Report on the development of the Competence Framework Business Management for Entrepreneurs

die Berater® Unternehmensberatung

March 2017

ComProCom (Communicating Professional Competence)
Project Number: 2015-1-EL01-KA202-013960

Project	**Communicating Professional Competence** (ComProCom)
Project number	2015-1-EL01-KA202-013960
Title of Document	Report on the development of the Competence Framework Business Management for Entrepreneurs
Intellectual Output no.	Intellectual Output 6
File name (with extension)	IO6_Report_Business_Administration_31Mar17.pdf
Document Version	1
Dissemination Level	
Authors	Erol Koc
Date	31.03.2017

die Berater® **(Austria)**

Report on development of the Competence Framework Business Management for Entrepreneurs.

Summary of the occupational field

Before around ten years ago, the Austrian economy was primarily defined by large corporations and thriving small and medium-sized enterprises (SMEs). In the last years, startups started to emerge and are quickly playing an important role in Austria´s economic development as they spawn innovations and create jobs.

As a rule, startup refers to digitally-driven companies which are not more than five years old. It is difficult to determine the exact number of young entrepreneurs this covers. In Austria, there are in total more than 470,000 people (around 8.7% of Austrians between 18 and 64 years) actively involved in the founding of a company or are the owners and managing directors of a new company.

Business Administration can be learned in universities or VET courses but is not necessarily a requirement for creating a startup. In today´s startup culture, the typical founder is driven by their business idea, establishing business administration skills as these become needed in the process.

The Austrian Government is actively working to deliver anstartup friendly environment with changes in business rules and regulations and startup programs (beginning in 2017 - mainly for lowering the tax burden, increasing the seed financing fund of the Austria Wirtschaftsservice (AWS) and opening up new funding sources).

The rationale for your framework

The framework is geared to improving the consistency, relevance and quality in the way that the business administration competence is described, using an 'external' or learning outcome approach. It is planned to be used for supporting the design of startup learning programmes.

The framework aims to improve the way that descriptions of the competence match how startup entrepreneurship works in practice, in particular in moving away from descriptions of tasks and responsibilities to considering core capabilities that have wide application within the field, are not limited by any assumptions and are resilient to changes in practice and technologies.

Another aim of the framework is to develop acompetence descriptions that are supported across the partnership's countries making it easier to develop a common international language of competence to aid mutual recognition and transferability.

The development process

The initial development was done after the methodology session with Mr. Lester by an internal team which develops private and public sector training as well as with input from project team members. With elements from our business and soft skill courses we set up a first draft, which then was redrawn in circles after participant feedback. The development of the framework was supported by SLD in the form of an initial version of the methodological manual for framework developers and a knowledge transfer session (covering models, approaches and methods). Further guidance from SLD on trialling and a discussion on our draft framework with all partners followed, as well as continuous commentary and guidance on the framework and the development and trialling processes. The framework development included consultation with potential users, comment from external experts and trialling.

Consultation and trialling

After finishing the draft version, information asking for comments and inviting users to take part in trialling was posted on our website, emails were sent to our partner network and postings were made in social media groups for Austrian startups (reaching approximately 6,200 people). Despite a very low response rate we managed to get 20 participants for consultation and trialling. The group consisted of 20 different companies: 12 startup founders and 8 startup employees on a management level (including one competence expert).

The size distribution of the companies was as follows: Seven with 1-2 employees, ten with less than and three with more than 10 employees. So 65% of the businesses had employees to manage, which is visible in some of the elements in the framework about staff management. These apply to businesses after the initial founder/s expand their business and acquire people. The companies were drawn from a wide range of sectors: software, transport, marketing, education, production and consulting. Each participant received the draft framework and commented on it on a phone call. As a result of the consultation changes in the framework were made.

The phase was followed by trialling. The participants for consultation and trialling were the same. Over 3 months the 20 participants carried out a self-assessment with the competence framework. After completing the self-assessment exercise participants reported their comments and feedback via phone calls. Their feedback about usefulness, problems or applicability was logged and further changes in the framework made.

Matters arising

The main matters arising from the consultation and trialling were:

- Not all points were relevant for every startup context: Some elements were seen as less important than others. But at the same time, participants who stated this did not want to take any less important points out of the framework. Nearly all participants stated that it is very detailed and were positive about this.

- Some terms were difficult to understand without any special knowledge: After such comments we changed the wording of specific framework statements and spelled out abbreviations.

- Not all areas are relevant for early stage startups: Participants from startups in their first 1-3 years stated the two main areas their companies have to focus on are sales and marketing. Resources for focussing on other areas like communication or business ethics and compliance seem to only come later ("in quitter waters"). But interestingly, like in the first point above, participants who stated this also stated it would be important to leave the framework as it is. So this was rather a criticism of the harsh business realities than the framework.

- No disadvantage of any practitioners: None of the participants felt that the framework disadvantaged any specific entrepreneur or that it assumed particular educational background.

Overall, the framework received a really positive feedback. Following the trialling the framework was updated to the final version.

Conclusions

The development process has been successful in establishing a framework for Business Administration for Entrepreneurs. Business courses for startup entrepreneurs are increasingly gaining in relevance and we intend to use the framework as a basis for future course design.

In its current state it is a more-or-less finished product which should be easily adaptable for any specific contexts. Of course, further testing and optimization will be needed to refine it and make it even more easily accessible.

The big difference in the entrepreneur´s perceptions between theoretical and real-life environments was remarkable. Under this aspect, our work for this framework changed our sensibility for potential gaps between theory and reality and to improve our course design and communication.