The project partners’ experience on collecting reliable data on some statistics related to the target groups showed a lack of availability in the main national sources. For example, the total number of: entrepreneurs or business owners aged +50, migrant entrepreneurs or business owners, as well as of entrepreneurs or business owners with disabilities. Therefore, considering the GDPR regulations, we recommend that policy makers invest in collecting more data related to these groups in order to understand their specific contexts and be able to design proper policies and support.

Consider the heterogeneity of the target group

The defined “disadvantaged entrepreneurs” under the IB Launchpad project is a very heterogeneous target group with very different needs. It should be considered at the policy level as well as by the supporting organisations when designing their services.

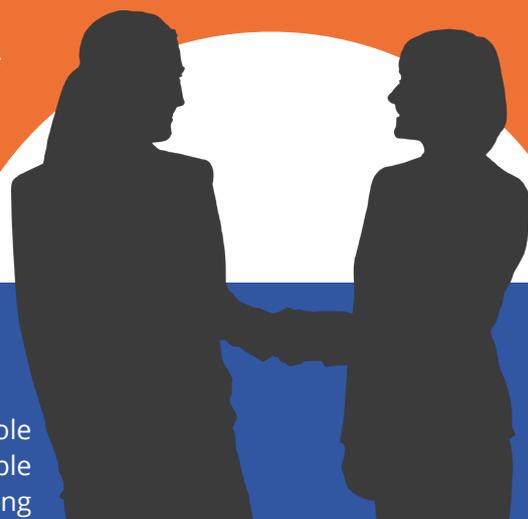


Provide personalised approaches

It is clear by the results that generic “one-size-fits-all” courses are available, but often fail to deliver value. Members of the target group participating in this assessment repeatedly mention that they would value a more customised offer. For example, services and offers that consider their specific needs, experiences and business phases. It could be in the form of how the training curriculum is organised, such as a micro granularity approach to create their own learning journey out of modules available. Additionally, training could be delivered with proper self-assessment and a “funnel approach”, which would understand the general picture and offer customized mentoring and coaching after a first assessment and learning. This would also consider their previous knowledge, experiences and current needs within the development and in the delivery of the training modules.

Networking - Be the bridge to connect them

It is pointed out that getting to know peers and having the possibility to connect with other entrepreneurs and intermediaries in the process of developing a business is crucial. Peer mentoring and learning could be an interesting strategy to provide ongoing support for the target groups throughout the full journey.



Accessibility is key

Training materials and sessions must be easily accessible for the whole spectrum of the target group. For example, being available in multiple languages, at least the local language and in English, as well as considering disabilities to construct the modules. The same is true for how “visible” the services and trainings are. It is essential to disseminate the training properly so that the target groups know where to find the sources and services they might need.



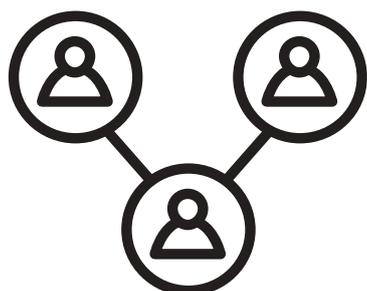
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Mix the offer - soft and hard skills

Apart from the important elements of a business development, such as business strategy, ideation, validation, growth strategies, marketing and financing, knowledge regarding legal aspects of a business and accounting advice, there is a need to support the development of the soft skills an entrepreneur should develop. These include resilience, leadership, effective communication, among others. Training offers should adopt a holistic approach and include both soft and hard skills.



Be hybrid

The opportunity to use the best of both the digital and face to face world should be fostered. It was mentioned that a combination of online and personal interactions, as well as individual and group learning, is preferable.

Provide specific funding offers

Make the funding available at different levels, be sure that the whole target group spectrum (DE) can be eligible for the funds.



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