

## ENTREPRENEURSHIP DEVELOPMENT



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### INTRODUCTION

Entrepreneurship development (ED) can be summed up as the process of enabling a person to acquire the necessary skills and knowledge for starting and running an enterprise of any size. Usually ED activities focus on strengthening the capacities of informal economy operators and/or small/medium sizes enterprise owners.

Development organisations have been working on ED starting in the late 1970s or, as some experts may state, even earlier. From the early stages the focus of ED was on micro, family owned, and/or small enterprises. Training and associated tools were developed while entrepreneurial advisory services, mentoring, and coaching were provided. Over time, the services to strengthen the capacities of informal economy operators to develop their economic activities have been fine-tuned. This includes the development of targeted tools and services for women, youth, people with disabilities, migrants and others.

### TYPES OF ENTREPRENEURSHIP DEVELOPMENT

Entrepreneurship development commonly includes the acquisition of knowledge and skills on basic marketing, financial management, recordkeeping, management of workers (including the owner's time management), and production management. Every one of these areas has many sub-topics that need attention to enable an economic activity to grow. For example, past experience over many years has shown that it is important for informal economy operators to learn and implement the separation of personal from business expenses. When owners dip into their working capital for personal expenses the economic activity often fails to thrive. In the informal economy it is also important for operators to know how to manage their credit sales as this is a frequent challenge that can lead to informal economy business failure. As part of production management, training issues such as stock management and Occupational Safety and Health (OSH) are covered. Ensuring OSH is a major component of assuring decent work conditions in the informal economy.

ED may include guiding individuals who wish to start an economic activity on how to carry out basic feasibility studies of potential activities. Informal economy operators frequently forget to assess their potential market and underestimate the various costs associated with starting and operating their activity successfully. Other topics that may be included in ED focus on strengthening capacities to engage in well-considered business risk taking and fostering the ability to deal with uncertainty in the environment.

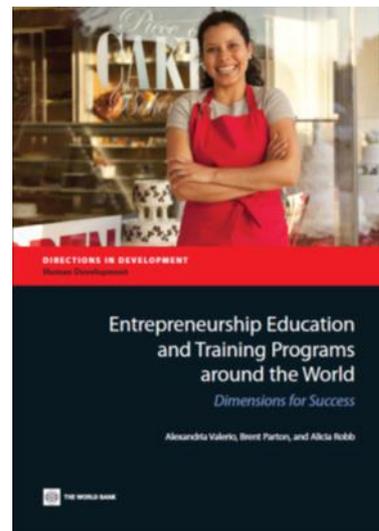
An important area of more recent focus has been on providing training for informal economy operators on formalising and ensuring decent work conditions for themselves (and their workers).

## AVAILABLE TOOLS & MATERIALS ON ED

Many agencies have developed tools, materials, training and other services for successful ED. The World Bank has published a major document describing many of the available training and education services on entrepreneurship around the world.

The ILO is one of the leaders in ED with its basic courses such as GET Ahead, Know About Business, Start and Improve Your Business (SIYB), Improve Your Exhibiting Skills, courses on OSH and others. Within the area of OSH, the ILO has several courses such as Work Improvement for Safe Home (WISH), for home workers; Work Improvement for Small Construction Sites (WISCON), for small construction; and Work Adjustment for Recycling.

Some of these courses, such as SIYB require a good basic education while others, such as GET Ahead, are more accessible for less educated persons. Visit the ILO.org website and search on the terms in the site search box for details.



Governments in countries as diverse as Guyana, South Africa, the Philippines, and India have developed specific materials for use in various settings in their countries.

USAID, DFID, World Vision, CARE, Save the Children, OXFAM, SEWA and other agencies have developed various types of relevant training materials. Unfortunately, in some cases these materials have stayed within specific projects and are not widely disseminated. We invite all readers to share their tools on the Cap4Dev IESF platform.

Please also note interesting innovative initiatives on entrepreneurship development such as those of the Global Village Energy Partnership, and the Village Enterprise programme. The Village Entrepreneurs one-year program provides groups of three entrepreneurs with seed capital, training and on-going mentoring by a local business mentor.

Some types of training and other ED services provision are tailored towards specific types of social inclusion groups. ED may be integrated with vocational education and skills training for youth. RNSF Implementing Partner "Young Africa Zimbabwe", for example, engages in such training. Materials need to be adapted to make them accessible and usable for people with different disabilities. This may include using large letter types, sign language, and ensuring training locations are physically accessible. Programmes such as the ILO's GET Ahead are targeted to women.

## GOOD PRACTICES & LESSONS LEARNT

RNSF research has determined that the most effective entrepreneurship and skills training uses a combination of theory and practice during training followed with technical inputs and advisory support. Note that, accordingly, trainers need to have skills in consulting/mentoring so that they can provide the type of support to informal economy operators and entrepreneurs that they prefer and/or need.

Be aware that some informal economy operators are more interested in receiving consulting/advisory services as opposed to attending training. Support capacity strengthening of informal economy operators in accordance with their needs but verify if, in addition to basic business management, they have specific needs in the areas of: collective decision making, investment in and implementation of business plans, available financial services and knowledge on how to access and use them, value-adding/value chain processes, mechanisms to access (new) markets and buyers and risk management.

## CONCLUSIONS

Since the late 1970s, Entrepreneurship Development programmes have promoted business creation within the informal economy and the SMEs through the acquisition of skills and knowledge.

Main activities implemented have included: training on basic marketing, financial and human resources management, and production management as well as capacity building and, more recently, promotion and formalisation of decent work.

In addition to using the tools that numerous agencies have developed, RNSF research results indicated that it is recommended to combine theory and practice during training. This should then be followed up with technical inputs and advisory support with trainers/advisers familiar with consulting/mentoring. RNSF also indicates that it is useful to verify specific needs in key areas such as: collective decision making, investment in and implementation of business plans, available financial services and knowledge on how to access and use them, value-adding/value chain processes, mechanisms to access (new) markets and buyers, and risk management.

## REFERENCES

- Global Village Energy: [www.gvepinternational.org/en/business/training-material](http://www.gvepinternational.org/en/business/training-material)
- Village Enterprise: [villageenterprise.org/what-we-do](http://villageenterprise.org/what-we-do)
- The World Bank's report on Enterprise Education and Training programs around the world: [openknowledge.worldbank.org/bitstream/handle/10986/18031/9781464802027.pdf?sequence=1](http://openknowledge.worldbank.org/bitstream/handle/10986/18031/9781464802027.pdf?sequence=1)
- Women's Entrepreneurship Development (WED) Programme: [www.ilo.org/empent/areas/womens-entrepreneurship-development-wed](http://www.ilo.org/empent/areas/womens-entrepreneurship-development-wed)

## TO GO FURTHER: RESOURCES AVAILABLE ON THE [WEBSITE OF THE IESF GROUP](#)

- ED Effectiveness for Women – ILO/WED 2014: [capacity4dev.ec.europa.eu/iesf/document/effectives-entrepreneurship-development-women-ilowed-2014](http://capacity4dev.ec.europa.eu/iesf/document/effectives-entrepreneurship-development-women-ilowed-2014)
- Tools for women's' ED – ILO 2009: [capacity4dev.ec.europa.eu/iesf/document/ilo-tools-womens-entrepreneurship-development-ilo-2002](http://capacity4dev.ec.europa.eu/iesf/document/ilo-tools-womens-entrepreneurship-development-ilo-2002)
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- Generating capacities for employment and entrepreneurship – Gobernacion di Antioquia 2015: [capacity4dev.ec.europa.eu/iesf/document/presentation-antioquia-colombia-generating-capacities-employment-and-entrepreneurship-rnsf](http://capacity4dev.ec.europa.eu/iesf/document/presentation-antioquia-colombia-generating-capacities-employment-and-entrepreneurship-rnsf)
- Including Women with Disabilities in ED activities “Count us in!” – ILO 2008: [capacity4dev.ec.europa.eu/iesf/document/including-women-disabilities-entrepreneurship-activities-count-us-ilo-2008](http://capacity4dev.ec.europa.eu/iesf/document/including-women-disabilities-entrepreneurship-activities-count-us-ilo-2008)
- Helping business owners manage their businesses profitably and prepare for health-related emergencies – PABC 2010: [capacity4dev.ec.europa.eu/iesf/document/helping-business-owners-manage-their-businesses-profitably-and-prepare-health-related-emerg](http://capacity4dev.ec.europa.eu/iesf/document/helping-business-owners-manage-their-businesses-profitably-and-prepare-health-related-emerg)
- “ED in Practice: Making Puntland's Communities More Economically Viable One Business Facilitator at a Time” – World Vision Australia 2016: [capacity4dev.ec.europa.eu/iesf/blog/newsletter-4-line](http://capacity4dev.ec.europa.eu/iesf/blog/newsletter-4-line)

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