

COMPETENCY BASED ENTREPRENEURSHIP AND BUSINESS START-UP TRAINING

All of us agree, that we need new businesses. We need more jobs for people and new innovations to develop the economy and industries. New start-ups are something we would like to see coming up in all the countries in the world.

Many countries and economies are investing time, expertise and money to help the start-ups to be born. Important element in this investment is the business start-up training. What kind of training we need?

WHAT IS THE TARGET OF THE TRAINING?

What is the target of the training? To help as many new companies to start as possible? To help the potential entrepreneurs evaluate their capacity and potential as realistic as possible? To support the business start-up process and give help and maybe even some financial support to the early steps? To give relevant information and know-how to the students?

To be honest, I believe all these answers can be good targets to the training. How then to choose the right target?

I have noticed that there are basically three different ways to become an entrepreneur and start to run your own business. First choice (Investing), you can buy a company and continue the business someone else has started. You invest your money and buy a business. Second option (Innovation) is to have great innovative idea for potential business. Then you make a business plan/-canvas and try to attract investors to get funding into your start-up. You have an innovative business idea and manage to get investors behind it. The third possibility (Individual) is the traditional entrepreneurial way, you use your competence and vocational abilities as a foundation to your business. Doctors, plumbers, nurses, lawyers, constructors, etc. have been traditionally people who have started businesses which are based on their own competence. You use your competence and start to make money out of that.

Depending on what is the situation with you, the needs are a slightly different. Investors need information how to choose a profitable company. Start-ups needs practical guidance, financial support to develop the innovation and form a good network behind the business. Competency based entrepreneurs have questions like: from where I will find the customers and what is the good price for me to sell my work.

Today, most of the business-start training is focusing to serve the innovative business idea developers. We think it is good to ask: What is your business idea and is it scalable? When are you planning to make your first million? What is your start-up team? How much money you think you need take this business into next level? All this is relevant and good if the persons are starting their entrepreneurial way with innovative idea (group number 2). Most of the incubators, university business labs and training programs for entrepreneurship are based on this.

The good thing with this is the new Start-ups which come out of this process. The bad thing with this is that it does not help and support the large majority of the potential new entrepreneurs. If we have 10.000 students/professionals, maybe 1000 of them are interested in this kind of business training. Out of that, maybe 100 will start a business developing process. Out of that, maybe 10 of them will succeed. Outcome: 10 from 10.000 students. Those 10 will most likely hire many other and provide work and this is a great thing! But thinking about entrepreneurship, this leaves the 9900 students out.

If we would provide competency based type of business start-up training, the result would be different. With competency based business-start up training we could easily motivate 2000 to 5000 students to participate, and get 50% of them to start the business. Most of these businesses would be micro businesses and even part time functioning. This would mean that we would have probably 2000 to 3000 new micro businesses.

But if we start the training with these questions: what is your business idea and is it scalable? When are you planning to make your first million? We will lose the audience. Most people can't relate themselves to this type of fast success path.

WHAT ARE THE KEY FACTORS IN THE BUSINESS START-UP PROCESS?

To summarize the different start-up situations, we focus into the key factors of the business development process.

TYPE OF BUSINESS START-UP	KEY FACTORS IN THE BUSINESS DEVELOPING PROCESS
INVESTING	Capital/money Information about potential businesses Know how to make a deal
INNOVATION	Innovative business idea Start-up team with talents Ability to get the investors to invest money
INDIVIDUAL	Competence/vocational abilities Motivation

As you can see, the key factors are different. Motivation is very relevant to all but specially to the ones who need to be ready to work a lot and long days without having a big salary in the first years.

There is a big advantage of understanding the above differences. We can provide the business start-up training to all, who are motivated and have competencies. There is no need to have a clear business idea! This opens the possibility of becoming an entrepreneur even to those, who has not been seeking this option as a first choice. Competency based business start-up training opens the door to entrepreneurship to larger people groups.

WHAT IS COMPETENCY BASED NETREPRENEURSHIP?

What is competency based entrepreneurship? Competency based entrepreneurship is based on the vocational abilities of a person. Usually it is necessary to have some capital to be invested in to the business but that is not the critical factor. Critical factors are the vocational skills and motivation to work hard.

Good questions to start with is: are there something you can do that someone else is ready to pay you something? With this question we can start with almost everybody in working life. Not everybody will be an entrepreneur but all of us can think this question if we have working life experience and we are motivated to do so.

I know very well that this is not a new concept, but we are talking about the traditional entrepreneurial concept. For ages people have employed themselves and maybe some other by selling the products and services they are able to provide with their vocational competencies.

Competency based entrepreneurship is most likely characterized by hard work, long working days and competition of customers. Very few will see millions of euros or dollars. But many will find satisfaction from the work and from the customers they have helped and served. There is very rewarding element when we serve our customers and provide high quality products and services to them and get satisfied smiles and thanks!

To run the training for competency based entrepreneurs, there is a need for funding. People interested in entrepreneurship by using their profession, very seldom have the funds to pay for training they need. If some people do have the money, most of them don't. The big challenge is to find investors who could invest into this kind of economical growth.

WHY TO INVEST MONEY TO PROMOTE COMPETENCY BASED ENTREPRENEURSHIP?

First of all, most of the companies in the world are competency based micro- and small businesses. We need these businesses. Most of the new jobs in the Scandinavian economy will be in those SME's.

With this training method and -concept we can help more people. Instead of having 10 to 15 % of people trained into business in relevant way, we can have 30 to 60% to be trained in relevant way.

There are hidden entrepreneurial potential in many individual. If we provide right kind of training, relevant to many, we can help these people to find the hidden entrepreneurial potential they have. As outcome, we will see more businesses. Statistics prove that between 10 to 15 % of population are entrepreneurial oriented. During the many years we have seen that there are many who are not among the entrepreneurial oriented group but who can be successful business owners if they get right kind of help to start the business.

Do we have any answers to big crowds of young and older people who are looking for jobs and ways to make their own living? Yes we do, competency based entrepreneurship. Not everybody will start the business but almost everybody can come to the business start-up training. This is relevant method of everybody to find their own business potential. We can always start by asking: what do you have in your hand? What can you do, right now, right here?

I don't want to be negative but I have seen also the drawback of the current start-up boom. Many people, particularly young people, have lost their view of becoming an entrepreneur by listening the start-up exhibitions and shows. They can't see themselves as millionaires after one year or collecting 5 million capital for the business. There is need to communicate also the traditional competency based entrepreneurship, not just the "becoming rich in one year" - business model.

If we can get 20 to 30% of the population instead of 10% to be active in the economy and run a business, it is a great gain! To help 10.000 new micro businesses to start, it is a boost to every economy and city/country. That is easily possible by focusing the competency based entrepreneurial method.

Proven fact is also, that many of the big companies today, have started as a small business. Many of the micro businesses will grow and provide work for others too. Some of them will become a very big companies too.

We need all kinds of businesses. I personal hope we would have much more Innovative start-ups, which would make their first million after first year than we have now. We need those big businesses. I'm also concerned that we need to focus also competency based entrepreneurship much more than we do now. There is a big potential in there, in many ways. This potential has not been used and taken care of as it should be and could be.