Entrepreneurial learning and mentoring

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Abstract Discusses the importance of learning to the survival and growth of small to medium-sized enterprises (SMEs). Considers research from a support programme using previous or existing entrepreneurs as mentors to support and advise new-start entrepreneurs. The paper discusses the issues around learning, entrepreneur development, mentoring and the matching of mentors to client entrepreneurs. In particular the paper considers the role of life-cycle development approaches in planning entrepreneurial development, the importance of double-loop learning and learning from experience or critical incidents. The paper then considers whether “just-in-time”, targeted training and support provided directly or facilitated by a mentor may be more cost-effective in the long run than a more traditional up-front prescribed training approach.

Introduction
This paper reviews some of the literature on entrepreneurial learning and considers how the development of learning within small to medium-sized enterprises (SMEs) may be supported. In particular the paper investigates how mentoring support combined with information on the needs of entrepreneurs at specific times in their development may represent an efficient and effective support mechanism. In all, if one was to utilise such as the Churchill and Lewis small firm life-cycle development approach and use mentors to deliver the required support, then this may represent a more effective support mechanism than volume-driven up-front prescriptive training. The paper draws on findings from a programme of ongoing research conducted under the auspices of Paisley Enterprise Research Centre (PERC)[1] that highlights the added-value of mentoring from both a client entrepreneur and mentor perspective. In order to place this paper into context it may be useful to outline our current research objectives:

- Identification of the learning process and implications for current policy.
- Identification of specific requirements and the stage(s) of enterprise/entrepreneurial development when these requirements could best be delivered.
- Identification of mode and timing of appropriate and effective learning support/provision.
- To develop a model of entrepreneurial learning based on case study research.

This article is part of a special issue of papers entitled “Policy and support for entrepreneurial behaviour”, edited by David Deakins.
• Development of appropriate policy recommendations for enterprise/entrepreneur support.

The importance of learning
The development of learning in its various guises of individual, team and organisational learning has been recognised by many as of critical importance to our economic prosperity. Williams (1998) reports that such as Senge (1990) and Argyris (1992) believe that organisations require effective learning capability if they are to succeed in a complex, competitive and challenging world. Amin and Wilkinson (1999) state that “the ability of firms and business systems to sustain learning and adaptation has become a matter of crucial importance for competitive survival”, while authors such as Dosi and Malerba (1996) discuss the importance of an organisation’s “capability to learn”. In all, the ability to learn on a continuous basis is now viewed as a key determinant of competitive success.

Having briefly discussed the importance of “learning” it is important to develop a greater understanding of the concept both in theory and practice if we are to make comment on how best it could be supported within the context of SMEs. It could be argued, for instance, that much of the learning that takes place is experiential; if so, this has major implications for the mode and timing of enterprise support. It may be that a “just-in-time” approach (where specific assistance is offered in response to critical incidents) to delivery of assistance is more effective than a prescribed or “expert” approach where experts deliver a pre-set often “up front” menu of training to all programme participants. In such “up front” and prescribed programmes it is possible that some of the material covered may not be relevant to any particular venture at that time. Unfortunately, such a situation dilutes the possibility of “learning by doing” and of consolidating learning at that time.

Entrepreneurial learning
As discussed earlier, the understanding of the learning process relating to entrepreneurs is of great importance. This and the need for further research are outlined by such as Deakins (1996, pp. 21-22) who states that “We do not understand how entrepreneurs learn, yet it is accepted that there is a learning experience from merely establishing a new enterprise. The learning process that is involved in business and enterprise development is poorly understood, yet programmes have been devised and interventions are made in business development … There is now a need for re-focusing research away from the emphasis on picking successful entrepreneurs or picking winners, to identifying key issues in the learning and developmental processes of entrepreneurship”. Having accepted that entrepreneurial learning is of significance, we now move on to define what we mean by this term.

While the very notion of learning is difficult to define it is generally agreed that the definition of Beach (1980) is fairly comprehensive; namely, that learning “is the human process by which skills, knowledge, habit and attitudes are acquired and altered in such a way that behaviour is modified”. Perhaps
most crucially, this definition highlights learning as achieved only where it becomes or leads to some intention to behave in a modified way. Another view comes from Kolb (1984) who stated that learning was experiential, “a process whereby concepts are derived from and continuously modified by experience … an emergent process whose outcomes represent only historical record not knowledge of the future”. This concept of “emergence” or continuous development is one that sits well with contemporary thought and the “ideology” of such as total quality management and organisational learning. As reported in Rae and Carswell (1999), Watson and Harris (1999) believe that the notion of emergence can help us explore how people learn continually through changing, doing, experimenting and redefining their sense of how they work in a whole-life process of development.

It may also be argued that learning entails “not only a process of adaptive learning in order to cope with change and survive, but also what has been deemed as ‘generative’ learning which embodies the capacity to create and ‘bring forward’ experience, rather than wait for (and learn from) it”. This process may also include bringing forward the learning of the customer and other stakeholders (Hamel and Prahalad, 1994).

Usefully, Williams (1998) developed a process model of organisational learning that incorporates four common characteristics of individual and organisational learning, namely:

1. goal directed – organisational learning occurs within the context of the mission and strategic goals of the organisation;
2. based on experience – consisting of the confirming/disconfirming experiences of decision-making agents, e.g. top management teams;
3. impacts behaviour and cognition – beliefs of the decision-making agents, particularly beliefs relating to powerful stakeholders, are formed, strengthened, or weakened as a result of these experiences; and
4. changes are relatively stable – once beliefs are commonly held they become embedded in the culture of the organisation through associated artefacts. Such beliefs and their associated artefacts become a force for stability within the organisation and are evidence of organisational learning having taken place. Organisational culture is, therefore, an input as well as an output of learning experiences.

Having briefly defined what is meant by the term “learning” we are in a position to consider how learning can be supported in the context of new-start businesses or entrepreneurs. For the purpose of this paper we focus on the added value derived from business “mentors” supporting new-start entrepreneurs.

Mentoring
Mentoring takes place in a variety of socio-economic contexts and as such its precise role may change dependent on the environment and the objectives of that mentoring relationship. In this paper we are specifically interested in
mentoring as a means of supporting new-start entrepreneurs through the provision of “expert” help and assistance in overcoming problems. In all, we are interested in whether a mentor gives the new-start entrepreneur a useful insight into running a small business, perhaps through learning from the mentor’s previous experience.

While a mentor cannot effectively “lecture” to an individual entrepreneur’s prior experience, they may be in a position to give meaning to or aid understanding of that experience. The role of the mentor is to enable the entrepreneur to reflect on actions and, perhaps, to modify future actions as a result; it is about enabling behavioural and attitudinal change. In all, it is about facilitation that enables the entrepreneur to dissect, reflect and learn from what could be termed “critical incidents”. This type of approach is supported by work undertaken by Deakins and Freel (1996) that revealed that the entrepreneur acquires the ability to learn through experience and that the learning process appeared to be the result of critical incidents in which the entrepreneur is required to make strategic and/or operational decisions. Such an approach (of experiential learning) is evident in the thoughts of Williams, 1998, p. 63) – “learning is goal directed; experiences are the substance from which learning emerges; beliefs – i.e. norms and values, and through them behaviour – reflect achieved learning …” Perhaps of greater importance, in this context, is the view of entrepreneurs who, when asked by Choueke and Armstrong (1992) to identify which format of learning was influential in their personal development, responded: past experience (95 per cent of the sample), learning from “colleagues” (61 per cent) and self-learning (54 per cent). Again such a view was supported through earlier work by Armstrong (1990) that also found “experience” to be the major source of learning. If we accept such findings then we need to find ways to help entrepreneurs to reflect on any learning from critical incidents; in other words we need to encourage and facilitate double-loop learning.

It is, therefore, not only the content and delivery mode of enterprise support and advice that is important but also the background, attitude and skills of those who provide advice. Atterton (1995) draws attention to the fact that frequently it is such as bank managers who act as small business advisers, yet they tend to have different attitudes, values and beliefs from the entrepreneurs. As such, their advisory potential, outside of shaping the small business customer to their own requirements, is limited. While there is some recognition that what we teach and who teaches it is of importance, the central problem relating to all of the above situations is that too little is known of how the learning of stakeholders and SME owners actually takes place.

**The nature and timing of support**
Assuming that entrepreneurial learning is largely experiential then one must consider the notion that entrepreneurs may demand specific skills and encounter specific incidents at certain times in their “career”. In particular, we would wish to support entrepreneurs as and when they have experienced a critical incident in order to facilitate double-loop learning. The question,
therefore, is whether training, education and mentoring could be tailored to meet the needs of individual entrepreneurs’ development. Of course, the discussion then becomes complex, as this is dependent on many variables such as the availability of resources, entrepreneurial experience, experience of working in that or related fields, the question of whether the experience is defined by quantity (time) or quality (number of or importance of a given event(s)) and indeed the specific skill and knowledge requirements of that industrial sector or opportunity.

A life-cycle approach
In attempting to recognise the evolution of entrepreneurs and their enterprises a “life-cycle approach or model” would usefully reflect the types of challenges businesses encounter as they mature. One such model is the Churchill Phases of Management model; essentially, Churchill portrayed small business as moving through a life-cycle over which the managerial needs and, therefore, the nature of support required would alter. The phase of management and the challenges likely to be encountered in each phase are detailed in Table I.

In response to meeting such challenges, Churchill’s work identified the management and leadership skills that entrepreneurs perceived as being of most importance during each particular phase (Table II).

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5</th>
<th>Phase 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conception</td>
<td>Survival</td>
<td>Stabilisation</td>
<td>Growth orientation</td>
<td>Rapid growth</td>
<td>Resource maturity</td>
</tr>
<tr>
<td>Develop viable product/service</td>
<td>Sufficient sales for break-even</td>
<td>Maintain customer base and market niche</td>
<td>Developing resources and sales for growth</td>
<td>Maintain adequate cash flow and establish expenses controls</td>
<td>Control financial gain from growth and eliminate inefficiencies</td>
</tr>
<tr>
<td>Deliver product/service</td>
<td>Generate cash to grow, pay expenses, survive in business</td>
<td>Eliminate problems draining cash</td>
<td>Develop management and internal systems to growth</td>
<td>Increasing customer base and market share</td>
<td>Professionalising management, finance, budgets, etc.</td>
</tr>
<tr>
<td>Develop an adequate customer base</td>
<td>Continue business development within niche</td>
<td>Company can stay here barring environmental/other changes</td>
<td>If cash flow outstrips growth, firm may “drop back” to earlier phase or go bankrupt</td>
<td>Professional managers may replace original owner</td>
<td>Well-developed financial resources</td>
</tr>
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Table I.
Phases of management

Source: adapted from Churchill and Lewis, 1983, Figure 6
<table>
<thead>
<tr>
<th>Conception</th>
<th>Survival</th>
<th>Stabilisation</th>
<th>Growth orientation</th>
<th>Rapid growth</th>
<th>Resource maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>Financial management</td>
<td>Financial management</td>
<td>Communication</td>
<td>Communication</td>
<td>Communication</td>
</tr>
<tr>
<td>Administration</td>
<td>Communication</td>
<td>Vision</td>
<td>Motivating others</td>
<td>Vision</td>
<td>Motivating others</td>
</tr>
<tr>
<td>Vision</td>
<td>Marketing</td>
<td>Planning and goal setting</td>
<td>Financial management</td>
<td>Planning and goal setting</td>
<td>Financial management</td>
</tr>
<tr>
<td>Time management</td>
<td>Vision</td>
<td>Communication</td>
<td>Vision</td>
<td>Financial management</td>
<td>Planning and goal setting</td>
</tr>
<tr>
<td>Planning/goal setting</td>
<td>Motivating others</td>
<td>Motivating others</td>
<td>Planning/goal setting</td>
<td>Problem solving/decision making</td>
<td>Problem solving/decision making</td>
</tr>
<tr>
<td>Human resources</td>
<td>Planning/goal setting</td>
<td>Relationship building</td>
<td>Relationship building</td>
<td>Relationship building</td>
<td>Customer/vendor relations</td>
</tr>
<tr>
<td>Business and tech knowledge</td>
<td>Customer/vendor relations</td>
<td>Problem solving/decision making</td>
<td>Business and tech knowledge</td>
<td>Motivating self</td>
<td>Ethics and culture</td>
</tr>
<tr>
<td>Financial management</td>
<td>Employee development</td>
<td>Employee development</td>
<td>Problem solving/decision making</td>
<td>Leadership/management skills</td>
<td>Motivating self</td>
</tr>
<tr>
<td>Problem solving/decision making</td>
<td>Problem solving/decision making</td>
<td>Marketing</td>
<td>Leadership and management skills</td>
<td>Human resources</td>
<td>Leadership/management skills</td>
</tr>
<tr>
<td>Leadership/management skills</td>
<td>Business and tech knowledge</td>
<td>Business and tech knowledge</td>
<td>Human resources</td>
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</table>

**Source:** adapted from Chuchill and Lewis, 1983, Table I
The original Churchill-Lewis model (1983) was revalidated and updated as the result of additional research. This research found that, while there are distinctive and predictable stages in growth, these do not necessarily happen sequentially. It was, therefore, felt proper to rename stages as “phases” to highlight the non-sequential nature of the model. Such a change to the model may help it “fit” with that of learning in SMEs; case study research conducted by Deakins and Free (1998), for example, found that “learning and ability progress in a series of disconnected ‘jumps’ which depend on the experience of the entrepreneur”.

It would, therefore, be interesting to note the skills that our new-start entrepreneurs believe they require as they and their enterprises evolve and grow. In addition, if support is to be effective and is provided “just-in-time” as opposed to delivered in a pre-set and prescribed manner, then such a “model” would prove to be somewhat convenient for planning and resourcing purposes. In other words, if we are attempting to support entrepreneurs through the conception and survival phases then we require to facilitate learning in those skill areas identified as important at that time.

We are hopeful that our research, because of its longitudinal nature and the rich source matter, may aid our understanding of what entrepreneurs need to know, how they learn, whether this is dependent on the stage of evolution of the enterprise and how best any support can be delivered. The fact that the mentoring support provided to our “core sample” is from experienced entrepreneurs introduces another interesting dimension.

Research findings
The research undertaken was part of our research into the First Business Programme[2], a new-start support programme operated by the Local Enterprise Company, Renfrewshire Enterprise. In general terms our findings with regard to mentoring are akin to those of Moran and Sear (1997) who looked at the after-care support provided to PSYBT clients in Scotland. Their research looked at PSYBT support in general, but of specific interest to our research are their findings in relation to the role and perceived value of the PSYBT after-care counsellor. Like the First Business research, they established that an after-care counsellor “needs to combine a general understanding of small business, and empathy with the owner-manager” (p. 141). This supports our findings that one must consider not only the content of any support but also such as the interpersonal skills and attitudes of the delivery agents (mentors).

In addition, their research shows that “The added value of counsellors (mentors) is longer-term” and that the ability to provide help “just-in-time” is the key factor in providing greatest added value.

Value placed on different mentor impacts in the First Business Programme
As outlined in Table III, our research (Deakins et al., 1998) has found that the significance of intervention is thought, by clients, to be greatest in terms of
achieving objectives, ability to learn and the ability to cope with problems. It is interesting that the transference of skills or “ability” is rated highly as opposed to the act of “doing for” or of being more directive. In addition, a number of the key impacts of the mentors closely match the top ten management skills in the conception and survival phases of the Churchill and Lewis “model”. It could, therefore, be argued that it appears that the First Business mentoring programme is successful in terms of giving new-start entrepreneurs the “tools” necessary to succeed or to cope and learn from critical incidents during the early phases of development.

Learning and the impact of the adviser
We argue that it is the ability to reflect on incidents and to become engaged in “double-loop” learning that is of prime importance in this context and that the key role of the mentor is to facilitate and encourage this. Interestingly, reflection on the business and critical incidents that have occurred was mentioned by a number of our new-start entrepreneurs as being of great importance.

A number of those we interviewed expressed a view that they have had to change direction or to reflect on their business. The ability to “stand back” from the business and reflect on learning that has taken place has been seen as important by those interviewed. In effect some of those interviewed indicated that their business had faced “critical incidents” in some cases that could potentially have led to cessation and that this forced them to learn about factoring, VAT, exporting, business premises and so on.

Comments from client entrepreneurs that indicated some form of learning taking place included:
Before starting the business I went to a course to encourage women into management that led on to a certificate in management. I then started the business and as part of the course I analysed my business using tools like SWOT analysis and debated the results in my class. This ability to stand back has helped a lot and led to some expansion. I believe that this ability to look at your own business in this way is so important as you hit hurdles and need to revisit your business plan.

This entrepreneur believes that the underpinning knowledge gained in taking part in theoretical management courses has been critical when faced with “real life” incidents and, importantly, believes that this enabled them to reflect on the incidents and intellectualise any learning that took place. In other words the ability to dissect, reflect, learn and act on a critical incident was seen as of great importance.

Another client entrepreneur who had previously worked in a large public sector organisation commented:

The management training I went through with my previous employer has been invaluable. I’ve had to change the business a lot (out of necessity) and the courses helped me do this without losing the focus of the business. In terms of the mentor our contacts have become less frequent as I now feel more able to cope myself. I now tend to make decisions myself and tell them about it just for some comfort that my decision is valid.

To summarise, many of the entrepreneurs we are tracking have seen their businesses evolve and have found their own previous experience and knowledge to be helpful. In all, the entrepreneurs involved in the programme are facing “critical incidents”, applying prior learning to them, reflecting and learning from those incidents. As our research develops it will be interesting to note if the skills required by entrepreneurs does indeed follow some form of “life-cycle” such as that put forward by Churchill and Lewis (1983) and also the impact that the mentoring programme has had directly or indirectly on their performance.

*Everyone needs a mentor*

Effective interventions to assist entrepreneurs to grow and develop must help them to learn rather than simply impose prescribed solutions as is the case through the provision of “expert” consultancy. Research by Cox and Jennings (1995, p. 9) suggests that it is this ability to learn from mistakes that makes successful entrepreneurs. Importantly, this research also investigated the role, or existence, of a mentor in successful enterprises. While they found that entrepreneurs who had started their own businesses and built them into large corporations did not appear to identify any one individual that had acted as a “mentor”, they nonetheless could relate to the importance of learning from experience from critical incidents. They were, in fact, “individuals who had to make their own way in the world, the process (of becoming innovative) seems to start early in their childhood. Successfully coping with extreme difficulties while very young seems to set a pattern of resilience and ability not only to cope with, but also to learn from, adversity. It is this ability to learn from their experience which is, we suspect, the key attribute of these successful individuals.”
Thus, to summarise the research of Cox and Jennings, élite (self-made) entrepreneurs do not see themselves as having a specific mentor. Those from family firms see the family as providing support and the intrapreneurs who worked their way up through an organisation do indeed acknowledge the support of mentors or senior colleagues in the organisation. This research supports the need for some support, the notion that experiential learning is critical and that some form of “mentoring” appears to have a positive impact on performance in most, if not all, entrepreneurs.

Thus we believe that the ability to undertake reflective or “double-loop” learning, to draw on experience and to be in a position to utilise the experiences of others (mentors) is indeed a valuable combination.

Definitions of mentoring
As it appears that “mentoring” does add value, it is important that we define and discuss mentoring in order that we can understand its importance as a learning tool.

It is difficult to find a universally accepted definition of mentoring; indeed Gibb (1994) argues that “explaining mentoring through a single, universal and prescriptive definition or ‘type’ is inadequate”. While it is accepted that mentoring takes on various guises, it is, for the purposes of this paper, enough to consider some working definitions and to have an appreciation as to the complexity of mentoring. Some definitions of mentoring include:

The process in which an experienced veteran helps to shape or guide a newcomer … true mentoring is an extended, confidential relationship between two people who have mutual personal growth and corporate success – as common goals (Brown, 1990).

Graham and O’Neill (1997) argue that:

the definition of Collin (1979) is best suited to the mentor in the context of support to “new” entrepreneurs, that being “a protected relationship in which learning and experimentation can occur, potential skills can be developed, and in which results can be measured in terms of competencies gained, rather than curricular territory covered.

Having defined mentoring we now look briefly at the role of mentoring.

Role of mentoring
Developmental functions provided by mentoring fall into two categories; namely, career functions that enhance learning of skills and knowledge including the political and social skills required to succeed in an organisation (or own business) and psychosocial functions. Psychosocial functions are those aspects of the relationship that enhance a sense of competence, clarity of identity and effectiveness in a professional role.

Clutterbuck (1991) outlined five key roles played by the mentor; namely, coach, co-ordinator, supporter, monitor, and organiser. Clutterbuck sees the role as a changing role dependent on the needs of the protégé. Such a “staged” approach to the mentor role fits well with the work of Churchill and Lewis
Mentor/client matching

One area that our research has touched on is that of matching the mentor and client or protégé. Indeed, Deakins et al. (1997) found that, while 69 per cent of participant entrepreneurs reported a very good relationship with their mentors, some put forward a view that there may be scope for greater matching of mentors to clients based on the mentors’ sectoral experience or indeed that of, say, gender.

Anecdotal evidence from our research indicates that interpersonal relationships with advisers have changed as time progressed, perhaps an indication that as the entrepreneur develops they require different skills or assistance from the mentor, the Clutterbuck and Churchill and Lewis argument. In such a scenario the needs of the client and indeed the “personal chemistry” required in the relationship may alter as the entrepreneur and the enterprise develop.

In all, there appears to be an argument for matching, on the one hand, but, on the other, it could be argued that since the personal chemistry between the two individuals is so important then any attempt to pre-select or force a mentor/client relationship is likely to be unsuccessful. Such a view is taken by Kram (1986) who states that: “Assigned relationships through formal programmes were found to be problematical”.

The debate as to the need to match clients with specific mentors is also touched on from a learning styles perspective. Mumford (1995) discusses the relationship between learning styles and mentoring and some of his points actually bear a strong resemblance to some views that have come forward as part of our research into mentoring. Essentially, Mumford identifies four learning styles (activist, reflector, theorist and pragmatist), each associated with stages in the learning cycle (having an experience, reviewing the experience, concluding from the experience and planning the next steps). He goes on to argue that, since individuals, both client and mentor, may have either the same or differing approaches to learning, this could affect the effectiveness of the relationship. It is, on the one hand, possible that the two different learning styles will be complementary, bringing forth different responses and opportunities but, on the other hand, these differences may be destructive in terms of the relationship.

One school of thought suggests that entrepreneurs are by definition “activist”, while the mentoring relationship may require someone who is able to assist the client in reviewing the process, concluding from the experience and planning the next step. Mumford suggests that “the presumption behind most mentor/learner relationships, especially in formally constructed schemes, is that the effective mentor is guiding the learner through a process of reflection on the experiences that the learner is undergoing” (p. 6). He (Mumford) also states: “In my experience and in my research, strong activist mentors are more
incliined to leap in with statements about their own experience, and to offer ‘solutions’, than they are carefully to review with the learner what the experience of the learner is and what it means”. This questions the supposition that entrepreneurs may be the “best match” for new-start entrepreneurs and may answer the question of why in the Enterprise Allowance scheme those who most valued the advice of other self-employed people appeared to have suffered greater attrition rates. A three-year progress survey of participants who had participated in the UK Government Enterprise Allowance scheme interestingly found that “Survivors said that the most useful source of advice had come from accountants, while non-survivors had found other self-employed people the most helpful” (Employment Gazette, October 1986, p. 507); the same situation was reported in a survey reported in Employment Gazette, May 1988. This could indicate that new entrepreneurs with relationships with existing entrepreneurs are “directed” rather than guided and that they do not benefit from the process of trial-and-error or reflective learning. Such challenges were recognised by First Business who ensured that mentors were trained in the type of skills needed to be an effective mentor and proactively attempted to have a programme where the mentors acted as “guides” rather than as directors; they aimed at providing non-directive counselling. There are, therefore, conflicting views as to whether any attempt should be made to match the mentor and client in a formal sense or whether the mentor and client should to an extent “self-seek”.

**Existing support**

From a business support perspective, an understanding of how entrepreneurs learn is important if we wish to reduce the attrition rate of new-start businesses and improve their growth rates. The desire to assist new-start businesses by supporting them through the “learning curve” while they gain experience is not new, indeed it was one of the objectives of the Enterprise Allowance Scheme (EAS). “To compensate for the lack of business experience, likely in EAS participants, information and guidance in running a business are provided . . . by the DTI Small Firms Service and their counselling services are subsequently available” (Employment Gazette, August 1984, p. 374).

Having accepted that an approach that facilitates learning is likely to bring benefits, it is interesting to look briefly at the ways in which most business support programmes operate today. It is true to say that much of the public assistance to new-start business currently takes the form of creating a business plan (Gibb and Haas, 1995). While knowledge of such as business planning is helpful it is also recognised that the business will develop differently from the business plan and that entrepreneurs must not see the plan as rigid or inflexible. Indeed, to place too much emphasis on the business plan may lead to an environment where entrepreneurs fear change and are unable or unwilling to be flexible in the face of a dynamic environment. Thus the content of many enterprise support courses may be criticised as not providing “added value” to entrepreneurs in terms of personal development and particularly in improving
their ability to learn. Such programmes could be said to “teach” about issues that are normally of short-term benefit but fail to develop the skills, attributes and behaviours necessary if entrepreneurs are to survive and prosper. One must, of course, consider that the provision of “up front”, prescribed training in such as business planning may be less costly than the provision of counselling or mentoring services. Perhaps further consideration needs to be given to the cost-effectiveness of alternative support mechanisms and the possibility of sponsorship or indeed of some payment from participant entrepreneurs at some stage in the programme.

**Conclusion and policy implications**

The importance of learning to small business survival and growth is beyond reasonable doubt in ever-changing dynamic marketplaces. We believe that effective learning is well served through a mentoring relationship where clients are encouraged to engage in reflective learning and where “just-in-time” support is available, often to consolidate earlier knowledge and learning.

Many volume-driven small business training programmes deliver up-front prescriptive training that may not be of immediate relevance to participants and as such the added-value of such provision could be brought into question. In all, it would be most useful if knowledge, skills and reflective learning could be facilitated as and when required by the entrepreneur. We believe that the support of a mentor with suitable skills, knowledge and experience together with access to appropriate expertise elsewhere represents an effective support system.

Such as the Churchill and Lewis life-cycle development approach could prove useful in identifying the skills and knowledge likely to be required at developmental phases, but the point at which specific entrepreneurs and businesses reach those phases is likely to differ. In addition, one could argue that development is not sequential and linear and as such a life-cycle model, while useful, may not provide the whole picture. It is advisers or mentors who could provide a useful service in identifying when specific entrepreneurs reach a point in their development where knowledge and skills are required and give support in accessing the appropriate training or other provision to meet identified needs.

Having accepted that mentors appear to be an effective support mechanism, we require to consider issues of client-mentor matching and this is a complex area that requires additional research in the context of entrepreneurial support programmes.

To conclude, we believe that entrepreneurial learning is of critical importance to the survival and growth of SMEs in most marketplaces. Our research has demonstrated that mentors provide added value interventions that are likely to bring long-term benefits to clients and therefore society. Life-cycle approaches may assist in planning the provision of training and other support but ultimately support requires to be responsive and flexible to individual needs at any given point in time.
In the “new economy” of the Internet era the ability to continuously learn and acquire knowledge in an ever-changing dynamic environment will be of fundamental importance to all organisations. In particular, if SMEs are to compete in competitive marketplaces they must be more responsive, flexible and customer-focused than larger organisations. As organisations move from planned prescriptive management strategies towards a more emergent and flexible strategic vision then so too must those who support them.

Thus from a policy perspective, those responsible for supporting new-start programmes require to engage in some analysis as to the effectiveness of alternative programmes of support.

Additional research is required particularly on the issue of mentor-client matching and whether alternative systems or methods could be devised to encourage double-loop learning and facilitate access to further support for the new-start businesses involved in any programme.

To conclude, we believe that a mentoring programme may deliver effective support to entrepreneurs when they require it, as they move through a development life-cycle, and that it may be more cost-effective than up-front prescribed training in the long run.

This suggests a need for a fundamental look at the way in which support is currently organised by the majority of Training and Enterprise Councils and Local Enterprise Companies.

There is, however, a need for additional longitudinal research into the long-term impact of mentoring relations vis-à-vis other support mechanisms and, of course, cost-benefit analysis of various options over the longer term.

Notes
1. Detailed findings of the research are available in Deakins et al. (1998).
2. The First Business Programme was launched in 1995 and was a local response to the requirement to increase the number of new-start businesses in Scotland. The uniqueness of the programme is the provision of a mentor with entrepreneurial experience to assist client entrepreneurs for an 18-month period.

References
Armstrong, R.K. (1990), *How Do Managers Learn?*, unpublished research paper, Lancaster University, CSML.


