**The Vocational Learning Manifesto for Enterprise**

Since the turn of the century we have witnessed a consistent and huge growth in the number of businesses in the UK. Most of this growth has come from the increase in self-employment, other businesses with no employees and the smallest employing (micro) businesses.

There is equally compelling evidence that those setting out on the voyage in to enterprise by working on their own account are far more likely to survive and thrive if they take part in appropriate enterprise learning. Yet in England the support for people thinking about or starting their own business is patchy at best. The New Enterprise Allowance scheme is available to those who are unemployed and meet the other qualifying conditions; the Prince’s Trust continues to work with those up to the age of 30; many Enterprise Agencies offer some form of start-up programme; and there are a host of websites, training workshops and the like. Due to geographical variations in European funding and varying levels of commitment from Local Enterprise Partnerships, local authorities and the like, the availability of support can be a post code lottery.

Considerable public money and effort has been devoted over the last years to delivering enterprise learning in universities and this has been a relatively high profile activity. To date the focus of provision within the wider further education sector appears, as in universities, to be primarily aimed at young people in initial education and training. We believe there is scope for further education, adult and community learning and other vocational training providers to play a far more prominent and substantial part in offering enterprise learning for adults considering, starting or developing their own business. We will be conducting research in the coming year to try to assess whether this is the case.

In the meantime we want to establish what “appropriate enterprise learning” is and what constitutes good practice in delivering such learning in the wider further and adult education sector. Fortunately we are able to draw upon several decades of research, personal and community experience to suggest answers to these questions in our draft ‘manifesto’. This will be tested with micro business owners and the self-employed, as well as providers, in the coming months. Our initial draft draws particularly upon the twenty-seven principles for “Engaging small businesses in effective learning” developed by the current authors for the Small Firms Enterprise Development Initiative (SFEDI) and the work of Tony Robinson OBE and colleagues for the Council for Excellence in Management and Leadership.

In the following text the key points are shown in bold. Supporting arguments, evidence or commentary accompany these points in standard text.

1. **Rationale**
   1. **Vocational learning providers have expertise in delivering practical, work-based learning.**

As we argue below, enterprise learning should primarily be about giving people the practical skills and know-how they need when starting or seeking to develop a small business. Vocational learning providers are well placed to understand the pedagogy behind, and practically deliver, such learning through their experience in other areas of work-related learning.

* 1. **Vocational learning providers are familiar with the appropriate levels of provision.**

The essential enterprise skills and know-how are not rocket science. They do not require high levels of theoretical understanding or academic knowledge. Existing business start-up learning is often pitched at levels 2 and 3 within the system of vocational qualifications (broadly the vocational equivalent of GCSE and A-level). This is often the level for other vocational learning and therefore will be well within the scope of typical vocational learning providers.

* 1. **Vocational learning providers should be in a privileged position to contact and meet the needs of many potential enterprise learners.**

In many industries, such as construction, hairdressing, administration and hospitality, vocational learning providers are the people for providing apprenticeship and similar initial vocational education and training for people in craft and similar appropriate occupations in these sectors.

Many of these former trainees will subsequently decide to enter self-employment or otherwise start their own businesses. There is therefore potential for providers to be able to build on existing trusted relationships to meet prospective enterprise learning needs.

All broad industries in the UK have experienced growth in the numbers of the smallest businesses (self-employment and those without employees), as the following table shows.

*Table of largest growth in number of businesses without employees (inc. self-employment) by industry in the UK, 2010-2014.*

|  |  |
| --- | --- |
| *industry* | *growth in no. of businesses* |
| Professional, scientific & technical activities | 156,000 |
| Administrative & support service activities | 87,000 |
| Information & communication | 69,000 |
| Construction | 62,000 |
| Other service activities | 55,000 |

*Source: Business Population Estimates (BPE) 2010 and 2014*

The growth numbers have been estimated from the BPE data and rounded to the nearest thousand. They are just the net change in the number of businesses. The number of start-ups will be higher; this figure plus the number of business closures during the period in each sector.

So, whilst most growth occurred in an industry (Professional, scientific and technical activities, which includes the law, accountancy, management consultancy, architecture, research & development, advertising & PR and science & professional engineering services) more commonly associated with higher education, there is clear evidence of very substantial growth in business numbers in sectors linked to craft and other vocational education and training.

* 1. **Vocational learning providers are often well embedded within local communities and should therefore be able to network effectively with other local organisations and tailor their provision to local needs.**

Later elements of this manifesto require providers to work with other organisations to identify needs, create appropriate provision and promote the learning and support that is available whilst avoiding duplication of activity. Vocational learning providers should already have many of the local contacts required to achieve this.

1. **Collaboration and conduct**
   1. **Providers should be models of enterprise good practice.**

Providers should understand the needs of potential learners, develop effective strategies for engaging them in learning and deliver learning support that meets those needs.

To achieve this they will need to build trust and confidence with their potential customers (enterprise learners) and those in the wider communities that influence them.

They should also be models of good practice in their treatment of staff and suppliers.

In other words, providers need to practice what they preach.

* 1. **Providers should be active participants in networks of businesses, business organisations, business service providers and other business stakeholders.**

One of the major challenges for providers will be to engage with potential learners and to build the trust and confidence that will encourage them to sign up for appropriate programmes.

To help achieve this, providers need to be linked in to all the organisations who can reach potential learners. These include business organisations (such as the Federation of Small Businesses (FSB), the local Chamber of Commerce, the Forum of Private Business (FPB) and local business networks and clubs), business service providers (particularly accountants and bookkeepers), local authority economic development and planning departments, local libraries, community centres and local media.

Effective networking should be a model for enterprise learners, a way of gaining insight in to potential learning needs and a route to market for promoting what is on offer.

* 1. **Providers should not duplicate existing, effective provision.**

The development of provision should occur primarily to meet unmet needs. It should not seek to replace or compete with existing providers who are already offering effective enterprise learning and support.

1. **Content**
   1. **Provision should focus on developing the practical enterprise skills that are needed to survive and thrive when starting or developing a business.**

These skills have been described in detail in the National Occupational Standards for Business Enterprise developed by the Small Firms Enterprise Development Initiative (SFEDI). They include understanding customer needs and preferences, developing effective marketing materials, strategies for winning customers, pricing goods and services, forecasting and assessing cash flow and managing time and resources. These also require effective ‘soft’, inter-personal skills such as listening, communication and negotiation.

* 1. **Provision should be tailored to the needs of the individual learner and their (current or prospective) business.**

What is to be learned should not be prescribed in detail by a fixed curriculum. Rather, the issues and level of learning should be flexible. The self-employed and micro businesses are hugely varied and hence so are their enterprise learning needs.

One aspect of flexibility relates to the differing level of demands that flow from the existing or prospective business. For example, the smallest businesses may not be VAT registered, have no employees and their formal structure (such as for sole traders) may be very simple. More developed businesses, such as those operating as Community Interest or Limited liability Companies, are likely to be relatively more complex and demanding. The level of learning required for success in each context may therefore be quite different.

Similarly the backgrounds of individual learners will be varied. They should not be required to complete programmes of learning on subjects where they are already fully competent. For example, you would not demand that a Chartered Marketer setting up their own business cover the basics of marketing or require an accountant to learn how to create a basic cash flow forecast.

1. **Delivery**
   1. **Learning should be active and related to the business challenge.**

Learning should be applied to the specific business or business idea. Whilst it may be necessary to introduce basic business principles and skills, this needs to be done in a way that links them to business practice. This could include the use of case studies, simulations and examples of practice in other businesses. Beyond such introductions, learning should be applied to the specific business or business idea of the learner.

* 1. **Those facilitating learning, such as lecturers, tutors, coaches or mentors, should have direct experience of small business or self-employment.**

Those facilitating learning need to be able to relate to enterprise learners. They must empathise with such learners, develop trust based on their credibility and utilise their own experience to enhance learning. Experience of starting and running your own small business is the best guarantee that this will be achieved. An exclusively academic or corporate background is likely to singularly inappropriate.

* 1. **Learning should be available at a time and place, for periods and at a pace that are convenient and appropriate for the learner.**

Learners already running their own businesses are likely to be time poor. Similar problems will arise for those currently in employment. It is therefore important that provision is available when it is convenient for the learner. Learning episodes are often likely to be ‘bite size’, so any programme needs to be able to accommodate this.

Virtual or e-learning has much to recommend it in this regard, since learners can engage as and when time is available. However this alone is unlikely to be fully adequate. For example, the testing and checking of ideas that occurs through interaction with other learners and tutors is far more difficult and less likely to contribute to the development of the full range of inter-personal skills required. A blended learning approach, that offers a mix of on-line and face-to-face learning, is more likely to be appropriate and effective.

1. **Assessment**
   1. **Assessment within a programme should be assessment for learning.**

Assessment should help the learner appreciate their strengths and weaknesses, direct their ongoing learning, embed and deepen their learning and motivate them by recognising their learning achievements.

Assessment should primarily be there to aid the learner, not to meet externally imposed requirements (such as for accreditation or to justify expenditure) that are irrelevant to the learner and their goals.

* 1. **Assessment should be based on naturally occurring, business-relevant evidence .**

Any assessment regime needs to facilitate, rather than frustrate, the active and applied learning that is at the heart of enterprise learning.

Assessing marketing materials or strategies and cash flow forecasts that learners have developed for their own businesses will be appropriate; setting examinations that test their knowledge of business principles will not.

* 1. **Ideally, accreditation should be optional.**

Most people looking for enterprise learning support want help to develop the essential enterprise skills and know-how that will enable their business to survive and thrive. Working on their own account, there is no labour market value for qualifications in the way that can occur when looking for employment or seeking to progress in a corporate environment.

However some learners are motivated to acquire qualifications, whether as a kind of quality kite mark for provision or as a boost to their self-confidence having previously been labelled as failures within the compulsory schooling system.

Learners should therefore have the option of acquiring or avoiding formal recognition of successfully completing a programme of learning through the award of a qualification.

Equally, it is recognised that some programmes may be able to attract funding, and so meet the other goals expressed in this manifesto, only if they lead to a qualification. However, the onus is then on providers to make available non-accredited provision alongside this.

1. **Funding**
   1. **Provision should be available to those who need it, without the cost of provision being a barrier to participation.**

An important part of the rationale for provision as described in this manifesto is to fill the gaps in current provision caused by funding criteria and the like. Many adult enterprise learners will be able to contribute toward the cost of provision. The challenge for providers will be to ensure that their provision is financially sustainable without imposing costs on learners that deter, much less prohibit, participation.

* 1. **Provision should be independently financially sustainable and not reliant upon Government funding or contributions from corporate organisations.**

Linked to the previous point, many sources of funding are risky (as well as partial in their coverage). Changes in policy or the financial circumstances of funders can pull the rug from under provision almost overnight. Enterprising providers need to develop new ways of funding provision that can better ensure its sustainability. This is likely to require innovative approaches that bring income from diverse sources.

**SUMMARY – 17 POINTS OF GOOD PRACTICE**

1. **Rationale**
   1. **Vocational learning providers have expertise in delivering practical, work-based learning.**
   2. **Vocational learning providers are familiar with the appropriate levels of provision.**
   3. **Vocational learning providers should be in a privileged position to contact and meet the needs of many potential enterprise learners.**
   4. **Vocational learning providers are often well embedded within local communities and should therefore be able to network effectively with other local organisations and tailor their provision to local needs.**
2. **Collaboration and conduct**
   1. **Providers should be models of enterprise good practice.**
   2. **Providers should be active participants in networks of businesses, business organisations, business service providers and other business stakeholders.**
   3. **Providers should not duplicate existing, effective provision.**
3. **Content**
   1. **Provision should focus on developing the practical enterprise skills that are needed to survive and thrive when starting or developing a business.**
   2. **Provision should be tailored to the needs of the individual learner and their (current or prospective) business.**
4. **Delivery**
   1. **Learning should be active and related to the business challenge.**
   2. **Those facilitating learning, such as lecturers, tutors, coaches or mentors, should have direct experience of small business or self-employment.**
   3. **Learning should be available at a time and place, for periods and at a pace that are convenient and appropriate for the learner.**
5. **Assessment**
   1. **Assessment within a programme should be assessment for learning.**
   2. **Assessment should be based on naturally occurring, business-relevant evidence .**
   3. **Ideally, accreditation should be optional.**
6. **Funding**
   1. **Provision should be available to those who need it, without the cost of provision being a barrier to participation.**
   2. **Provision should be independently financially sustainable and not reliant upon Government funding or contributions from corporate organisations.**