



## Guidance Note: Building Entrepreneurship Skills and Capacities for the Unemployed

### Overview

*This note describes the steps that policy makers can take to strengthen policies and programmes that help the unemployed acquire entrepreneurship skills, including entrepreneurship training, coaching and mentoring, and business development services. The policy guidance is structured around the good practice statements that comprise the “Building Entrepreneurship Skills and Capacities for the Unemployed” module in the Inclusive Entrepreneurship component of the Better Entrepreneurship Policy Tool. For further discussion of these issues and additional examples of relevant policy actions, please see:*

*OECD/European Union (2017), *The Missing Entrepreneurs 2017: Policies for Inclusive Entrepreneurship*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264283602-en> [1]*

*OECD/European Union (2016), *Inclusive Business Creation: Good Practice Compendium*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264251496-en> [2]*

*OECD/European Union (2015), *The Missing Entrepreneurs 2015: Policies for Self-employment and Entrepreneurship*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264226418-en> [3]*

*OECD/European Union (2015), “Policy Brief on Sustaining Self-employment”, Publications Office of the European Union, Luxembourg. <https://doi.org/10.1787/23114886> [4]*

*OECD/The European Commission (2014), *The Missing Entrepreneurs 2014: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264213593-en> [5]*

*OECD/The European Commission (2013), *The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship in Europe*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264188167-en> [6]*

### 4.1. Needs assessments are used to identify the policy supports needed to strengthen entrepreneurship skills for various profiles of the unemployed.

*A needs assessment should be completed in the initial stage of developing policies and programmes that seek to strengthen entrepreneurship skills. Key activities include gathering evidence on the challenges faced in entrepreneurship by people from under-represented and disadvantaged groups (e.g. women, youth, immigrants, the unemployed), reviewing the current support offer, and identifying gaps and areas for improvement. When designing training, coaching, mentoring and business development services for the unemployed, a needs assessment should consider various profiles of the target group of potential entrepreneurs (e.g. part-time*

*entrepreneurs, social entrepreneurs*). A needs assessment should be undertaken in consultation with public employment services and other key stakeholders (e.g. trade unions, labour organisations) to understand gaps in the current support offer and areas for improvement.

Setting out clear and appropriate policy objectives for policies and programmes that seek to develop entrepreneurship skills (e.g. training, coaching, mentoring) among entrepreneurs from under-represented and disadvantaged groups (e.g. women, youth, immigrants, the unemployed) is an essential part of their design. These objectives will shape the actions to be taken, the delivery model for implementation and the criteria used to measure success. In developing such objectives, policy makers should undertake a needs-diagnosis, or assessment, to ensure that the policy is underpinned by robust evidence and a sound rationale.

A needs assessment should be completed in the initial stage of the life cycle of developing policies and programmes that support the acquisition of entrepreneurship skills. It should include activities such as: gathering information and evidence on the challenges faced by entrepreneurs from under-represented and disadvantaged groups in business creation; reviewing current inclusive entrepreneurship training, coaching and mentoring, and business development services on offer; and identifying gaps in the current support provision and options for strengthening policies and programmes. These activities will inform proposals for the most appropriate policy actions and targets.

To create a robust evidence-base for proposed inclusive entrepreneurship policy actions, decision makers can draw upon three key sources of evaluation information:

- *Benchmarking and meta-evaluations*: This involves compiling and assessing the results achieved in similar inclusive entrepreneurship training, coaching and mentoring, or business development services in the past and in various contexts (benchmarking), as well as bringing together of all the relevant evaluations of similar programmes (meta-evaluation). Both positive and negative results should be included. Failure to generate the expected impact could be repeated if lessons have not been learned from the past.
- *Existing data and background research*: Statistical data and background research can be a valuable source of evaluation information. This includes data on the characteristics of under-represented and disadvantaged groups and the skills barriers they face in starting and running a business. Such data is often crucial in building a solid evidence-base for inclusive entrepreneurship policy interventions.
- *Stakeholder consultation*: Consultations with relevant stakeholders on the effectiveness and relevance of existing tailored entrepreneurship skills development initiatives, and the gaps and issues in current provision are also an important source of diagnostic evidence. Stakeholder consultations are crucial in developing a shared vision of future training programmes, coaching and mentoring initiatives, and business development services. Policy makers should engage with relevant stakeholders from the outset to identify the skills challenges faced and actions that are needed and how such actions can be integrated with existing policy and other strands of policy. Stakeholders consultation may also inform the delivery methods of support programmes.

Based on the needs assessment of skills for inclusive entrepreneurship, the proposed policy interventions and programmes can subsequently be evaluated by giving consideration to the following key criteria:

- *Relevance*: The extent to which the proposed skills development initiative is suited to the priorities of the target group and government.
- *Effectiveness*: The extent to which the intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
- *Efficiency*: The extent to which the intervention uses the least costly resources to achieve the desired results.
- *Expected impact*: The positive and negative changes produced by a policy intervention, directly or indirectly, intended or unintended.
- *Sustainability*: Whether the support initiative is likely to continue after public funding has been withdrawn.

Policy makers can measure the success of their needs assessment exercise through a continuous monitoring of skills development for the target groups of inclusive entrepreneurship. This could involve regular reviews of the latest statistical data and background research to assess whether the initial gaps in support provision still remain, or whether different needs have been identified.

In undertaking a needs assessment to identify entrepreneurship skills development needs for the unemployed, policy makers should:

- Identify existing tailored entrepreneurship training programmes, coaching and mentoring initiatives, and business development services aimed at the unemployed, e.g. offers by public employment services.
- Consult with public employment services, trade unions, labour organisations and organisations that deliver entrepreneurship support for the unemployed to understand the challenges faced in business creation. It is also important to consult with unemployed people interested in business creation.
- Account for the different profiles of the unemployed (e.g. long-term unemployed, recent graduates) in the identification of gaps in the support offer and areas for improvement.
- Map the strengths and weaknesses of existing entrepreneurship training programmes, coaching and mentoring initiatives, and business development services against the needs of the unemployed.
- Assess the relevance and adequacy of mainstream support programmes and initiatives.
- Consider how other policy areas impact entrepreneurship policies and programmes aimed at the unemployed (e.g. employment policy, welfare support).

## 4.2. Entrepreneurship training is offered for the unemployed.

*Entrepreneurship training programmes seek to facilitate the acquisition of business management and entrepreneurship skills. In designing and implementing entrepreneurship training programmes, policy makers need to consider the mode of delivery, themes covered, intensity and frequency of training sessions, and whether other supports should be provided with the training. It is important to adjust entrepreneurship training to the needs of different profiles of the unemployed since they tend to have different motivations and intentions, and typically operate different types of businesses. Training should use active learning methods (e.g. games, simulations) and it is usually most effective to deliver training programmes in partnership with organisations that have experience working with unemployed people.*

Entrepreneurship training can help the beneficiaries to acquire valuable skills and experience, making them more employable. Although not everyone who receives entrepreneurship training goes on to start a business, the wider benefits of participating have been recognised. Entrepreneurship education and training can generate more positive self-perceptions and increase self-confidence, especially among disadvantaged groups. The effectiveness of entrepreneurship training can be increased by tailoring content and methods to the particular skills needs of the target groups.

Entrepreneurship training aims to facilitate the acquisition of entrepreneurship skills, with a focus on practical business management skills such as business and financial planning, and basic accounting skills.

Entrepreneurship skills such as risk management, motivating others, networking and negotiation are typically included. Training programmes can also seek to boost self-confidence.

Inclusive entrepreneurship training programmes can take the form of a generic, or a fully tailored programme; or a combination of both. It is possible to have some tailored modules within a generic entrepreneurship training programme. There is some evidence to suggest that the results of publicly-provided business support services are more positive where the services are designed and delivered in an integrated way so that entrepreneurs are supported at different stages of business development, from pre start-up to start-up and post start-up phases.

A number of considerations should be made when designing inclusive entrepreneurship training courses:

- *Mode of delivery:* The most common ways of delivering entrepreneurship training include online classes, thematic workshops, and structured courses taught in person. The choice of delivery mode will influence the cost of training and the technical and human resources needed to design and implement a training course. For example, online courses will require the development of web-based platforms and course materials. Different considerations must be made in the case of workshops and structured courses delivered in person. For example, is the training venue accessible to people from specific target groups? Are trainers qualified to effectively communicate to the target group?
- *Theme and intensity:* Training workshops and courses may be designed with a particular theme (e.g. marketing, finance) or provide a more comprehensive support in developing entrepreneurship skills. This depends on the business stage and the specific needs of training participants. The intensity of training can vary from less intensive, half-day or day-long workshops, to highly intensive courses, with the duration of several weeks or months.
- *Integration of service:* Entrepreneurship training courses are generally offered in combination with other types of support, for instance mentoring or provision of small start-up grants, offering a more integrated service. Evidence suggests that the results of training courses integrated with other kinds of support are more positive. Business Start-Up Programme in Austria is one example of a scheme offering integrated entrepreneurship support for the unemployed people.

### **Case study: Business Start-Up Programme, Austria**

Business Start-Up Programme provides an integrated package of support for the unemployed people aspiring to create a business. The programme was developed by the Austrian Public Employment Service to encourage consideration of self-employment as a route into work. The support, comprising training, counselling and financial assistance, is delivered by external business consultants. The programme is structured into four phases - clarification, preparation, realisation and follow-up.

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When designing and delivering entrepreneurship training programmes for the unemployed, policy makers should:

- Recognise that not everyone who takes an entrepreneurship training programme will go on to start a business, but that the experience can still have a positive outcome in terms of improving self-confidence and employability.
- Tailor training content to address the specific needs of the different profiles of the unemployed, e.g. focus on licensing intellectual property for former unemployed technology workers.
- Train trainers so that they have knowledge and experience with entrepreneurship, and are aware of the challenges faced by the unemployed.
- Partner with organisations that have experience in working with the unemployed and ensure that different profiles of the unemployed, including migrants and women, are represented among the trainers.
- Deliver training programmes with active learning methods, e.g. games, simulations.
- Promote entrepreneurship training programmes for the unemployed through public employment services, trade unions, labour organisations and other non-governmental organisations that support unemployed people, as well as through mainstream media, online, etc.
- Consider how other types of support (e.g. finance, mentoring) could be packaged with entrepreneurship training.

## **4.3. Entrepreneurship coaching and mentoring are offered for the unemployed.**

*Entrepreneurship coaching and mentoring can be an effective but resource-intensive support. The keys to a successful coaching or mentoring relationship are the quality and dedication of the coach or mentor, and ensuring a good match with the entrepreneurs. When designing and implementing entrepreneurship coaching and mentoring for the unemployed, it is important to build a pool of qualified coaches and mentors who understand the challenges faced by different profiles of the unemployed, e.g. long-term unemployed, recent*

*graduates.*

Entrepreneurship coaching and mentoring can not only help support business creation, but also improve business survival and growth prospects. Coaching and mentoring is an intensive, individually-tailored support that can address the needs of different target groups as well as the specific challenges faced by the individual. It can promote learning; help develop self-confidence, motivation and entrepreneurship skills; facilitate access to resources and markets; and improve business performance.

Coaching and mentoring are advisory relationships typically used in personal and career-related contexts, including business creation and management strategy. Coaching tends to be a short-term relationship with an aim of developing entrepreneurship skills, or address a specific business-related issue. Mentoring usually involves a longer-term relationship, focusing on personal development rather than the business itself. Both coaching and mentoring are most effective where high levels of trust are developed between the advisor and the entrepreneur. Policy makers seeking to support disadvantaged groups of entrepreneurs should take care in recruiting suitable coaches and mentors who understand the specific needs and challenges of the target groups.

There are a number of considerations when designing and delivering coaching and mentoring specifically for entrepreneurs from under-represented and disadvantaged groups:

- *Developing partnerships:* Coaching and mentoring schemes are often delivered in partnership with chambers of commerce, non-governmental organisations or local business community. To develop and establish such partnerships may be facilitated by leveraging existing relationships with the community or by building new relationships with target groups and communities.
- *Commitment:* Coaching and mentoring programmes are often provided free of charge and typically depend on support from volunteer mentors and coaches. The level of commitment of both the entrepreneur and coaches/mentors can have a significant impact on the outcome of the relationship. It is therefore important to ensure that incentives are provided to coaches and mentors (e.g. access to networks, public recognition).
- *Peer-to-peer support:* Peer-based coaching and mentoring has been effective in increasing the attractiveness of support to entrepreneurs from under-represented and disadvantaged groups.
- *Communication:* Online communication tools, such as video conferencing and online chatting, can expand the scope of coaching and mentoring schemes to populations that are “hard to reach”.
- *Training:* Adequate training for coaches and mentors is essential to developing quality relationships with entrepreneurs and the ultimate success of support provision.
- *Matching mechanism:* Coaching and mentoring schemes typically use formal matching mechanism to ensure that entrepreneurs are appropriately matched with suitable coaches and mentors, and that both parties have compatible expectations. This usually involves each party outlining in writing their objectives and responsibilities early in the relationship.
- *Trust and dependency:* A successful coaching or mentoring relationship depends upon mutual trust. A lack of trust can have negative consequences for the outcome of the scheme. On the other hand, the relationship can, in some circumstances, generate dependency when coaches and mentors become too involved in the entrepreneur’s business. This can limit the entrepreneur’s capacity to operate their business independently.
- *Location and access:* The effectiveness of a coaching or mentoring scheme can depend on the ease of accessing the coach or mentor.

Developing a pool of suitable advisors is one of the main challenges in designing and delivering coaching and mentoring initiatives. Insufficient number of advisors, particularly those with suitable qualifications, can have a negative impact on the quality of support. The issue may be exacerbated where the initiatives target under-represented and disadvantaged entrepreneurs using advisors from the same communities. The numbers of successful entrepreneurs from target groups who have the experience and skills to effectively coach and mentor others are often limited. To address this challenge, policy makers must build up sufficient numbers and capacities of coaches and mentors through training, network building and quality control.

Business advisors, coaches and mentors could be paid professionals or volunteers. In the case of volunteers, it is necessary to ensure that there are sufficient incentives, for example networking events for advisors or some kind of recognition. Inclusive entrepreneurship programmes that do recruit volunteer advisors and mentors from similar backgrounds to those of under-represented and disadvantaged groups, should ensure that the volunteers also have appropriate experience and skills to deliver quality support.

In designing and delivering entrepreneurship coaching and mentoring programmes for the unemployed, policy makers should:

- Use coaches and mentors with experience of working with different profiles of the unemployed, including youth, migrants and women.
- Provide training to coaches and mentors so that they understand the issues and the challenges faced by different profiles of the unemployed.
- Leverage existing relationships with the business community, public employment services, trade unions, labour organisations, and other organisations that support unemployed people in raising awareness about coaching and mentoring initiatives.
- Ensure flexibility in how the unemployed can access and use the programme, e.g. online or in person.

#### 4.4. Business development services are offered for the unemployed.

*Business development services can help entrepreneurs acquire new skills and expand their networks. Most public programmes offer support at no cost, but entrepreneurs also have the option of paying for private sector professional services. Business development services for entrepreneurs starting from unemployment should be designed in integrated support packages and delivered by trainers, coaches and business advisors that have experience working with different profiles of the unemployed, e.g. long-term unemployed, recent graduates.*

Business development services for start-ups are services that aim to improve the performance of a new business by improving its ability to compete and access markets. These support services aim to encourage entrepreneurial tendencies, and strengthen individual entrepreneurial skills and competences, increase the likelihood of venture creation, and improve the sustainability of new business start-ups. They can offer valuable support for those who may have skills related to a sector or a specific trade, but lack the skills and knowledge to start and operate a business. These services include sign-posting information, providing training, coaching, mentoring and business counselling.

A critical question concerning the delivery of business development services is whether or not they should be offered free of charge. Most business development support services for disadvantaged entrepreneurs are offered without a fee. The rationale is to ensure that support schemes are attractive and accessible. Most often, these schemes rely on recruiting volunteers to deliver the services or professionals who deliver bulk services at a discounted rate. In principle, there can be some advantages in having a (small) fee-based service rather than one that is completely free service, even if the support is delivered by volunteers. An initial or annual fee serves to ensure the commitment by the entrepreneur, which is a success factor for many of these services. There is no evidence that fee-based support schemes are of higher quality than free schemes, but it is arguable that they are more likely to be sustainable as some of the more established programmes do include small fees albeit at

minimum levels.

There are however, some key principles that can be applied when designing business development services to better engage and support entrepreneurs from under-represented and disadvantaged groups (e.g. women, youth, immigrants, the unemployed). While group characteristics can be important considerations when designing and implementing outreach, the support provision itself should focus on the requirements of individuals rather than generalised needs based on group characteristics. This is because targeted support may reinforce stereotypes and lock inclusive entrepreneurship into particular forms of entrepreneurial activity. Other key principles for effective delivery include:

- Ensure diversity among those who run and administer programmes and business support agencies, including their boards of directors and managers;
- Recruit client referral officers, advisers, consultants and trainers from within the target client groups;
- Provide training for other advisers, consultants and trainers in supporting people from the target groups;
- Use media and other information channels that tend to be accessed by entrepreneurs and potential entrepreneurs from the target groups;
- Offer multilingual services;
- Provide bridges to mainstream support services; and,
- Set targets for the support and monitor and evaluate the impact of programmes against these targets.

In practice, an effective approach to delivering business development services is to offer integrated support that packages financial support with a range of “soft” supports that increase the business management and entrepreneurship skills. Evaluations show that integrated approaches are effective because financial and nonfinancial supports reinforce each other, combining to increase the chances of success for the entrepreneur.

Another common approach is for regions or local areas to offer one-stop shops. These are advantageous because they provide easy access to information and signposting services for prospective entrepreneurs. These can also improve access to more individualised forms of support such as business counselling. There is evidence from Italy that one-stop shops can have a slight positive impact on start-up rates as they decrease the administrative burden of starting a new firm.

In designing and delivering business development services for the unemployed, policy makers should:

- Offer training to support providers so that they understand the issues and the challenges faced by different profiles of the unemployed, e.g. long-term unemployed, recent graduates.
- Ensure that business development service providers have experience and expertise in the types of businesses created by the unemployed (e.g. social enterprises, part-time businesses).
- Design business development services to match the specific needs of different profiles of the unemployed.
- Ensure that those delivering the support are representative of diversity of support service beneficiaries.

## **4.5. Entrepreneurship skills development initiatives for the unemployed have strong linkages with business financing supports.**

*Integrated packages of entrepreneurship supports can be more effective than “single shot” supports since they usually address multiple barriers. When designing and delivering integrated support packages for the unemployed, policy makers should ensure that entrepreneurship training, coaching, mentoring and business development services are supplemented by financing supports to increase the chances of succeeding in business creation. However, the decision to provide financial support should be independent from the training, coaching or mentoring support.*

The development of a comprehensive and integrated support packages has several benefits. First, it is often more effective in supporting entrepreneurs from under-represented and disadvantaged groups because multiple

barriers can be addressed, including a lack of skills, limited financial resources and loss of self-confidence. Second, the different services on offer typically complement each other, providing a more complete package of support for people with multiple needs.

Integrated support packages should be underpinned by an understanding of the policy context. Policy makers should identify existing supports, its key stakeholders and the actions needed, and the use of monitoring and evaluation to improve policy interventions. This would also help in determining the mix of support that is needed and how it should be delivered.

Good practice examples of schemes adopting an integrated approach to inclusive entrepreneurship support suggest that a number of barriers or challenges may arise in the course of delivering and implementing support for under-represented and disadvantaged groups (e.g. women, youth, immigrants, the unemployed). These include, but are not restricted to, the following:

- *Attracting and selecting participants:* There is a need to strike a balance between picking winners and supporting the most disadvantaged.
- *Managing and co-ordinating programme delivery:* It can be difficult to attract partners that are experienced with co-ordinating support, and build and maintain relationships with local service providers.
- *Meeting objectives and targets:* Objectives and targets can change in response to changing circumstances. Programme participants located in deprived areas tend to operate in relatively weak regional markets and business networks with implications for their capacity to succeed in starting and running a successful business.
- *Cost-effectiveness of programme(s):* A comprehensive and integrated package of support can be costly as it provides intensive individual support.
- *Monitoring and evaluation:* Inadequate integration of monitoring and evaluation in the inclusive entrepreneurship policy objectives can generate difficulties in terms of learning lessons from the experience.

To effectively link entrepreneurship training, coaching and mentoring, and business development services for the unemployed with business financing supports, policy makers should:

- Identify support providers that offer complementary support.
- Make public funding conditional on the integration of support services.
- Provide the most intensive entrepreneurship support packages to those who are the most likely to succeed.
- Ensure that the decision to offer financial support is not undertaken by the trainer, coach or mentor since they may not be impartial.

## **4.6. Entrepreneurship skills development initiatives for the unemployed are delivered through appropriate channels.**

*The delivery of entrepreneurship training, coaching and mentoring, and business development services for groups that are under-represented and disadvantaged (e.g. women, youth, immigrants, the unemployed) can be done either through mainstream channels or through approaches that are tailored for the targeted entrepreneurs. Tailored approaches are often more effective but are more costly. In delivering entrepreneurship support to the unemployed, policy makers can partner with specialist organisations that have experience in working with the target group. Take-up of support can be increased if frontline and professional staff who deliver support are representative of the different profiles of the unemployed, including women, youth and migrants.*

One of the difficulties in accessing mainstream entrepreneurship support for under-represented and disadvantaged groups (e.g. women, youth, immigrants, the unemployed) is the lack of appropriate services and



service delivery. The “one size fits all” approach may not be suitable for inclusive entrepreneurship. A different approach may be needed to address the specific needs and circumstances of different entrepreneurs, and utilises appropriate delivery channels to ensure that different profiles of entrepreneurs can access entrepreneurship training, coaching, mentoring, and business development services.

Entrepreneurs from under-represented and disadvantaged groups of entrepreneurs often rely on informal support from families, friends and local communities, rather than seeking formal business development service providers. Reluctance to engage with the formal support systems can have negative consequences for business performance and survival of firms operated by the target groups of entrepreneurs. Specialist agencies and organisations with experience of supporting under-represented and disadvantaged entrepreneurs can, therefore, play a key role in reaching out to the target groups. There is a clear role for specialist agencies in addressing some of the challenges and specific needs of entrepreneurs starting from unemployment.

Delivering inclusive entrepreneurship support in partnership with specialist agencies and organisations has several advantageous features. Each party can bring specialist expertise and resources that, in combination, offers a more comprehensive package of support that could not be achieved by a single partner working alone. This support typically involves a “bottom-up” development of tailored services by specialist agencies, although policy makers can also initiate programme creation as part of the strategy to support the delivery of programmes, particularly at the local level. A partnership with a specialist agency can be a valuable instrument for creating support programmes for inclusive entrepreneurship, or for improving performance of existing mainstream schemes. This is often the case where there are low levels of trust in the mainstream support provision, for example among new immigrant groups with limited experience of engagement with formal business support agencies.

A successful partnership often involves co-operation of all partners as equal members in the organisational structure, and collaboration with a shared strategic vision and compatible targets. To create an effective partnership for inclusive entrepreneurship support delivery, policy makers should undertake a number of key actions:

- *Identify the right partner(s):* The partner should be an organisation with a shared vision and the necessary resources and infrastructure to deliver support. Ideally, this should be an organisation with experience of supporting the target groups of inclusive entrepreneurship. This preparatory stage should also involve clarification of roles and responsibilities of all partners.
- *Obtain formal commitment:* A formal commitment involves signing of a partnership contract. However, the success of an initiative will also depend on the ability of all parties to develop and maintain trust throughout the project duration.
- *Develop a shared, long-term strategy:* A partnership should create a long-term strategy setting out a vision of the outcomes to be achieved at the local, regional or national level, an action plan to identify short-term priorities, a co-ordination mechanism to ensure effective communication, and arrangements for monitoring and reporting progress.

There are a number of risks or potential barriers to a successful delivery of entrepreneurship support, in partnership with specialist agencies, which policy makers should keep in mind in the process of designing inclusive entrepreneurship policies. A partnership is likely to be ineffective if:

- Partners do not share the same values and interests – agreeing on common goals could be difficult.
- There is no sharing of risk, responsibility, accountability, or benefits.
- The inequalities in partners’ resources and expertise affect their relative influence in decision making.
- There is a power imbalance and one partner drives the process.
- There is a hidden motive that has not been declared to all partners.
- The partnership was established just to “keep up appearances”.
- Partnership members do not have the training to identify issues or resolve internal conflicts.
- Partners are not chosen carefully, particularly if it is difficult to “un-partner”.

In identifying appropriate entrepreneurship support delivery channels for the unemployed, policy makers should:

- Partner with a range of public employment services, trade unions, labour organisations and non-governmental organisations that have experience working with the unemployed.
- Consider the needs of the targeted population when selecting the delivery mechanism.
- Ensure that a range of profiles of the unemployed (e.g. long-term unemployed, recent graduates) can access the support that they need.

## 4.7. Entrepreneurship skills development initiatives are tailored for different profiles of the unemployed.

*Tailored entrepreneurship support programmes are typically more effective than generic measures because they are adapted to address specific needs, but they are more costly to develop and deliver. Different profiles of the unemployed (e.g. long-term unemployed, recent graduates) have different motivations and aspirations for business creation. Entrepreneurship training, coaching and mentoring, and business development services offers should match this diversity.*

When selecting a delivery mechanism for an entrepreneurship or self-employment programme or support service, policy makers are faced with a trade-off between the additional benefits for the client group of targeted and specialised support and the higher costs associated with tailoring.

The advantages of tailored support include:

- Support that is better adapted to the specific needs of the target client groups, because programme administration and delivery agents are more aware of these needs and better equipped to address them. This typically leads to more effective policies and better outcomes for the clients, especially for clients who face multiple barriers.
- Higher participation rates from people in communities that mainstream initiatives find hard to reach because support is delivered by specialist agencies that have established credibility, trust and stronger links with the target groups than mainstream support organisations. This can draw people into the business support system who would otherwise remain outside of it.
- Encouragement of innovation in policy delivery by enabling the flourishing of many local experiments, which in some cases may be subsequently mainstreamed.

However, there are a number of caveats that must also be considered:

- Tailored support can be costly on a per client basis because tailored support is often more expensive to deliver and the potential client base can be very small. It is therefore much more difficult to keep the average cost per client in line with the ratio achieved by mainstream support services.
- Tailored support may be disconnected from mainstream support services, which makes bridging these clients into mainstream programmes difficult. This can be especially problematic if funding for the targeted support ends and there is a need to bridge clients to mainstream programmes.

One of the key considerations is whether a tailored approach can achieve satisfactory cost efficiency. This implies the need for a comparison of the cost of delivering a given service per target group client between a tailored and a mainstream approach. Given that a tailored approach may be expected to have greater effectiveness in achieving results, the comparison should also extend to a cost-benefit analysis of positive outcomes achieved compared to costs of the different approaches with respect to target populations. Where data are difficult to obtain, a comparison could be made instead between the cost of delivery per target group client in the case of a targeted initiative and a mainstream client in the case of a mainstream initiative. A higher cost per client from a hard-to-reach group can generally be accepted given the additional social benefit. The acceptable additional cost should be weighed against political priorities and objectives in each local context.

In tailoring entrepreneurship training, coaching and mentoring, and business development services, for the unemployed, policy makers should:

- Adjust entrepreneurship training programmes, coaching and mentoring initiatives, and business development services to the needs of different profiles of the unemployed e.g. graduates, migrants, those looking for a part-time activity. For example, the Adie Microfranchising initiative was launched to support unemployed people who were interested in business creation but wanted to start with a small-scale business model so that they could establish a customer base quickly.

#### **Case study: Adie Microfranchising, France**

Adie Microfranchising is an innovative model of supporting unemployed people in creating their own business through a franchise, along with training, counselling, financing and other business support. The target clients are people on low income, including those in receipt of welfare benefits and people with low educational attainment. The scheme facilitates creation of businesses with a lower level of risk, utilising a 'turn-key' business model that has already been tested.

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- Work with public employment services, trade unions and labour organisations to ensure that support programmes are relevant.
- Ensure that support providers are able to support various business models (e.g. internet businesses, franchises).
- Offer tailored incubator and accelerator programmes to support aspiring entrepreneurs with high growth-potential business ideas.

## **4.8. Monitoring and evaluation are used to measure the impact, effectiveness and efficiency of dedicated entrepreneurship training, coaching and mentoring, and business development services for the unemployed.**

*Monitoring and evaluation are important tools for managing public resources and understanding which initiatives have an impact and which do not. When assessing entrepreneurship training, coaching and mentoring initiatives, and business development services, aimed at the unemployed, policy makers should seek to identify deadweight loss and displacement effects so that they can be minimised. It is also important to recognise that entrepreneurship is not suitable for everyone. Not all who receive entrepreneurship support should be expected to go on to start a business.*

The policy development process should include monitoring and evaluation to measure progress against the objectives and targets. Policy makers should want to understand what works, what does not work, and to ensure that lessons can be learned and shared with others.

Basic monitoring is done with key performance indicators (KPIs) by programme or project managers. KPIs

measure progress of a policy or project against the objectives and targets. Indicators can be grouped into three main types:

1. *Impact* (i.e. changes in the problem or other outcomes of concern);
2. *Cost-effectiveness* (i.e. costs for a given level of impact); and
3. *Net Benefits* (i.e. all beneficial impacts minus all costly impacts).

*Mid-term* and *ex-post* evaluations can help identify the ways in which the policy can be improved or developed to increase its impact. These evaluations are typically undertaken by external experts to ensure independence and objectivity. Such evaluations should be built into the policy design process from the outset. Furthermore, the lessons learned from evaluations should be available and accessible to other policy makers in order to share good practice.

Effective policy evaluation should include several features. It should be systematic and analytical, focused on actual effects and provide judgement of the level of success. Moreover, they should aim to improve decision making, help resource allocation, enhance accountability, and bring about organisational learning. Six principles for evaluation practice can be highlighted:

1. Evaluation should lead to policy change;
2. Evaluation should be part of the policy debate;
3. Evaluators should be “in at the start”;
4. Evaluation techniques should always use the most appropriate methodology;
5. Evaluation should apply to all policies and programmes; and
6. International comparisons should be made where necessary.

The process of policy evaluation may vary, depending on the circumstances. Some government departments and organisations have a dedicated unit with responsibility for evaluating policies, while others may commission evaluations in-house or from outside organisations, as required. Although best practice principles exist, the context of the policy and the target audience requires particular attention against these broader best practice guidelines.

To monitor and assess the success of entrepreneurship training initiatives tailored to different profiles of the unemployed, policy makers can draw upon frameworks and guidelines, such as the OECD evaluation framework, to gain a deeper understanding of major evaluation approaches. The performance indicators to look at in relation to entrepreneurship training programmes can vary depending on the type and scale of the initiative. Examples of key indicators include:

- Number of people who attended the course (from project records or sign-in sheets);
- Satisfaction of attendees with the content and delivery of the course (from a survey immediately after the course);
- What the attendees learned on the course (from a test after the end of the course or a review of the quality of business plans produced by participants);
- Whether the attendees’ behaviour changed as a result of the course (from data on the number of enterprises established, their success in raising finance, etc.).

A range of standards and good practice guides exist to support policy makers in monitoring and evaluating the quality and outcome of coaching and mentoring initiatives. For example, The European Mentoring and Coaching Council has produced a framework of competences for mentors and coaches at different stages of development.

The competence indicators are examples of behaviours or principles of the coaching profession. The framework also enables policy implementers to evaluate the effectiveness of their programmes through the performance of programme participants. A range of soft and hard performance indicators can be examined, including the growth in the number of new customers, increased self-confidence and the development of business networks.

When monitoring and evaluating entrepreneurship training, coaching and mentoring, and business development business services, for the unemployed, it is important to:

- Estimate displacement and deadweight loss effects in the market when computing the net impact of initiatives.
- Identify ways to minimise selection bias during the programme's in-take.

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#### **Links**

- [1] <http://dx.doi.org/10.1787/9789264283602-en>
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