

Building an entrepreneurial culture

Written evidence to NAW Enterprise and Business Committee's
Inquiry into Youth Entrepreneurship

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Introduction

1. ColegauCymru welcomes the opportunity to give written and oral evidence to the Enterprise and Business Committee's Inquiry into Youth Entrepreneurship in Wales. This submission summarises ColegauCymru's response to the key issues raised in the inquiry.
2. ColegauCymru represents the 19¹ further education (FE) colleges and institutions in Wales.² In 2011/12, there were 214,850 individual students attending college and 229,615 enrolments.³ This makes colleges the largest providers of entrepreneurship education in the nation.
3. This submission proceeds by answering the two main themes from the terms of reference of the inquiry and the eight specific questions posed by the committee while making some more general comments regarding the topic of Youth Entrepreneurship in Wales.

General comments

4. The committee's inquiry helps to focus attention on an area that has fundamental importance for Wales's economic future: how we can foster a spirit of enterprise and entrepreneurship in Wales by equipping young people with the skills and confidence to start their own business or social enterprise.
5. It is no exaggeration to say that only through the development of an ethos of entrepreneurialism - and intrapreneurialism - will Wales' economic performance match those of comparable European regional economies. Without a thriving start-up and small and medium sized enterprise (SME) business sector our ambitions to become a prosperous nation will not be met. Wales' lack of large multinational companies with central service functions or R&D facilities located in Wales means that we are disproportionately dependent on the start-up and SME sector for jobs and growth. We should make a virtue out of this necessity by striving to be the most entrepreneurial country in the UK and one of the most enterprising in Europe. This has to start at the level of education (at all ages), in cultural attitudes and in concrete business start-up support.

1 The 19 include Coleg Harlech/WEAN; WEA South; YMCA Community College; and Merthyr Tydfil College, University of Glamorgan.

2 In this paper the terms 'FE college' and 'college' are used to cover FE colleges and FE institutions.

3 *Further Education, Work-Based Learning and Community Learning in Wales 2011/12 SDR 48/2013*, Welsh Government, March 2013.

6. To this end, colleges in Wales have a direct responsibility to develop the entrepreneurial skills of their learners. They are responding to this challenge, though colleges are aware that there is more that can and should be done.
7. ColegauCymru looks forward to giving oral evidence to the committee on 20th June 2013. We are happy to provide supplementary evidence to the committee during the course of the inquiry.
8. Colleges see entrepreneurial skills as core to the skill set that young people will need in the 21st-century. These transferable skills will prove to be invaluable not only in starting a business or social enterprise but also will help drive innovation and change in existing companies or organisations - in either the private or public sectors (intrapreneurialism). Colleges in Wales, for example, see themselves as being entrepreneurial organisations in that they seek to continually adopt new and, in some cases, path-breaking approaches to the social, educational and economic challenges their communities face.

How effective is the Welsh Government's approach to promoting youth entrepreneurship?

What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?

9. The overall approach pursued by the Welsh Government in relation to youth entrepreneurship is sound and effective, although there are areas where we feel that further improvements could be made. The Welsh Government policy framework should be just that: a framework within which colleges and other education providers can creatively engage with learners to engender transferrable entrepreneurial skills. A tighter straitjacket in policy terms would not help generate the levels of creativity and experimentation that is appropriate in this area. Therefore we do not see a pressing need for a radical redrawing of the YES Strategy.
10. Areas of improvement might include simplifying the reporting and monitoring processes from the regional hubs back to the government and allowing greater flexibility in allocating resources between the three year time horizon of the regionally allocated monies. Some college colleagues feel that the 'Big Ideas Wales' brand has not yet fully taken off. This brand might need to be revisited in the near future to ensure that activities in this area are well projected to learners and the public.

Q1. What are the experiences of young entrepreneurs in Wales?

11. Young entrepreneurs have a diverse experience in Wales and it is difficult to generalise about the opportunities and obstacles they face. The experience of learners in relation to entrepreneurship education is easier to gauge as a result of the **Carnegie UK Trust's *Enterprising Minds* survey in 2012**.⁴ 1,600 students at colleges across the UK were surveyed, including 350 FE students in Wales. The majority of the students surveyed in Wales agreed that their college encourages them to think more about enterprise, a figure 16% higher than the corresponding figure for colleges in England. Other indices in the survey show colleges in Wales leading those in other parts of the UK in relation to business and entrepreneurship education. The majority of the surveyed students in Wales testified to experience of business and entrepreneurship education in their college. The equivalent figures in England were very substantially lower and well below 50%.
12. This is not cause for self-congratulation or complacency however, because other indicators in the report showed that colleges were not entirely meeting students' legitimately high level of demand and expectation for direct interaction with social enterprises and businesspeople. This shows us where we need to improve. The launch of the Speakers for Schools⁵ website (which covers colleges as well as schools - despite the name) is a good start in this regard.
13. One idea that may help in this regard is a national or regional entrepreneurship 'twinning' scheme sponsored by national charities or the Welsh Government. Under such a scheme, entrepreneurs could be twinned with a learner who showed a particular potential or motivation for enterprise. The entrepreneur can act as a mentor to the young person and begin to form a network of entrepreneurs and mentees that may encourage a local or regional ethos of enterprise.

⁴ See <http://www.carnegieuktrust.org.uk/CMSPages/GetFile.aspx?guid=98a49ae1-e164-4ba5-a276-2e9a773666a8>

⁵ See <http://www.speakers4schools.org>

Q2. What is the scale of Welsh Government resource and funding targeted at the promotion of youth entrepreneurship in Wales? Is it sufficient?

Q3. How does the Welsh Government's approach to promoting youth entrepreneurship incorporate issues such as equality, social enterprise and regional variations in skills and training opportunities?

14. The resource allocated to the regional enterprise hubs in Wales is significant and allows co-ordinated entrepreneurship education schemes to be pursued between colleges and other education providers. Although different regions of Wales have approached the regional delivery of youth entrepreneurship education differently, the regional coordination of some entrepreneurship education activity is here to stay.
15. In the current fiscal climate, with the likely decline in public resource available to the Welsh Government, it is not likely that there will be an increase in hypothecated resource for regional entrepreneurship activities. The greater use of European funding may be considered an option post-2014, but this would presumably come with a commensurate increase in reporting requirements and administrative burden.
16. The incorporation of equality and social enterprise into entrepreneurship education is well-established - not least because of Wales' strong track record on the establishment of successful social enterprises. Equality is mainstreamed within the regional consortium plans submitted to and approved by the Welsh Government in 2012. Colleges are beginning to work with organisations such as the Wales Co-Op Centre and Collaborative Communities to maximise their ability to engender social enterprise skills in learners.
17. College entrepreneurship education necessarily reflects the business and employment hinterland of the institution and so, for example, colleges that are in rural areas have a greater linkage with businesses in the agricultural sector and so on.

Q4. What opportunities are presented by increasing youth entrepreneurship as a means of tackling youth unemployment and inactivity?

18. This is clearly a crucial question. Entrepreneurial skills are a key way out of unemployment for young people at a time when we are far from full employment. People without formal qualifications but with drive and determination may be gifted entrepreneurs who epitomise the enterprising spirit. Moreover, successful entrepreneurship in communities where there are high levels of unemployment can lead to the growth of small businesses which can, in turn, create further

employment and economic activity among those who may not possess the same entrepreneurial aptitudes.

Q5. To what extent is entrepreneurship embedded within the secondary education, further education and higher education institutions in Wales?

19. Entrepreneurship has become an important part of the curriculum for learners in Wales. The main routes through which colleges imbue a spirit of enterprise and assist learners with entrepreneurial skills include:

- a) Embedding entrepreneurial learning **within the curriculum**, including:
- the core curriculum, including the principal qualification taken by the learner, and through the Core of the Welsh Baccalaureate Qualification
 - through specific units or qualifications relating to entrepreneurship, employability or wider key skills
 - through direct tutor support
 - through activity that is within a student's programme of learning, such as 'Pitching' competitions, working in a Practice Company, or attending master classes with an entrepreneur or a business person.
- b). Through **extracurricular** activities which may include:
- work experience in business or commercial environment
 - working in a Practice Company, a local charity or a social enterprise
 - entry into an enterprise competition ('Dragon's Den'-style) or similar exercises
 - experience of seeing inspirational or exemplar speakers to inspire students, within or without the college environment.

20. The combination of these two strands of experience add up to a holistic experience that we hope equip learners with the confidence and entrepreneurial attitudes that they need to succeed.

21. The revision of the Welsh Baccalaureate Qualification (WBQ) for 2015 and the introduction of learning programmes for post-16 learners give us the opportunity to revamp entrepreneurship education within the 'core curriculum' (or core elements of the learning programme). ColegauCymru is directly contributing to Welsh Government-led groups looking at this vital area. Getting a 'fit for purpose' Core for the WBQ that properly encourages entrepreneurship should be a key priority for the Welsh Government and post-16 education providers in the next 12-18 months.

Q6. How does the Welsh Government monitor and evaluate its youth entrepreneurship activities? What impact has it had on the number of people starting a business?

Q7. What is the evidence base for the Welsh Government's approach to supporting and encouraging youth entrepreneurship?

22. A quarterly reporting mechanism is in place with the Welsh Government to ensure that all relevant activity is reported to the Welsh Government and can be appropriately analysed.

Q8. What example of good practice in youth entrepreneurship policy can be identified in Wales, more widely within the UK and internationally?

23. There are numerous positive examples of good practice in relation to youth entrepreneurship across Wales. We would like to highlight just four examples in lieu of a more comprehensive inventory of good practice that could be gained from a fuller survey of youth entrepreneurship activity in colleges. This is but a small sample of the innovative activity taking place in colleges across Wales.

24. Coleg Morgannwg uses **Practice Companies** (such as 'Clean Sweep') to encourage entrepreneurship among its learners. The practice firm model operates in over 42 countries and is used in schools, colleges and universities across the world to replicate the elements of real world businesses. The model is proving an excellent platform to deliver a wide range of qualifications as well as fostering enterprise and innovation. Many students who have been involved with the concept have secured employment, as employers see the value and benefits of the programme.

25. **The Gazelle Group** was formed and launched in 2011 and comprises several colleges across the UK, including Cardiff and Vale College. The Gazelle Group acts as a central generator and disseminator of best practice on entrepreneurship at every level of a college's operations. Gazelle Colleges work with a network of successful entrepreneurs to inspire students to achieve their enterprising aspirations.

26. **The Big Pitch** project involved students from four FE colleges in the Heads of the Valleys (Coleg Gwent, Coleg Morgannwg, The College Merthyr Tydfil and The College Ystrad Mynach) in a real business challenge, developing their entrepreneurial skills. The colleges tasked the students with developing a marketing plan for a real business – the Rock UK Summit Centre. Tutors and students from each of the colleges were invited to participate in local selection processes involving real challenges before going through to the next stage of the

Big Pitch activity. Teams were chosen to represent each college at the final event. These students then visited the Summit Centre and met staff and management, before being tasked with generating ideas on what the company's customer offer should be; develop a marketing plan with a budget of £10,000; produce a press release for the launch of the customer offer; and deliver a 15 minute presentation on what they did. Nick Hower from the BBC's The Apprentice acted as Patron for the Big Pitch.

27. The Big Pitch attracted 265 students – more than double the number of participants in the 2010 pilot event – who took part in the initial selection challenges, with 125 people registered to attend the final at the Pierhead in December 2011. 89% of the participants said the final event reported that their entrepreneurial confidence had increased.
28. Successful participation in **Global Entrepreneurship Competitions**: Wales' colleges have a strong track record of success in the high profile Global Entrepreneurship Challenge (GEC) competition. Coleg Menai students came third in the world in the 2012 GEC, involving 19 nations. This follows previous strong global performances from Coleg Morgannwg in previous rounds of the GEC.
29. ColegauCymru will work with the South West Wales regional learning partnership to provide the committee with further examples of best practice from Wales, the UK and internationally, as disseminated at a two day conference on youth entrepreneurship taking place on 12th and 13th June 2013 at the Liberty Stadium in Swansea.