Small Steps for Enterprising Students: Disruptive innovation for Small Enterprise Managers

Christopher J. Brown


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EXTENDED ABSTRACT

Topic:
It is an increasing challenge to both make our graduates ‘work-ready’ and develop their entrepreneurial skills whilst continuing to focus on opportunities to engage students and small enterprise in action-orientated projects. We recognise the need to create new learning settings that pivot around action learning both in the classroom and in a small business environment.

Small enterprise entrepreneurs are continuously challenged with changing internal and external environmental uncertainties, hence their learning is most often focused around reflection-in-action. Making graduates ‘work ready’ is more than providing them with the ‘know how’ and ‘know why’ experience, it is also about skilling them up to be more proficient at creating opportunities, and then developing and delivering them. A common criticism of the UK’s nascent workforce, over the soon to be retiring workforce, is their inability to contribute new skills and new mind-sets and thus build better business models capable of growing the business.

Aim:
Our study explores the need for a new engagement project harnessing the development of a learning environment and pedagogic framework that supports the student, enterprise manager and the teacher in a mixed role of mentor, coach and facilitator.

Methodology:
The paper explores the triple roles played by each party (student, teacher and small enterprise manager) in the development of a ‘community of practice’ focused around the learning content and the learning environment (small enterprise). Where the three parties all take an active role in driving and supporting learning. To facilitate this the business school has created a course that delivers an intern to the business for one day a week, and then additional provides a mentor/coach with real experience of business scale-ups, and background materials to help both the intern and entrepreneur. The findings presented here are the result of both the intern and enterprise manager reflecting on their experiential learning journey during the six-month period of the project.

Contribution:
Over the last three years we have collected data on these experiential journeys, both during and after the initial internships. The insights provide a unique overview of the intern’s and enterprise manager’s action learning, by capturing the changes self-reported by each in both the nine skills and around the four key areas of business opportunity creation, development and delivery. Through this we have been able to help both the intern and enterprise manager re-skill and develop aspects of their competencies that will ultimately make them better decision makers in the future. We have also enabled them to experience the increase value of these types of collaborations, both from the interns increased employability and the enterprise manager’s understanding and benefits of looking outside of their enterprise for ‘much needed’ resources and skills.

Keywords: Communities of Practice, Firm Performance and Growth, Entrepreneurial Competencies
1.0 Introduction

High-growth enterprises have been shown to significantly boost any economy, they drive innovation, they increase overall GVA, and also significantly impact on increased employment (Mason et al., 2009). These high-growth enterprises are driven by motivated and committed enterprise managers, some owner-managers and others who have been recruited as professional managers. These enterprise managers often admit to being weak at opportunity identification, development and delivery, at least that’s the picture one gets from surveys on entrepreneurship skills, and these are self-reported skills deficiencies (Hayton, 2015, Chell, 2015). In a recent report (Coutu, 2014) to the UK government on ‘Scale-up’s in the UK’ Sherry Coutu CBE suggested “Competitive advantage doesn’t go to the nations that focus on creating companies, it goes to nations that focus on scaling companies” (Coutu, 2014: 5). The report goes onto claim that with a 1% increase in the scale-up population would result in 238,000 extra jobs being created and an additional £38 billion in GVA to the UK economy within three years.

The challenge to the UK economy, and most of the other G7 economies, is to address the increasing fall-off of productivity, compared to those rising economies of the Far East (Goldman Sachs, 2015). Almost fifteen years ago, the ‘Lambert Report’ suggested that the productivity gap could be explained by the lack of investment by UK enterprise into research, yet the amount of government and private sector investment in applied research has significantly increased over the last fifteen years (Lambert, 2003). If this productivity gap is to be addressed then having sufficient numbers of people with the right skills is paramount. To address this skills gap requires a broader approach, one that both targets and engages all stakeholders, requiring action rather than words (Coutu, 2014).

In terms of the size of the scale-up community, then the Office for National Statistics (ONS) shows that there are 2,554,510 enterprises in the UK, and just over 10,200 scale-up enterprises (Office for National Statistics, 2017). When this number is averaged out across the Local Enterprise Partnerships (LEP) this results in about 228 scale-ups for each of the LEP areas, not that many (Coutu, 2014).

UK government has over the last decade stepped up pressure on HE institutions to further leverage their knowledge and expertise to engage with real world applications, demonstrating that their research has tangible impacts and importantly share access with the students the new skills and data exchanged with these enterprise (Dowling, 2015). Pivotal to this potential increased enterprise performance and growth is the importance of entrepreneurial competencies characterised by the enterprise manager such as specific knowledge, motives, traits, self-images, social roles and skills (Mitchelmore and Rowley, 2013).

This study provides an insight into one business school programme run for potential scale-up enterprise, where an intern, mentor and enterprise manager are partnered over a six-month period.

2.0 Extant Knowledge

Increasingly enterprises are finding it more difficult to stimulate internal innovation, both because of the entrenched and narrow mind-sets prevalent in some, and the inability to openly engage in knowledge acquisition from outside. Yet the competitive nature of the marketplace and the increasing rate of innovation impacting on enterprise heavily dependent on digital and high technology, has highlighted their weaknesses in accessing new knowledge (Bannorlee et al., 2015).

Before we explore the challenges and issues of enterprises achieving the status of scale-ups let’s define what is meant by a ‘scale-up’ enterprise. We use the definition afforded by Sherry Coutu CBE in her report to the UK government, and used by OECD, NESTA and other institutions working with scale-ups:

“A ‘scale-up’ is an enterprise with average annualised growth in employees or turnover greater than 20% per annum over a three-year period, and with more than 10 employees at the beginning …..” (Coutu, 2014: 6).

The UK economy continues to show that our economy is growing faster than most G8 nations, yet our economy still lags behind most when it comes to scale-ups. The consequence is that they quickly can be bought-up by larger, often foreign owned, companies. The significance of this is that the number of scale-ups, though growing, is not significantly increasing the UK’s stock of independent scale-up enterprises, and also the talent pool of enterprise managers skilled in scale-ups is limited. Most of the scale-up enterprises bought by large corporates have clauses forcing the enterprise manager to remain in the business for two or more years.

Core to an enterprise and our enterprise manager is the ability to scale-up their enterprise is their competencies. These competencies revolve around two key roles, i.e. entrepreneurial (opportunity identification and development) and managerial/leadership (recruiting and utilising resources) (Chandler and Hanks, 1994). Integral to these two roles is the enterprise manager’s skills to grow and enhance their enterprises’ performance, this is amplified through continual practice and training (Chell, 2015).

The above is confirmed by other research studies looking at enterprise successes and failures, suggesting the four key reasons identified relating to failed ‘scale-ups’ are:

- Recruiting the skills from the existing job market, nascent graduates or school leavers;
- Creating transformation leadership skills to manage high-growth;
• Knowledge and strategies to access new customer markets, home and overseas;
• Developing business models to create, develop and deliver new products and services.

It would be easy to associate the above to our enterprise manager’s competencies deficiencies alone, but other research has shown that it is also ‘tied up’ with their personality traits and general behaviours (Hayton, 2015). There are multiple dimensions to these skill sets, Chell provides a very useful definition:

‘Skills are multidimensional constructs; they compromise the cognitive – knowledge and what is learnt; the affective – emotional expression and what is experienced; the behaviour – action at strategic, tactical and personal levels; and the context – sectoral, occupational, job and task levels.’ (Chell, 2013: 8).

For our enterprise managers, the four key reasons for failure relate to their broader competencies, for which they seek help and support from both inside, and outside, their enterprise. Let’s take each one of these, in turn.

2.1 Skilling up our Nascent Graduates and School Leavers

As identified above, the number one challenge for leaders of scale-ups is accessing talent, either from their own workforce, or as new recruits. In 2014, it was estimated that there were around 1,000,000 open vacancies for appropriately skilled workers (Coutu, 2014). The recruitment of talent has the largest impact on these scale-up enterprises developing new products and services, and then developing their business processes and systems to deliver these to existing and new markets.

Skills shortages have been identified in numerous national and regional research studies, the most significant of which was the Department of Business, Innovation and Skills (BIS) survey of over 5,700 UK employers that concluded over 50% of high-growth enterprises cited skills shortages as the major obstacle to growth (BIS, 2013). Interesting, of these high-growth leaders over 60% worried about losing good people, compared to just 8% worried over losing customers. These same business leaders reported that university graduates lacked many of the skills needed to meet existing and new customer demand (Coutu, 2014).

Our young people are exiting schools and higher institutions with skills that make them more suited to jobs of the past, they need skills for jobs of the future. The best way to address this obvious gap in the education provision is to engage them with employers, those that have or are creating the jobs of the future.

2.2 Transformational Leadership

Recent studies over the last decade have highlighted the importance of ambidextrous leadership in start-up and scale-up enterprises (Love and Roper, 2013). Yet distinct from this is the entrepreneurship skills necessary to drive the process of opportunity identification, evaluation, development and delivery of new products/services (Hull University Business School, 2015). Too little research exists around small enterprise manager’s skills needs when scaling-up their enterprises (Hull University Business School, 2015).

One very important study relating to small business growth driven by engagement in business leadership and management training, that of the Goldman Sachs 10,000 Small Businesses programme, highlighted the increased benefits of participation in this type of transformational leadership programme (Goldman Sachs, 2014). The study alluded to significant impact from these businesses and their key leadership being mentored and given additional skilled resources, particularly its impact on their overall innovativeness and ability to target additional markets (Home and Overseas).

A more recent survey undertaken by ‘You Gov’ on the challenges for Scale-up enterprises in the UK, noted with particular surprise that over 87% said they would grow faster if they could find mentoring or coaching schemes that were effective and local (You Gov, 2015).

2.2.1 Entrepreneurship Skills relating to Opportunity Identification, Development and Delivery

The challenge for most business leaders is having the time to develop their managerial and leadership skills whilst dealing with a business that is growing frighteningly fast. The difficulty lies in resourcing this ‘talent’ from your existing workforce, because as we have mentioned previously trying to recruit this talent from outside, those who are capable of developing new processes and delivering significant changes to the existing business model, is nearly impossible. It is recognised that existing and potential scale-up enterprises perceive a shortage of role models who have experience of making it big, being on-hand to mentor and willing to offer advice to newbies.

Using Hayton’s report for BIS (2015) where he defines the essential entrepreneurship skills as “identifying customer needs, technical or market opportunities, and pursuing opportunities” (Hayton, 2015: 3). He posits that appropriate entrepreneurship skills relating to sustainable opportunity identification, development and implementing changes to business models are closely linked to gender, ethnic grouping, location and more loosely to education background (Hayton, 2015). The magnitude of these entrepreneurship skill deficiencies is significant, Hayton’s study suggests a figure of 16%, but this was only accounting for those that self-reported their deficiencies. The implication is that maybe twice that number have deficiencies in their
entrepreneurship skills, but are either too embarrassed, or are unaware of their skills gaps? Key to the success of supporting existing or potentially fast growth enterprises is the importance of effective decision-making, what works and what doesn’t work (Coutu, 2014).

Most importantly research has identified that entrepreneurship skills are developed less as a consequence of conventional didactic (being taught) approaches, instead entrepreneurs more effectively learn through experiential learning, particularly where it is task-orientated and around real-business problems (Hull University Business School, 2015, Hayton, 2015).

2.2.2 Entrepreneur’s Skills and Knowledge influence on Decision Judgements

In the opening paragraph we allude to the importance of skills, having identified four key reasons for most enterprises’ failure to survive and grow. There has been much research conducted on entrepreneurial competencies, and when you review these they cover very similar attributes allied to being enterprising and entrepreneurial. For the purposes of this study, we are utilizing and adapting Baum et al’s nine entrepreneurial competencies (Baum et al., 2001):

- Knowledge;
- Cognitive ability;
- Self-Management
- Administration;
- Human Resource;
- Decision Skill;
- Leadership;
- Opportunity Recognition;
- Opportunity Development
- Organisational Skill.

Similar to many researchers in this area, our approach focused on the relevance of the competencies/skills used, to key challenges for growing enterprises. In figure 1, below, we focused on the three main areas identified by our scale-up entrepreneurs as being important in their decision-making:

- Competitors – technology appreciation, enterprising, problem solving and self-management;
- Risk – Self-awareness, communication, team player, business astuteness;
- Markets – Knowledge and Decision-making.

Good decision-making judgements involve living with ambiguity and uncertainty.  

*Figure 1: Skills and Knowledge Decision Judgement Prism (source: Arnold, 2012)*

Hence order and disorder are present at the same time in social interactions. This paradox challenges the main pillars of dominant discourse and means that decision-making and judgement needs to embrace both, uncertainty, and ambiguity. It is therefore important that the same business leaders who are responsible for good decision making and judgement are also self-aware of their own motivations. This calls for a constant ‘refreshment’ skills set and therefore a commitment to a sustainable learning journey.

Research conducted both nationally and regionally has identified that over 75% of Small & Medium-sized Enterprises (SMEs) report an overall deficit in Leadership & Management skills (Hayton, 2015, UH Market Research Service, 2015).
2.4 Business Engagement Eco-systems

Key to the support of these enterprise scale-ups are the Higher Education Institution (HEI) sector. Yet alone HEI’s cannot offer the level of support needed by these scale-ups, a successful eco-system requires collaboration and contributions from other entrepreneurs, investors, research organisations, other enterprises, local government and educators (Coutu, 2014). A significant actor in this eco-system is large corporations, both in providing accelerator programmes and as a potential purchaser of the scale-ups’ products and services.

From the start-up/scale-up perspective, studies suggest that over 75% of enterprises find the experience positive. Those that are successful report a number of benefits:

- Increased visibility and enhanced publicity from the partnership;
- Access to new markets, using the corporates existing sales channels;
- Increased market intelligence;
- Increased business value, both increased revenues and order book;

3.0 The Approach

The enterprise managers in this study have, in the most part, approached the HE institution looking for help in three very important areas:

- To seek resources (staff and students) to help on a current business problem;
- To acquire knowledge and expertise around the business problem;
- To acquire skills and competencies to both help create solutions to address the business problem, and longer term build up a relationship with the HE institution, thus becoming one component of their open innovation community.

The extant knowledge cited and the findings in this paper draw extensively on the primary and secondary research in the UK around the issues of small business scale-ups, leadership and skills gaps.

Our research study approach has been to focus on the project deliverables, the product launch in the first case, and the evaluation of alternative channels to market in the second. The intern and mentor/coach have a duty of care to the business, and are always respectful of the wishes of the enterprise manager. A significant part of the experiential learning journey for the intern was the mapping of their personal skills, both before, during and after project completion. Like previous research studies (Chandler and Hanks, 1994), too few, on these entrepreneur’s competencies we assessed their competencies both before, during and at project completion.

3.1 The Advanced Integrated Marketing Internship

The Advanced Integrated Marketing Internship (AIMI) course is a significant part, over 25% of the final year credits, of the Hertfordshire Business School’s business studies degree programme. This client-based project internship has significant benefits for both the intern and the enterprise.

The business benefits are significant, and are not just limited to the following:

- Support for opportunity identification, development and delivery;
- High-value market research, including competitive analysis, product concept evaluation, etc;
- An intern that can become a product/market champion, helping and motivating other staff members.

For the intern the benefits are equally as rewarding and important to their future nascent careers and are not limited to the following:

- Working on real-life business problems;
- Experiencing action learning;
- Working alongside professional practitioners, sharing knowledge and experience of opportunity identification, development and delivery.

3.2 Business Clients

The researchers used three criteria for the selection of business clients, two of these were determined by a face-to-face interview with the enterprise manager. The criteria used were:

1. The small business was committed to significantly grow their business over the next five years;
2. The intern would be able to work with senior-level business leaders;
3. Real-life business opportunity to evaluate.
For the purposes of this paper, a two business cases are used to demonstrate the difficult learning journey, the intern and the small business leaders.

**Table 1: Business Client and the Real-life Business Opportunity**

<table>
<thead>
<tr>
<th>Business Client</th>
<th>Business Challenge</th>
<th>Opportunity</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omni Visual Products</td>
<td>A business of fifteen years that has steadily developed visual tools to help young and old where brain function has been impaired.</td>
<td>Have been successful at using technology to develop market-lead solutions. Used KTP with local university to further develop its cost-effective solutions.</td>
<td>Every involvement with universities has helped it create product and market opportunities.</td>
</tr>
<tr>
<td>Rhino Express</td>
<td>A growing coffee business operating out of public service buildings and one high street coffee shop in Woolwich. Looking for new channels to market.</td>
<td>Realised the potential of entering the home consumer marketplace with their new coffee pods products. This market sector is rapidly growing and becoming more discerning.</td>
<td>A market strategy for delivering an entry into the home consumer market for Coffee Pods.</td>
</tr>
</tbody>
</table>

3.3 Knowledge Exchange and Experiential Learning Journey

The key deliverables of the AIMI are both the ‘Intern’ and ‘Enterprise Managers’ experiential learning journey and the process by which learning is supported, see figure 2 below.

*Figure 2: Experiential Learning Journey Mapping (Draft)*

4.0 Analysis, and Discussion

A number of recommendations put forward in the ‘The Scale-up Report on YK Economic Growth’ by Sherry Coutu, CBE focused on universities role as being to focus on prioritising support for local scale-ups and expose students to entrepreneurship and scale-up enterprises (Coutu, 2014). Though those enterprises that qualify as ‘Scale-ups’ are just under 9,000 across the UK, a BIS survey in 2013 suggested that nearly 2.7 million SMEs wished to grow.

4.1 OMI VISTA Learning Journey

OMI Vista are a typical systems integrator who have built a successful and sustainable business around the ability to recognise an unfulfilled need with an attractive, state of the art technical solution. The core of their business is around the creation of an optical scanning system capable of detecting hand movements, and using this to control projected images. Their first successful product were in building interactive visual/audio play tools for supporting children with special needs.
The initial success of this product highlighted a potential weakness in their competitiveness to stay ahead, they were using ‘off-the-shelf’ software and hardware products, all available to their competitors. This prompted them to engage in a Knowledge Transfer Programme (KTP) with the University of Hertfordshire to develop their own hardware and software solution, with two very important attributes. Firstly, that a bespoke software development platform that has the capability of recognizing and reacting to hand movement four times faster than any competitive platform. The second attribute is that of cost, the previous platform accounted for 40% of the works cost of the final product, the KTP development platform would be only 30% of the original licence platform cost.
FIGURE 3: OMNI Vista Learning Journey (Business Leader & Intern)

Omni Visual Products
Learning Journey

Increasing market for Dementia specialist Care Homes.

OMNI Vista are well placed to provide an attractive package at a cost that is lower than the competition.

Prioritising on those care homes specialising in care of Dementia and other sensory impairments, etc. Four Seasons Health Care, who have a 9.6% market share of care home provision.

Customer Discovery
Which care homes to target?

Customer Validation
Prioritize customers based on Customer-Product fit?

Customer Creation
Through field trials establish relationships
Through exhibitions and personal selling visits

Enterprise Building
Focus on two elements:
- Channels to Market - personal selling
- Relationship Management - using social media, advertising

In the last year Anchor Care Homes has stepped up its use of technology to help and improve their patient-centric strategy towards improving dementia care.

Knowledge of the challenges that Care Homes face, the ability to use technology to help stave off or slow down the onset of Dementia is well understood and accepted.

BUSINESS STRATEGY
Key measures linked to the success of the project were:
- better understanding of the market and behaviour of care homes;

BUSINESS SUCCESS

LEADERSHIP
Partnership - with division of labour of finance and sales, with creativity and development.

CURRENT BUSINESS MODEL STRATEGY
The previous reliance on the special needs children market has limited the growth of OMNI.

VALUE PROPOSITION
The highly adaptable product base, and its ability to be quickly customisable at a lower cost than the major competitor is a significant differentiator.

BUSINESS BRIEF
Developing an Audio-visual package for the elderly in care homes - targeting dementia, Alzheimer’s, other mental illnesses.

INTERN DEVELOPMENT
Developing insights into the market, competitive analysis and then product positioning.

Engagement of intern - Business leader - student fit
2016/17 suggest £6 billion Care Homes market.

INTERN PROGRAMME

PERSONAL SKILLS
Enterprising
Problem solving
Team player
Decision making
Business awareness
Technology appreciation
Self management
Self awareness
Communication

Two leadership skill areas were particularly identified and focused on.

MARKET ATTRACTIVENESS
Market opportunity for Growth
Market Profitability

BUSINESS STRATEGY
Knowledge, skills and expertise

LEAD FACTOR
Window of opportunity

Revenue Streams
Initial sales of demos units (6 - 10 units) - Sales of 20 units in first year forecasts.
Trailblazing in two other EU countries is very promising.
Alternative options are leasing the units to care homes, with 2 year leases achieving initial ROI.

Increasing use of reminiscence therapy and specialist sensory rooms have demonstrated very positive effects on dementia sufferers in care homes (SERTA, 2018)

First mover advantage has been lost to OMNI’s main competitor; however, their superior product and the localness of any software development UK-based is a significant advantage
4.1.1 Intern Development

For Omni Visual Products, the intern had very operational objectives as her aims:
- Detailed market intelligence on the No. of care homes, the ownership, location, No. of beds and specialist care given;
- Prioritization of care homes based on customer-product and market-business fit;
- Product launch strategy for trialling and targeting of market messaging.

From the intern's own personal reflection, reflecting as all the intern's had to on the changes felt as a consequence of the project:
- Self awareness – the importance of the duty and responsibility to the business-owner manager, and being able to deliver value during their six-month tenure at the business;
- Problem-solving – the ability to surmount resource problems in gaining access to key personal within care homes;
- Team player – to integrate and build respect from the enterprises’ staff and become part of the field trial team in the care-homes.

There were many other aspects that the intern discussed and rated themselves (see table 1 below), both before and after the project, but most importantly of all it was the opportunity to embed themselves within the enterprise and experience and share the real-life challenges and issues with the enterprise manager, that rated the highest value to their experiential learning journey. The areas that the intern's had the most difficulty with were around changing the enterprise managers on their transformational leadership style and achieving any significant business model innovation. Naturally, the intern had support from the business school’s mentor, a very experienced academic/practitioner who had himself created, developed and grown to the point of selling to a major corporate.

### Table 1: Intern’s changing Skills & Competencies

<table>
<thead>
<tr>
<th>Key Entrepreneurial Competencies</th>
<th>Experiential Learning Journey</th>
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<tr>
<td></td>
<td>Knowledge &amp; Strategy to access New Customers</td>
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<tr>
<td>Enterprising (Opps)</td>
<td>2 ➤ 5</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>4 ➤ 4</td>
</tr>
<tr>
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<tr>
<td>Business Astuteness</td>
<td>6 ➤ 7</td>
</tr>
<tr>
<td>Technology Appreciation</td>
<td>2 ➤ 4</td>
</tr>
<tr>
<td>Self-Management</td>
<td>5 ➤ 5</td>
</tr>
<tr>
<td>Self-Awareness</td>
<td>7 ➤ 9</td>
</tr>
<tr>
<td>Communication</td>
<td>7 ➤ 8</td>
</tr>
<tr>
<td>Decision-Making</td>
<td>5 ➤ 5</td>
</tr>
</tbody>
</table>

4.1.2 Enterprise Scale-up and Entrepreneur’s Skill Sets

Omni Visual's enterprise manager, the owner-manager in this case, was very honest at the beginning of the business engagement project, acknowledging his two main weaknesses regarding business development. Later on as the project developed and pressure built up from his own workforce, this ‘openness’ disappeared, and ultimately affected his:
- Decision judgements – particularly having sufficient intelligence to make an ‘informed’ decision;
- Communications – both internal and external to his staff and customers respectively.

In the area of leadership training, the programme has increasing taken two very important pathways:
- Improved decision judgements using the project learning journey, embedding the intern along with the mentor for the programme, as the primary learning tool;
- Mentoring from an experienced academic with extensive experience of starting and developing scale-up businesses, both in the SME sector and in large corporations.
The difference between the initial self-assessment by the enterprise manager on the 9 key competencies and at project end was interesting. Those initial areas which he recognised as a significant weakness, that of leadership and market knowledge, showed significant improvement. The area of business model innovation and delegation of responsibility and skills recruitment to others in the enterprise showed less improvement.

Table 2: Enterprise and Entrepreneurs’ Changing Skills & Competencies

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<td>Decision-Making</td>
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4.1 RHINO EXPRESS Learning Journey

Rhino Express is a Hertfordshire originated social enterprise, who just over 6 years ago set up the coffee enterprise to help partially finance a youth drug help programme. The social enterprise has developed several operational channels, the first was a mobile ‘on wheels’ service with its own classic Citroen H van and Tuk Tuks targeting events both in the Hertfordshire area, and further afield. At the same time they developed a Coffee Cart service at the local council offices, providing work experience and training in Barista skills for long-term unemployed young people.

Rhino Express offers mouth-watering blends of organic and fair-trade coffee on al their carts, vans and Tuk Tuk’s. The surplus from this business is channelled into the Drug help programme run for the benefit of local Hertfordshire young people.
FIGURE 4: Rhino Express Learning Journey (Business Leader & Intern)

Rhino Express Learning Journey

Targeting Millennials (16 - 34 years).

UK consumers expenditure on coffee in coffee shops topped £7.5 billion, increasing by 199% per year.

With the exception in the UK that over 30,000 coffee outlets will exist by 2015. There is opportunity for Rhino Express.

Customer Discovery
Nearby 1 in 2 office workers have a coffee machine at home?

Customer Validation
Brick & mortar coffee shops and home coffee pods sales.

Customer Creation
Nearly 99% of coffee is sold through underbranded coffee outlets (pouches, packets, retail stores, etc.)

Enterprise Building
Product attributes are based on brand loyalty and not taste.

Opportunity to use quality of origin tied to ethical value proposition (ethical coffee and having a social conscience).

Previous business school 1% projects identified another core centre coffee shop, and the millennial profiles (attitudes and behaviours).

Wisdom of opportunity

Marketing intelligence and understanding how marketing communications work were the two key elements.

Leadership
There is a distraction in the leadership of Rhino Express, in that their management has dual roles in the charity and the coffee enterprises.

Value Proposition
Develop further products, especially in the home coffee pod sector.

Channels to Market
Shops and mobile services have grown the business, but future growth needs to be more focused on developing the product and brand in both the retail and DIY markets.

Reverse Streams
Two coffee shops are either up and new or just about to open. Development of the coffee pod market is dependent on creating a business strategy.

A steadily increasing market for home coffee machines, and the convenience of coffee pods.

Business Strategy
Knowledge, skills and expertise.

Risk Factor

PERSONAL SKILLS
Interpersonal
- Problem solving
- Team player
- Decisive judgment
- Business acumen
- Technology appreciation
- Self-management
- Self-communication

CURRENT BUSINESS MODEL STRATEGY
Very reactive, and lacking medium and long term strategies for growth.

INTERN DEVELOPMENT
Developing insights into the market, competitive analysis and then product positioning for expanding Rhino Express in home coffee markets.

Engagement of intern - Business leader - student fit.

Business Brief
Expanding from traditional café market to home and in-office markets.

INTERN PROGRAMME

In 2014 sales of Coffee Pods increased by 52% to £102m in the UK alone.

FIGURE 4: Rhino Express Learning Journey (Business Leader & Intern)
4.1.1 Intern Development

For Rhino Express, the intern had market evaluation objectives as his objectives:

- A previous MBA project had looked at the business model, and determined that the first business opportunity was to move outside their existing market areas of council and public building coffee service kiosks and enter the high street. The second opportunity was to develop the Rhino Express brand itself, look at the opportunity to sell to corporation’s their branded coffee pods and other consumables;
- To evaluate the coffee pod market;
- To develop the first elements of a branding strategy and marketing communication plan.

From the intern’s own personal reflection, reflecting as all the intern’s had to on the changes felt as a consequence of the project:

- Self awareness – key to the intern’s development as an effective consultant to small enterprises. Initially the intern was concerned about their lack of knowledge of this market, and also any skills relating to the development of a market/operational strategy for growing the business;
- Problem-solving – inevitably the business opportunity identification and then subsequent development of a viable plan to develop business value was a, initial concern. However the intern’s confidence grew and at the end of the project he turned in a very capable and implementable marketing plan;
- Communications– With the split responsibilities of the enterprise manager being both responsible for Rhino Express and operational aspects of the drug-help programme, the intern was tasked with communicating the changes and proposed plans for developing the coffee pod market to the Rhino Express workforce.

There are many other aspects that the intern discussed and rated themselves (see table 1 below), both before and after the project, but most importantly of all it was the opportunity to embed themselves within the enterprise and experience and share the real-life challenges and issues with the enterprise manager. Overall, the project was successful for the intern, the learning journey was ‘bumpy’ some-times the communications between the intern and the project manager did become disjointed. However, the project aims were all reached, and the project did deliver a very useful and implementable marketing and brand strategy for Rhino Express to move forward on.

Table 3: Intern’s changing Skills & Competencies

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<thead>
<tr>
<th>Key Entrepreneurial Competencies</th>
<th>Experiential Learning Journey</th>
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<td></td>
<td>Knowledge &amp; Strategy to access New Customers</td>
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<tr>
<td>Enterprising (Opps)</td>
<td>2 ➔ 4</td>
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<tr>
<td>Problem Solving</td>
<td>2 ➔ 4</td>
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<tr>
<td>Team Player</td>
<td>6 ➔ 7</td>
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<tr>
<td>Business Astuteness</td>
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<tr>
<td>Technology Appreciation</td>
<td>7 ➔ 7</td>
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<tr>
<td>Self-Management</td>
<td>6 ➔ 8</td>
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<tr>
<td>Self-Awareness</td>
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<tr>
<td>Communication</td>
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<tr>
<td>Decision-Making</td>
<td>6 ➔ 6</td>
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4.2.2 Enterprise Scale-up and Entrepreneur’s Skill Sets

Rhino Express approached the Hertfordshire Business School more than three years ago, primarily to get help from our MBA students primarily in looking at the viability of opening new coffee shops in the major towns in Hertfordshire.

Rhino Express enterprise manager had more than this one project to manage, so at times the communications between mentor, intern and himself did become strained. Yet the opportunity to get valuable marketing intelligence around the development of a branded coffee pod market was a principal driver. Like many over stressed managers, in a business under resourced, their self-acknowledged weaknesses rested on difficulties they found around:
• Decision judgements – never having enough information to make an evidenced based decision, often having to rely on ‘instinct’;
• Communications – finding it hard to make the time to keep everyone informed and prioritised on the project and the role that the intern would provide in gathering and analysing market data.

In the area of leadership training, the programme has increasing taken two very important pathways:
• Improved decision judgements – utilising the project meetings as a way to present the market intelligence in a way that would help the enterprise manager make more ‘informed’ decisions;
• Mentoring from an experienced academic with extensive experience of starting and developing scale-up businesses, both in the SME sector and in large corporations. For the enterprise manager this exposure to an experienced academic mentor, who effectively had the experience to help them make ‘better’ decisions and look at opportunities in a slightly different way, was the main valued output/outcome.

The difference between the initial self-assessment by the enterprise manager on the 9 key competencies at the beginning and end of the project was insightful, valuable and interesting. Those initial areas which they recognised a significant weakness, that of leadership and market knowledge, showed significant changes. The area of business model innovation and delegation of responsibility and skills recruitment to others in the enterprise showed less change. Our enterprise manager showed very similar skills and competencies gaps as the other enterprise manager in Omni Vista.

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<td>Problem Solving</td>
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5.0 Discussion and Conclusion

This study has focused on exploring the link between enterprise manager’s skill sets and the ability of the enterprise to grow. The importance of knowledge & strategy, recruiting the skills, creating transformational leadership and the development of a sustainable business model have been identified, by other research studies (Hull University Business School, 2015). Linking these to the enterprise manager’s skill set is important both for their long-term development, and for the success of the project and its ability to deliver business value. Our research has looked at the experiential learning journey of both the intern and the enterprise manager and the value of this engagement from the two perspectives, for the following reasons:

• Our interns were carefully chosen from a strong cohort of business final year students, using three key criteria:
  o They exhibited a strong business astuteness and a desire to engage with small businesses;
  o They had a strong sense of self-awareness;
  o They had strong communication skills.
• The enterprise manager expressed a strong desire to work with a self-motivated intern on a business critical project;
• Both parties (intern and entrepreneur) were open-minded regarding the experiential learning journey and a commitment to change.
Our research studies findings concur with previous research on entrepreneurship skills (Hull University Business School, 2015), in that our enterprise manager’s skills and competencies are closely associated with their ability to drive opportunity identification, evaluation and enterprise building, and are inevitably linked to their businesses’ future success, in this case the ability to scale-up. It is therefore important that those organisations that both support and advise small enterprise managers acknowledge the importance of the four key drivers of business growth: that of knowledge & strategy, recruitment of appropriate skills, transformational leadership demands, and the importance of a sustainable business model. Our research reinforces the importance of these enterprise managers’ skills and competencies to both their professional development, and their businesses.

6.0 Implications and Further Research

The fact that our findings support the most recent studies alluding to the ‘loose’ correlation of specific entrepreneurship skills, namely those associated with the identification and exploitation of opportunities, and increased business performance and growth (Booker et al., 2005), should not suggest a ‘rock solid’ correlation between these two but further evidence of a strong association. Like researchers before us we acknowledge the need to further experiment and evaluate through action research the association between entrepreneur’s skills and business success, and, in particular, the identification and support of nascent scale-ups enterprises.

This study has also highlighted the increasing gap in entrepreneurship skills support for small businesses, where businesses don’t qualify for initiatives like the Goldman Sachs 10,000 or the previous Growth Accelerator. These businesses that have underdeveloped entrepreneurship skills, who perhaps are not naturally likely to proactively seek entrepreneurship skills training, fall both into the categories of young entrepreneurs and mid-life nascent entrepreneurs who are seeking a change from corporate career pathways. Importantly, effective support of entrepreneur’s skills development must come from non-didactic approaches, this is especially important for the educational sector, utilising experiential learning focused on engagement activities with outside resources. Universities and particularly business schools can be a significant provider in this area, utilising their ability to provide resources, both academics and students. The focus should be on engagement in task-oriented projects, utilising real business problems to provide the environment from which experiential learning can emerge, both for the student and the enterprise manager. Previous research has identified the deficiency of entrepreneurship skills in the SME sector, acknowledged to be pivotal to future economic and employment growth, and the association with barriers to growth. It is therefore logical to develop a multi-option strategy for the UK economy, one that places a responsibility on every agency, those capable and well resourced, to utilise its resources and align its strategies to this single task.

Further research areas that are suggested from this study include:

- Exploring the different stages of growth of a business, and the different contexts around sector drivers, age of business, skills levels of the entrepreneur, and the particular life-cycle of the sector/industry;
- Further exploration of the business model linking entrepreneur skills, business performance and overall growth;
- Further analysis of the experiential learning journey of the entrepreneur, their skills development and interaction with the rest of the business.
Bibliography


