ASSESSING SMALL BUSINESS TRAINING PROGRAMME EFFECTIVENESS IN AN INCUBATOR SETTING AND BEYOND

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This dissertation is presented in partial fulfilment of the requirements for the degree:
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SUPERVISOR: PROF. S. PERKS
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DECLARATION

“I, Laurene Booth-Jones, hereby declare that:

• the work contained in this dissertation is my own original work;

• all sources used or referred to have been documented and recognised; and

• this dissertation has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution.”

____________________________
Laurene Booth-Jones

November 2012
ABSTRACT

The focus on entrepreneurs as drivers of the economies of nations has catapulted them into the forefront of the local and international marketplace. This has led to a demand for entrepreneurial education and training resulting in a plethora of different and often divergent views. One commonality that has emerged is that entrepreneurship can be taught; although it cannot be taught in conventional and traditional ways. It requires a move from traditional education and training to more enterprising participative and supportive forms of business development. It requires investments of time, resources and support. Incubators are facilities that are engaged with entrepreneurs and offer a variety of support including education and training. This study has assessed the effectiveness of training offered by the Seda Nelson Mandela Bay ICT incubator. There has been limited research undertaken on entrepreneurial education and training in an incubator setting.

This study followed the qualitative paradigm. The sample comprised of 10 small businesses at the Seda Nelson Mandela Bay ICT incubator. Empirical data was obtained by interviewing the owners of the small businesses using an interview schedule. Issues such as the most effective training programme, content that it contained, methodology used and quality of the facilitator and applicability of the training programme were explored.

The study found that the small businesses were opportunity driven rather than necessity driven and that the incubator served as a bridging facility in moving the businesses from the informal sector to the formal sector. The content of the training programmes was found to be effective when a mix of both theoretical and practical is offered especially with an emphasis on the underlying entrepreneurial themes of confidence, persistence and uncertainty and so on. It also found that training programmes should be linked to the life cycle of the business and address the specific needs of the small business owner. The start-up phase requires very specific training. Most of the facilitators were found to be experienced and empathetic. However, only a few were using a wider range of preferred learning styles favoured
by entrepreneurs such as role playing, simulation, brainstorming and problem-solving techniques. The study also found that when generic training programmes are offered there was less recall on the part of the trainees.

The management team of the incubator is an important determinant of the success of the incubatees and it is recommended that they need to be well versed in their sector and have good networking skills. There is a strong link between the theoretical and the practical content of training programmes especially where the emphasis is more on the practical content. It is recommended that facilitators pay attention to their relationship with trainees as it is a critical success factor in the training programme. Training programmes offered over a period of time add more value to the incubatee. This might be because of the mentoring and counselling that is available after each training module is completed. Finally, more research needs to be undertaken on the quality and effectiveness of training programmes offered by incubators to small businesses.
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- Finally thank you to the Creator of Heaven and Earth, Father God, Lord Jesus and Holy Spirit: may the work of my hands bring blessing and honour to Your Name (1Cor10:31).
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CHAPTER ONE
OVERVIEW OF THE STUDY

1.1 INTRODUCTION
Small, micro and medium enterprises (SMMEs) find themselves in the unenviable position of being the panacea for the government’s plight against rising unemployment which has not declined as much as envisaged. Ligthelm (2008:367) further reiterates that high unemployment is often seen as the single most important challenge to poverty-reduction in developing countries, including South Africa.

Unemployment is also on the increase largely due to the formal sectors inability to accommodate new entrants as Co and Mitchell (2005:6) report. They found that South Africa’s capacity to absorb new recruits has fallen from approximately 62% to less than four percent in the last three decades. The formal sectors inability to accommodate new entrants has lead to the establishment of many small informal and mostly survivalist businesses. These entrepreneurs have not started their entities to exploit opportunities in the market, but rather as a direct response to unemployment. These unregistered informal businesses can comprise as much as 80% of the economic activity in developing countries (Herrington, Simrie, Kew & Turton 2011:12).

Survivalist entrepreneurs require very specific targeted policy approaches and training interventions that are different to opportunity entrepreneurs (Ligthelm 2008:367). Adding to this, Brixiova (2010:440) observes that the more educated entrepreneurs start opportunity based businesses which have a significant effect on development whereas less educated individuals are involved in businesses out of necessity with less impact on the economy.

SMME development is therefore one of the South African government’s priority programmes. The policy framework for SMME development is outlined in the 1995 White Paper on the National Strategy for the Development and Promotion of Small Business. Emphasis has been made to provide an enabling environment with measures in place to assist the development of this sector (The Integrated Small Business Development Strategy in South Africa 2012). This has been done by
promoting entrepreneurship as an integral part of SMME development. Establishing partnerships between government and other role players such as the corporate sector, private financing institutions, NGO’s and so on is crucial to all parties working in unity. With this in mind a strategic framework was adopted in 2005 with yearly reviews to monitor progress and to allow for the necessary adjustments thereby ensuring appropriate policy and support measures (Ligthelm 2008:368). However, in 2011 government entrepreneurship programs still score the lowest with much criticism levelled at the proliferation of government agencies with significant funding that has failed to address the needs of entrepreneurs (Herrington et al. 2011:5).

The problem statement will be highlighted next.

1.2 PROBLEM STATEMENT

Research has shown that extant education and training literature highlights the difficulties facing entrepreneurship. According to Steenekamp, van der Merwe and Athayde (2011:53), the ideal entrepreneurial-directed teaching approach is one where the instructor becomes a learning facilitator by including role-playing, management simulations, structured exercises and focused feedback to minimise the traditional ‘listen and take notes’ role of trainees. Adding to this, mention is made that training on perseverance and a positive attitude is an important facet of entrepreneurial education as entrepreneurs are ‘doers’ and prefer to learn in an environment when they can “experiment, reflect and be active in the learning process.” The quality and applicability of the training and education that is on offer to entrepreneurs is very important (Matlay 2005:672). This is important because research has corroborated the link between education and training and successful business creation, innovation and sustainability (Leffler, Svedberg & Botha 2010:310; Matlay 2006:708).

In South Africa poor education and training levels that are prevalent across the whole of society present a massive problem. Herrington et al. (2011:45) have observed that individuals who have completed Grade 12 and more specifically those individuals with tertiary education are more like to start and run small businesses. Higher levels of education are also positively correlated with businesses which are sustainable over the long term. In addition, these statistics are confirmed by findings
in the Global Entrepreneurship Monitor (GEM) report (Herrington, Kew & Kew 2008:37) that highlights education levels and business success with 81.8% of respondents with a tertiary degree using the internet to access information pertaining to their businesses compared to eight percent of respondents with no formal education and 14% with Grade 11 or less, who access information off the internet.

With corporate business streamlining their organisations to be globally competitive, less opportunity exists for school leavers, graduates and retrenched workers to find employment in the formal sector. Herrington et al. (2008:23) observe that since the school system is not producing functionally literate students they are not able to participate actively in the economy. Those attempting to go into business lack managerial, technical and marketing skills and experience and are at a disadvantage in the competitive business environment. The pool of unemployed people is growing and it is critical for all stakeholders to join hands and unite in promoting entrepreneurship on the one hand and the importance of education and training across all levels on the other (Steenekamp et al. 2011:49). The study highlights the urgency of addressing both the quality and applicability of entrepreneurial education and training.

The study is important because as Co and Mitchell (2005:3) notes many young people would prefer to work for corporate businesses. Self-employment is viewed as a risky venture. A dual focus is therefore required to improve the country’s human capital through education and skills and by creating a more enabling environment to dispel negative perceptions about entrepreneurship as an employment option (Herrington et al. 2008:48).

Another problem area is the poor sustainability of start-ups in South Africa relative to other countries in the GEM sample which also highlights the need for policy interventions aimed at supporting and mentoring entrepreneurs through the difficult process of start-up (Herrington et al. 2008:16). This highlights the need for training and support that needs to be pitched at the stage in which the business is.

Co and Mitchell (2005:3) observe that there have been few studies in South Africa that investigates the state of entrepreneurship education in the country. According to
Steenekamp et al. (2011:46) there is an urgent need for entrepreneurship training programmes of value. The role of incubators in the field of entrepreneurship is one of enabling with a variety of business support roles that are offered to SMMEs and nascent entrepreneurs. Training and education form part of the business support that is offered to entrepreneurs who are selected to be part of an incubator. (Ndabeni 2008:266). Small Enterprise Development Agency (Seda) believes that SMMEs or start-ups fail at a rate of about nine in ten in the first two years of operation. However, after graduating from a Seda incubator the survival rate hovers at just over 70% (Timm 2011:60). Research indicates that currently there are over 7000 incubators worldwide so the incubator has proved itself to be a business model which is here to stay for the foreseeable future (Anderson & Al-Mubaraki 2012:208).

This has led to the research question:

What are the requirements for effective entrepreneurial training programmes in an incubator setting?

This study is important as there is very little research on the type of training offered by incubators or the effectiveness of training programmes that are currently offered in incubators.

Based on the research question the following objectives were phrased for the study.

1.3 OBJECTIVES

The primary objective of the study is to assess the effectiveness of entrepreneurial training that is offered to the incubatees in the Seda Nelson Mandela Bay ICT incubator (SNII).

In order to solve the primary objective the following secondary objectives have been identified:

- to explore in literature what entrepreneurship education and training entails;
- to theoretically explore the role of the incubator in training incubatees;
to empirically determine the perception of incubatees on the quality of training received;
• to empirically determine how the incubatees perceive the applicability and appropriateness of the training programme; and
• to provide guidelines for ITC incubators on the type of training programmes to be offered and how it should be presented.

The concepts used in the study are highlighted next.

1.4 CLARIFICATION OF CONCEPTS

The following concepts are used throughout the study and are described below.

1.4.1 Entrepreneur, entrepreneurial education and training

Entrepreneurs are defined as people with entrepreneurial spirit (Smith, Collins & Hannon 2006:557). Entrepreneurial education is defined by Jones and English (2004:417) as a collection of formalised teaching that informs, trains, and educates anyone interested in business creation or small business development. Entrepreneurial training is defined as a learning experience focusing on specific skills and abilities needed to perform a job (Perks & Smith 2008:147).

1.4.2 Survivalist versus opportunist entrepreneurs

Survivalist entrepreneurs are individuals who are forced into starting their own business as a means of survival. This is also known as necessity entrepreneurship (Herrington et al. 2008:11). On the other hand, opportunist entrepreneurs: are individuals who find an opportunity to start their own business. This is also known as opportunity entrepreneurship (Herrington et al. 2008:11).

1.4.3 Nascent versus novice entrepreneurs

A nascent entrepreneur is defined as one who initiates serious activities that are intended to culminate in a viable business start-up whereas novice entrepreneurs are those who have been in operation for more than three months (Aldrich & Martinez 2001:5).
1.4.4 Incubator

An incubator is an enabling and protective facility that serves mostly start-up businesses by providing them with business support in the form of advice, training, mentoring, office space, access to finance and a host of other necessary services to ensure their growth into sustainable businesses (Al-Mubaraki & Busler 2010:336). Bergek and Norrman (2008:21) describe an incubator as a support environment for start-up and fledgling businesses.

An overview on entrepreneurship development and training is given next.

1.5 ENTREPRENEURSHIP DEVELOPMENT AND TRAINING

Promoting entrepreneurship in a country is widely acknowledged as the key to improved competitiveness, job creation and economic growth (Ligthelm 2008:367). Herrington et al. (2011:9) concur by adding that entrepreneurial activity is also considered to be an important catalyst for its welfare effect and for innovation. These factors have led to a growing policy interest in entrepreneurship at an international level.

Education is the key to the success of establishing a culture of entrepreneurship in South Africa (Steenekamp et al. 2011:51). In addition entrepreneurship should be demystified by giving individuals a broad understanding and feel of what is required to develop a business rather than to make entrepreneurs out of the individuals (Tan & Ng 2006:423) This is especially true when looking at the component of young unemployed individuals in South Africa. Steenekamp et al. (2011:49) report that youth unemployment constitutes 70% of total unemployment, which means that two thirds of the South African population between 18 and 35 years of age are unemployed.

Further insight from Herrington et al. (2011:10) recognises that entrepreneurship is a process that comprises different phases:

- **Intending to start** with potential entrepreneurs who believe that they have the capabilities to start a business and who would not be dissuaded from pursuing the idea of starting a business by fear of failing;
• *Just starting* with nascent entrepreneurial activity which is the first three months of running a new business;
• *Running new or established businesses* with former nascent entrepreneurs who have been in business for more than three months, but less than three and a half years; and
• *Discontinuing* business.

These entrepreneurial phases are illustrated in Figure 1.1.

**Figure 1.1: Entrepreneurial phases**

Source: Herrington et al. (2011:10)

Figure 1.1 illustrates the different stages in the process of becoming a fully fledged business owner. The reason this is so important is that at each stage a different training and support intervention is needed. A generic one-size-fits-all approach does not work (FinMark Trust 2010:54; Raiz 2012:28).

**1.5.1 Entrepreneurship education and training**

Education is crucial and it impacts in a variety of ways on entrepreneurs and on society as a whole by creating a positive attitude towards entrepreneurship (Co & Mitchell 2005:3). However, it can be seen that training must be appropriate and relevant to meet the needs of a very diverse group of entrepreneurs (Ligthelm 2008:380).
There is a plethora of articles on training and education in general (Aertsa, Matthyssens & Vandenbempt 2007; Ladzani & van Vuuren 2002; Pretorius 2008) but no articles that focus specifically on training in incubators. There are many articles on incubators and business support in general, but aside from Bergek and Norrman’s (2008) article on the importance of counselling (mentoring) very little research appears to have been done on training in incubators. This confirms the need for a study on training in incubator settings, especially in South Africa.

This study aims to look at one particular aspect of education and training. It looks at the perceptions of entrepreneurs towards the training interventions they participated in whilst being part of an ICT incubator.

The research design and methodology of the study will be discussed next.

1.6 METHODOLOGY
In the next section the research paradigm is discussed.

1.6.1 Research paradigm
At the outset it is important to understand what a paradigm is. Krauss (2005:759) defines a paradigm as a basic belief or world view system that guides the investigator whereas Sobh and Perry (2006:1194) define a paradigm as an overall conceptual framework within which a researcher may work.

There are two main research paradigms that are at opposite ends of a continuum with a range of other paradigms in between. According to Sobh and Perry (2006:1193), quantitative researchers use numbers and large samples to test theories, while qualitative researchers use words and meanings in smaller samples to build theories. At the other end of the continuum is the phenomenological (qualitative) paradigm which Flowers (2009:3) says is concerned with understanding human behaviour from the participants frame of reference and the focus is on meaning rather than measurement.

With the above in mind the qualitative paradigm allows an in-depth focus on the ten identified incubator businesses. The ten interviews with the incubatees will be done
on a one-on-one basis. An interview schedule was used to obtain information from the incubatees on the training interventions participated in during 2011 and 2012. The researcher had a short training session with her supervisor prior to conducting the interviews to be able to maximise the interview time and ensure the relevant information was gleaned from the incubatees. A qualitative approach is relevant as the interview process is subjective and based on real world issues. It is not possible to disregard the complexities of the market place and the context within which the entrepreneurs run their businesses. The focus will be on the effectiveness of the training programmes and the impact that it has on the entrepreneurs and their businesses, in other words the study will be exploratory and descriptive in nature.

1.6.2 Population and sample
The population of this study is all entrepreneurs that have received incubator training. The sample of this study is thirteen entrepreneurs. The criterion for inclusion in the study was that they have received training from the SNII in Nelson Mandela Bay Metropole in 2011 - 2012. The sample was chosen on a random basis by the management of the incubator. Five of the entrepreneurs have graduated from the incubator and eight are still in process of being trained in the incubator system. Three of the businesses are virtual members of the incubator and have access to the resources of the centre without having offices at the centre.

1.6.3 Data collection
As this is a qualitative study an interview schedule with open ended questions was used to extract information pertaining to the effectiveness of the training interventions. The names of the ten incubatee businesses were obtained from the incubator manager. In-depth interviews were conducted with the ten selected incubatee businesses which comprised 13 participants. Some of the information obtained was again verified telephonically or further questions were asked.

1.6.4 Data analysis
Data was analysed using the constant comparative method by comparing all ten cases in terms of various factors that play a role in providing effective entrepreneurship training. Content analysis will also be utilised as a data analysis method after determining the themes and subthemes.
1.6.5 Trustworthiness
Trustworthiness was ensured by asking the same questions to all ten incubator businesses. All the entrepreneurs will be interviewed at their business premises. The questions in the interview schedule were extracted from the literature survey. Some of the information obtained was again verified telephonically or further questions asked. The incubator manager could also provide some information if needed.

1.6.6 Ethical clearance
The anonymity of the ten incubatees is assured as they are referred to in the study as Case A, B and so on. The interview schedules were also marked as such. Ethics clearance was obtained from the Nelson Mandela Metropolitan University.

The demarcation of the study follows next.

1.7 DEMARCATION OF THE STUDY
The study examined ten SMMEs involved in the Seda Nelson Mandela Bay Municipality ICT Incubator (SNII). The incubator is located in Port Elizabeth and has a focus of Information Communication and Technology. Because this study is qualitative in approach with a small sample in a very specific setting it will probably not be possible to generalise the findings of the study outside of an incubator setting. However, given the large number of incubators that are in operation worldwide and that there is very little research on training in these settings it is hoped to create an awareness of the need for effective and appropriate training. In the South African context the need for relevant and appropriate entrepreneurial training and education is of paramount importance.

The outline of the study follows next.

1.8 OUTLINE OF STUDY
The study is divided into seven chapters:
• Chapter 1: This chapter outlines the scope of the study, the problem statement, the research objectives, research questions, methodology and definition of concepts.

• Chapter 2: This chapter focuses on a literature review of entrepreneurial training and education. It will outline a framework for assessing training programmes.

• Chapter 3: The chapter gives an overview of the incubator environment. This will include the purpose, the different types, the success factors and the business support of incubators. Incubators from an international and a local perspective will also be discussed.

• Chapter 4: This chapter outlines the research methodology which includes the research paradigm, sampling design and measuring instruments used to gather the data. Data collection and analysis methods will also be indicated as well as how trustworthiness will be ensured.

• Chapter 5: This chapter provides the biographical data of the incubatees.

• Chapter 6: This chapter focuses on the results of the training programmes attended by the participants of the study.

• Chapter 7: This chapter summarises the study and then provides conclusions and recommendations.

In the next chapter an overview on entrepreneurship training will be provided.
CHAPTER 2
ENTREPRENEURSHIP TRAINING

2.1 INTRODUCTION
In chapter one an overview of the field of entrepreneurship and SMMEs was briefly indicated. In particular the role of education and training for entrepreneurs was highlighted as being one of the critical success factors for economic development from an individual and societal point of view. The study by Smith and Perks (2006:2) concurred that there is a correlation between trained and educated entrepreneurs and successful business development. The role of the incubator is introduced as an enabling environment for entrepreneurs especially with regards to access to training. Clarification of terms used and a brief outline of the methodology were also covered in chapter one.

In this chapter the literature pertaining to entrepreneurs and SMMEs and the role of training and education will be discussed in-depth. According to Perks and Smith (2008:147), research is sparse while Nieman (2001:447) adds that education and training is fragmented in South Africa. Furthermore teaching or facilitating in the field of entrepreneurship is complex and diverse because of the range of entrepreneurial opportunities. The appropriateness of entrepreneurial education and learning will be scrutinised and an indication of what the quality of the training programmes should be will be discussed. The need for entrepreneurship is highlighted next.

2.2 THE NEED FOR ENTREPRENEURSHIP
Entrepreneurship has emerged over the last two decades as the most potent economic force the world has ever experienced. In the United States for example there has been a lot of growth with over 807, 000 new small firms established in 1995 alone. This is confirmed by the Global Entrepreneurship Monitor (GEM) survey which estimated that 388 million entrepreneurs actively pursued starting a new enterprise or were involved in running a new business in 2011 (Herrington et al. 2011:8). Entrepreneurship is the fundamental differentiator in the United States culture, where 37% of the population are involved in their own ventures apart from their regular jobs (Pretorius 2008:1).
The GEM report of 2011 provides a comprehensive view of entrepreneurship across the globe by measuring attitudes of the population in an annual survey that is conducted with at least 2000 adults who are engaged in entrepreneurship in a country. It takes cognisance of the fact that entrepreneurship is a process that comprises different phases and that the contexts and conditions are diverse and complex in each country. The primary measure of entrepreneurship is the Total Early-Stage Entrepreneurial Activity (TEA) Index. This index measures the level of dynamic entrepreneurial activity by considering the incidence of start-up businesses and new firms (up to 3.5 years old) among individuals aged between 18 to 54 years (Herrington et al. 2011:12).

South Africa’s levels of entrepreneurial activity are shown in Table 2.1 which allows a comparison to be made between the countries that comprise BRICS (Brazil, Russia, India, China and South Africa).

**Table 2.1: Total early-stage entrepreneurial activity and established business ownership rates across the BRICS countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total early-stage entrepreneurial activity (%)</th>
<th>Total established business ownership rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>2011</td>
</tr>
<tr>
<td>Brazil</td>
<td>11.6</td>
<td>14.9</td>
</tr>
<tr>
<td>Russia</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>India</td>
<td>10.4</td>
<td>N/A</td>
</tr>
<tr>
<td>China</td>
<td>16.2</td>
<td>24.0</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.3</td>
<td>9.1</td>
</tr>
</tbody>
</table>

Source: Herrington et al. (2011:25)

From the above statistics South Africa’s low TEA is apparent and as a country this is further exacerbated by a small pool of entrepreneurs - with only six in every hundred adults reported as being entrepreneurial. The total established business ownership rate is also low and is only higher than that of Russia. Total established business ownership rate has only improved from 2006 to 2010 by 0.06%. These issues point to the urgent attention that is needed in this sector by government and the private sector.
The White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa of 1995 sets the national strategy for the development and promotion of small business and emphasises the important role of small business development and the empowerment of entrepreneurs as predicators of economic growth (The Integrated Small Business Development Strategy in South Africa 2012). Given the shrinking formal economy it is only through the creation of millions of enterprises that millions of jobs will be created (Pretorius 2008:2). There is thus growing recognition that entrepreneurship is the engine that drives the economies of most nations. The need for entrepreneurial education and training is highlighted next.

2.3 THE NEED FOR EDUCATION AND TRAINING

Herrington et al. (2008:32) confirm that research has consistently shown an association between education and training and success in entrepreneurial ventures. Several authors (Matlay 2006:708; Perks & Smith 2009:12; Tan & Ng 2006:418) also corroborate the finding that a higher level of education is linked to higher success rates of small business and an individual’s confidence to participate in high potential growth entrepreneurial businesses. Previous working experiences and growing up in an entrepreneurial family environment also contribute to business success (Perks & Smith 2009:13).

Kuratko (2005:580) regards the entrepreneurial mystique as being neither magic nor mysterious and having nothing to with the genes but as a discipline that can be learned. This point of view is iterated by Penaluna, Penaluna and Jones (2011:3) in a longitudinal study from 1985 to 1995. It indicates that entrepreneurship can be taught, or at least encouraged, through entrepreneurship education.

Since it is generally acknowledged that entrepreneurship can be taught – at least certain facets of it - the question to be asked is what should be taught and how should it be taught. There are however, many different opinions about the appropriate methodologies to teach and to equip students with the requisite entrepreneurial skills. A study in America and Ireland found that 72% of MBA students supported the notion that entrepreneurship can be taught and 95% felt that entrepreneurship should be included in a MBA programme (Tan & Ng 2006:419).
With the expansion of new venture creation (NVC) a similar increase in the field of entrepreneurship education has arisen. The recent growth and development in curricula and programs devoted to entrepreneurship and NVC has also been remarkable (Kuratko 2005:577). NVC is a multi-faceted discipline which promotes creativity, cross functional thinking and ambiguity tolerance. Perks and Smith (2009:2) concur that there is a growing need for better entrepreneurial skills to deal with current challenges and demands. This reiterates the need for effective and appropriate entrepreneurial training and coincides with the need to promote entrepreneurial learning.

Although there has been a proliferation of business education and training there is still conceptual confusion as to what constitutes small business education and training. In addition there is still a lack of research regarding the social and economic impact of training programmes. One aspect where agreement has been reached by most researchers is that there needs to be a shift from traditional teaching to that of facilitating the learning process (Perks & Smith 2008:147). It is also agreed that the participants should play a more active role using business simulation exercises, role plays and focused feedback sessions as techniques. Most entrepreneurs prefer learning by doing rather than engaging in formal training programmes (Perks & Smith 2009:7). The traditional model is largely, but not wholly inappropriate for a number of reasons and a model for creating understanding of, and empathy with the ‘way of life’ of the entrepreneur and how to live day to day with uncertainty and complexity is advocated (Penaluna et al. 2011:4).

The United Nations Conference for Trade and Industry (UNCTAD) confirmed this move by implementing the integration of entrepreneurial competencies and ‘soft skills’ such as creativity, initiative and persuasion in the curriculum across all ages and subjects which implies a shift from a traditional emphasis in many education systems on evaluating the ideas of others to generating ideas oneself (Penaluna et al. 2011:4).

The role of the government in promoting entrepreneurship will be highlighted next.
2.4 THE ROLE OF GOVERNMENT IN PROMOTING ENTREPRENEURSHIP

The government’s focus has been on supporting black entrepreneurs as they were the most marginalised group during apartheid. The Preferential Procurement Policy Framework Act (2000) and the Black Economic Empowerment (BEE) codes, which came into effect in 2008, were created to assist black previously disadvantaged individuals in a practical way (Timm 2011:20). Herrington et al. (2008:24) comment on the equity targets for businesses leading to an increased demand for qualified black African applicants. Since businesses are prepared to pay premium salaries, it increases the opportunity cost factor for black Africans with tertiary qualifications who are considering starting a business. This has had a negative impact on the entrepreneurial field.

The government has the ultimate responsibility for developing policies and laws aimed at the promotion of economic growth and social development of all its citizens. South Africa has an array of funds and different government parastatals. It has extremely complex government support matrixes and the main funds and agencies are distributed across two different departments. This creates problems in co-ordination and dilutes the effectiveness of funding to small businesses. (Timm 2011:22).

FinsScope South Africa Small Business Survey (2010:31) list of some of the government support and advice available to small businesses:

- National African Federated Chamber of Commerce and Industry (NAFCOC);
- Khula Enterprise Finance Ltd (Khula);
- National Youth Development Agency (NYDA);
- Small Enterprise Development Agency (Seda); and
- SA MicroFinance Apex Fund (SAMAF).

Table 2.2 further illustrates the findings of the FinsScope South Africa Small Business Survey of 2010.
Table 2.2: Small business government support agencies

<table>
<thead>
<tr>
<th>Support Agency</th>
<th>Aware of (%)</th>
<th>Utilised (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seda</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>NYDA</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Khula</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Timm (2011:21)

This survey found that only a minority of entrepreneurs in their study were aware of or utilised the services available to them from governmental support agencies. There has been large-scale acknowledgement from both inside as well as outside of the government that the significant funding and support initiatives for small businesses have not had the desired effect in growing the sector. In addition, in another study, a 2007 report by the Centre of Entrepreneurship (CIE) at the University of Cape Town's Graduate School of Business revealed that in Gauteng just 13.5% of entrepreneurs are aware of Seda and only 1.3% had utilised their services (Timm 2011:21). Ligthelm (2008:368) confirms that various government backed entities have been established in the SMME sector with little apparent success and cites the following deficiencies:

- Gaps between business needs and the types of services offered;
- Programmes that do not develop an entrepreneurial culture;
- There is a tendency to focus on potentially viable firms (which is good as long as there is targeted focus on the less potential entities as mentioned above);
- There is a tendency to serve larger small and medium enterprises better than small firms;
- There is a low usage of Department of Trade and Industry (DTI) and agency programmes; and
- Administration and ‘red tape’ is cumbersome.

Herrington et al. (2008:16) also highlight the need for policy interventions aimed at supporting and mentoring entrepreneurs though the process of NVC. They cite that support offered often starts and finishes with the provision of a generic business plan. Issues are also raised about business and personal management skills of entrepreneurs. South Africa had the highest percentage of experts identifying education and training as a major limiting factor constraining entrepreneurial activity.
(Herrington et al. 2008:31). It is evident that creating an enabling environment for entrepreneurs is a huge task and it is much too big for the government alone. All stakeholders must share the responsibility of learning and this includes the government, the community and the entrepreneurs themselves (Perks & Smith 2009:5). The next section will look at the difficulty in defining entrepreneurial education and training.

2.5 ENTREPRENEURIAL EDUCATION AND TRAINING

It is difficult to distinguish between education and training as the two concepts are used interchangeably thereby making the distinction between the two blurred. Merriam and Merriam (1975) define education as knowledge and development resulting from an educational process. A knowledge base is established that underpins any other activities the individual may engage in later. The definition of training according to Merriam and Merriam (1975) is: the skill, knowledge, or experience acquired by one that trains. In order to make the distinction clear education is the know-why of learning while training is the know-how of learning. Both education and training are synonymous with teaching and are necessary for the development of the whole person.

Adding to the blurred distinction between education and training is the fact that there is also no universally accepted definition of entrepreneur or entrepreneurship (Steenekamp et al. 2011:49). However, there is general agreement that entrepreneurship needs to be defined more broadly than business management because it includes elements of creativity, risk taking and innovation. Entrepreneurs are described by Smith et al. (2006:557) as people with entrepreneurial spirit. Herrington et al. (2011:8) regard entrepreneurship as any attempt at new business or NVC, such as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals or an established business. Steenekamp et al. (2011:50) relate the concept of entrepreneurship to the behaviours, skills and attributes applied individually and/or collectively to help individuals, and organisations of all kinds to create, cope with and enjoy change and innovation involving higher levels of uncertainty and complexity as a means of achieving personal fulfilment.
Entrepreneurial education is defined as the process of providing individuals with the ability to recognise commercial opportunities and the insight, self-esteem, knowledge and skills to act on them (Jones & English 2004:416). It can therefore be seen that a core objective of entrepreneurship education is that it can be differentiated from typical business education (Kuratko 2005:583). Education in entrepreneurship covers the entire scope of business administration and as such is the closest approach to the original concept of management education given the narrow specialisations that have emerged in the contemporary business world (Kuratko 2005:582). Entrepreneurial training is also distinct from management training because time is vital to start a business (Pretorius & Wlodarczyk 2007:509).

Pretorius and Wlodarczyk (2007:509) comment on the lack of consensus among scholars in the field of entrepreneurship about suitable training curricula for NVC. This problem is exacerbated by the training emphasis of SMME service providers in South Africa on more conventional business training than entrepreneurial training. It is evident that confusion exists between management training and entrepreneurship training (Nieman 2001:445).

Business entry is fundamentally a different activity to managing a business; entrepreneurial training must address the equivocal nature of business entry. According to Kuratko (2005:583) when looking at business entry entrepreneurial learning must include:

- skill-building courses in negotiation;
- leadership;
- new product development;
- creative thinking;
- exposure to technological innovation;
- sources of venture capital;
- idea protection;
- ambiguity tolerance; and
- challenges associated with each stage of business development.
Jones and English (2004:417) confirm that entrepreneurial education can be viewed broadly in terms of the skills that can be taught and the characteristics that can be engendered in individuals that will enable them to develop new and innovative plans. An entrepreneurial training programme must include elements such as communication skills, negotiation skills, leadership and creative thinking, authentic involvement in entrepreneurial activities, developing business plans, practice in opportunity identification and exposure to entrepreneurial role models and new product development (Pretorius & Wlodarczyk 2007:510). Thus entrepreneurial training focuses on the expertise used to conceive and commercialise business opportunities. The skills taught in traditional business education programmes are still necessary but current curricula address important functions of running a business rather than elements of creating one.

According to Pittaway and Cope (2007:215), entrepreneurial education comes in a number of forms: about, for and practise in (or through). ‘About’ refers to the use of traditional techniques for explaining entrepreneurship. As mentioned earlier the know-why of learning. ‘For’ refers to acquisition of entrepreneurial skills through learning by doing or the know-how aspect of learning. ‘Practice in’ form refers to the fact that knowledge is subjective and experiential but is still linked to theoretical knowledge. The ‘practise in’ form seeks to simulate entrepreneurial learning by creating an environment where such learning can take place. It tries for example to replicate behaviour that is required during NVC. A consistent element of this type of approach is that participants work with real problems that do not have a clear solution. As a result opportunities are created for students to learn from mistakes and a dynamic learning environment is created where peer-to-peer learning can occur and thus is also an enabler for creating emotional exposure.

The description that is the most practical and which incorporates both educational and training components is the one proposed by Pretorius (2008:3) who views entrepreneurial education as the process whereby knowledge or training is provided, especially through formal teaching and instruction of the theory of a specific concept. It also encompasses training, which means to make proficient through specialised instruction and practice to enable successful execution.
Steenekamp et al. (2011:48) agrees with this viewpoint by reiterating that the main difference between education and training relates to focus: whereas education focuses on the product rather than the process, training is more concerned with the process. A holistic approach is thus required to connect knowledge transfer (education) to skills development (training) according to Tan & Ng (2006:416). In addition, the objectives and goals of entrepreneurship education should be connected to learning and social needs (Fayolle & Gailly 2008: 574).

The value of entrepreneurial education as explained by Pittaway and Cope (2007: 215) is that it deliberately merges theory with practice and links explicit and tacit forms of knowledge. The notion of education seems more appropriate to situations intended for developing learners’ minds, raising peoples’ awareness of the entrepreneurial phenomenon, providing them with keys to their personal development and professional orientation and giving incentives to act entrepreneurially. The notion of training appears more appropriate to contexts related to knowledge transfer of entrepreneurial themes and dimensions. Both ‘training’ and ‘education’ should be combined in entrepreneurship courses and programmes.

In the next section, the model by Fayolle and Gailly (2008:571) will be discussed in terms of what should be considered when assessing a training programme.

2.6 ASSESSING EDUCATION AND TRAINING
Fayolle and Gailly (2008:572) have drawn up a framework which is very useful when assessing training programmes. Each of the five segments is an integral aspect of training programmes. The framework becomes a yardstick against which to measure a training programme.
The next section will looked at each of the five requirements of entrepreneurial training as indicated in Figure 2.1 in greater detail. The first requirement is the objective of the training.

2.6.1 Training objectives

The content and level of entrepreneurship courses vary significantly depending on the objectives of the training (Pretorius & Wlodarczyk 2007:505). Beginning with the end in mind is a good place to start when planning entrepreneurial education and training. The objectives of the training will have to consider that trainees will have different levels of education, different business needs and the businesses are at different stages of growth. Pretorius and Wlodarczyk (2007:511) discuss qualifiers that influence the objectives, training content and the level at which the course is presented. The specific life cycle of the business is an example of a qualifier.

In the South African context it is also necessary to make the distinction between opportunitist and survivalist entrepreneurs. The objectives of programmes are very different comparing survivalist entrepreneurs with opportunist entrepreneurs. The former group are mainly in the retail sector whereas the latter (10% - 15% of the group and therefore a minority) are mostly in the service sector (Ligthelm 2011:166).
Generic training programmes are not ideal as the objectives may work against the effectiveness of the programme. Therefore it is important that a distinction is made at the outset of training in terms of what the expected outcomes are to be for the participants. The ultimate objective is a learner-friendly environment that promotes a culture of life-long learning (Perks & Smith 2009:5). The next requirement to align the training to is the target audience.

2.6.2 Target audience
When evaluating training programmes the audience needs to be identified and evidence regarding the general characteristics, background and the social environment of the trainees needs to be gathered. Perks and Smith (2008:153) concur that programmes need to be adapted to the knowledge, financial acumen and experience level of the trainees. Topics for inclusion in the course content should meet the training needs of potential entrepreneurs at the various stages of a person’s entrepreneurial development (Pretorius & Wlodarczyk 2007:507).

Assessing instructional materials for the target audience should be matched to trainee levels of academic skills for improving performance outcomes. Elements of the programme context must meet with the participants’ expectations. Pretorius (2008:3) recommends the following aspects:

- previous experience;
- prior educational levels;
- critical outcomes to be achieved on completion of the training (e.g. practical start-up versus knowledge about start-up processes);
- reasons for participation in the training programme; and
- needs of the target group undergoing the education (necessity versus opportunity reasons).

An entrepreneur who has been in a business for a year or two will have different training needs to novice and nascent entrepreneurs (Pretorius 2008:3). Training needs for micro and small businesses are often difficult to identify and so effective training in many activities remains limited. In addition, there is the added problem of finding suitable training interventions to facilitate the acquisition of skills for growing
and developing small business entrepreneurs in South African townships. (Perks & Smith 2009:3). Small business trainers need to be sufficiently aware of African cultural issues, particularly in the rural areas where traditional knowledge of shared values, attitudes and beliefs exist (Nieman 2001:450). If wishing to align the training programme to the target audience, the content of the training programmes should be paid attention to.

2.6.3 Training content
Pretorius and Wlodarczyk (2007:507) state the importance of understanding recommended best practice standards when choosing the content and training approach to be used in training. Perks and Smith (2009:4) assert that the view behind most education and training programmes is of a technical nature and often a quick-fix programme in areas and disciplines which the entrepreneur is not familiar with. The success of education methodologies for developing small business entrepreneurs depends on making sufficient provision for complex situations whilst simultaneously incorporating multi-dimensional elements (Pretorius 2008:2). Pretorius and Wlodarczyk (2007:507) cite inconsistency in viewpoints regarding the content of training programmes. Pretorius (2008:5) suggests that to prevent this from occurring the content of courses in a basic entrepreneurial programme should have the following entrepreneurial themes:

- commitment;
- leadership;
- opportunity obsession;
- tolerance of risk, ambiguity and uncertainty;
- self-reliance and the ability to adapt; and
- motivation to excel.

Business knowledge and skills are standard items in the content of most business and entrepreneurial programmes. However, small business training must be closely related to the small business environment and not based on the management of large enterprises (Nieman 2001:450). Perks and Smith (2008:148) assert that the following key points also need to be taken into account when evaluating training programmes with respect to the content for entrepreneurs:
• broader concepts related to problems should be viewed from a multi-disciplinary 
  perspective; and
• dealing with conflict and resolving issues.

However there is also a need for focused training programmes for small business. 
Perks and Smith (2008:149) found that training programmes are often too broad in scope and not able to meet specialised training needs. In addition they noted that training tended to focus on operational issues. These issues will impact on the content of training programmes whose main aim should be to reach the entrepreneur.

Training courses should be modular and relevant to the needs of sectors and target groups (Nieman 2001:448). It may also be useful to have smaller sessions that target specific skills (Perks & Smith 2008:153). In conclusion, Pretorius and Wlodarczyk (2007:506) emphasise that course content alone cannot create sustainable businesses, nor can training in isolation. Acquiring skills specific to SMMEs is seldom achieved through structured learning but rather through the processes of skill formation. Programmes that are regarded as successful vary between being very simplistic and mostly abstract (Pretorius 2008:5).

2.6.3.1 The business plan

The development of business plans appears to be a very important feature of entrepreneurship training and small business development (Matlay 2006:707; Pretorius 2008:6). Tan and Ng (2006:418) also found considerable emphasis on the development of the business plan in their study on entrepreneurial training.

The business plan forms an important part of all education programmes for business entrepreneurship and especially start-ups. Matlay (2006:707) shows the many uses the business plan has and that it is a tool for:
• venture capitalists and financial institutions to use when selecting a new business, innovative idea and so on;
• providing a holistic view of the integration of all required elements that indicate potential success; therefore the value of the business plan is found in the process of its creation;
• reducing risk as in the process of writing the business plan the entrepreneur is forced to consider all the aspects of the potential business;
• presenting the plan publically and defending it and this is a valuable learning experience; and
• indicating whether the entrepreneur has grasped the salient concepts relevant to a successful business operation.

Business plans are an important component of the content of entrepreneurship training programmes and can be classified as either simulation or experiential learning. The next requirement that will be looked at is the method used to convey the training.

2.6.4 Training methodology
Learning is at the heart of education (Fayolle & Gailly 2008:580). Learning is defined as the acquiring of new skills, knowledge and values. Le Roux and Steyn (2007:331) note that it is an ongoing process, it is informal and it is concerned with the inner self. Learning is knowledge gained through experience (Pittaway & Cope 2007:212). Experience generates new meaning and leads to changes in thinking and behaviours. It is therefore important that participants play an active role in the learning process (Fayolle & Gailly 2008:580). This view is endorsed by Perks and Smith (2008:148) who comment on the fact that entrepreneurs need to be encouraged to take ownership of the learning process. Effective entrepreneurs are exceptional learners. They learn from their customers, suppliers and especially competitors as well as from employees, associates and from other entrepreneurs. They learn from what works and, more importantly, from what doesn’t work (Pittaway & Cope 2007:212).

Entrepreneurial training is important in that it stimulates the activities and performance of entrepreneurs by creating new opportunities and possibilities through learning. It also brings awareness of new ways of attempting and completing tasks
Most of the learning is done on an individual basis. However, learning also takes place in a group context so there is also a social dimension which shapes the learning experience.

There are different types of learning which are effective in entrepreneurial training. Simulation, experiential learning, problem-based learning and didactic and enterprising methods of learning will be highlighted in the next section.

2.6.4.1 Simulation
Simulations are developed to become learning environments that replicate aspects of entrepreneurship. The simulations are not real but they prepare a person to be able to deal with the scenarios should they occur (Tan & Ng 2011:2). One factor that cannot easily be simulated is the financial exposure and associated risk that an entrepreneur faces when starting a business, as this can only be experienced directly. Pittaway and Cope (2007:213) contend that simulating entrepreneurial learning is difficult and under-researched. Simulation requires the creation of an uncertain and ambiguous context encouraging students to step-outside-taken-for-granted assumptions. Entrepreneurs work on unfamiliar activities where group dynamics are crucial and uncontrollable. A simulation needs to enable a context whereby participants do something entrepreneurial and in doing so learn experientially.

There are different methods of transferring information and expertise to entrepreneurs and some of the learning tools that can be used to facilitate learning are behavioural simulations and computer simulations. Greene (2012:2) notes the influence of computer games and gaming on the younger generations which makes simulation popular. In addition, gaming aligns learning, play and participation while exposing participants to real challenges in a virtual world. An example of a serious game is: The Sims and the expansion packet ‘Open for Business’.

2.6.4.2 Experiential learning
Tan and Ng (2006:418) found that most of the programmes encompass learning by doing through outside-the-classroom activities such as internships with start-ups, and creating and running small businesses. Within classroom settings experiential
learning processes are enabled using computer based simulations. This allows trainees to transfer the simulated strategies to real-life situations. Within group settings participants often have diverse backgrounds which provide an enriching cross-cultural experience. This is very important in the South African context where the view of a ‘rainbow nation’ reflects our diverse cultures, languages and religion (Nieman 2001:447).

Entrepreneurs are action-orientated and learning occurs through experience, discovery and by discussing business matters of mutual concern (Nieman 2001:450). Kuratko (2005:585) comments on how widespread and diverse experiential learning is and provides the following examples of experiential learning:

- interviews with entrepreneurs;
- environmental scans;
- field trips; and
- use of video and films.

Business start ups are also often used in training programmes and Greene (2012:1) defines this type of learning as a limited-duration business start-up steeped in entrepreneurial thinking and a basic understanding of all business functions. It is advocated that real-world business creation courses start at the beginning rather than at the end of training programmes. This has the advantage of trainees experiencing feelings of defeat after making poor decisions and experiencing elation over small wins and so on.

2.6.4.3 Problem-based learning

Problem-based learning is also one of the preferred and therefore most effective ways that entrepreneurs learn. All people learn from experience when they are involved in solving problems. Real-life problems facilitate more meaningful entrepreneurial learning. Problem-based learning offers participants’ valuable insights into the actual operations of a business and later they are able to apply their learning to real-life situations. Kuratko (2005:285) maintains the need for emphasis on presenting problems that require novel solutions under risky and ambiguous conditions.
Smith and Perks (2006:5) concur that a problem solving practical orientation is preferable rather than a textbook focus and state that problems should be solved from a multidisciplinary point of view. This creates a focus on developing new learning styles and coping mechanisms.

2.6.4.4 Didactic and enterprising methods of learning

A comparison between didactic and enterprising methods of training highlights the differences in the two methods of teaching entrepreneurs. Traditional teaching methods are not suitable for the transfer of entrepreneurial skills and training due to the preferred learning method of active learning rather than classroom learning on the part of entrepreneurs (Le Roux & Steyn 2007:331). The difference between the didactic and enterprising methods is shown in Table 2.3.

<table>
<thead>
<tr>
<th>Didactic method</th>
<th>Enterprising method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning from teacher only</td>
<td>Learning from each other</td>
</tr>
<tr>
<td>Passive role as listener</td>
<td>Learning by doing</td>
</tr>
<tr>
<td>Learning from &quot;expert&quot; frameworks of teacher only</td>
<td>Learning by discovering (under guidance)</td>
</tr>
<tr>
<td>Learning from feedback from teacher only</td>
<td>Learning from the reactions of many people</td>
</tr>
<tr>
<td>Learning in a well-organised timetabled environment</td>
<td>Learning under pressure to achieve goals</td>
</tr>
<tr>
<td>Learning without pressure of immediate goals</td>
<td>Learning by borrowing from others</td>
</tr>
<tr>
<td>Copying from others discouraged</td>
<td>Mistakes learned from</td>
</tr>
<tr>
<td>Mistakes feared</td>
<td>Learning through problem solving</td>
</tr>
<tr>
<td>Learning by notes</td>
<td></td>
</tr>
</tbody>
</table>

Source: Pretorius (2008:5)

The differences between the two methods are mostly in the understanding of the facilitator’s role and that of the participant. According to Pretorius (2008:6), the didactic method places the emphasis on the facilitator to provide all the knowledge and the learning takes place in an environment where mistakes are avoided, learning takes place without pressure and the participant plays a very passive role in the learning process. This is not a satisfactory method of teaching entrepreneurs who need to learn from mistakes, need to learn through problem solving and most importantly need to play an active role in the learning process. The role of the
The facilitator in the enterprising method is thus one of creating an enabling environment where learning takes place from all the participants involved in the training.

In general the more the learner is involved in and responsible for the learning that takes place, the better the learning approach. It is for this reason that case studies, simulations and business plan executions are such important approaches. There is also a strong link between the facilitator and the type of approach selected (Pretorius 2008:7). In the next section the role of the facilitator is examined.

2.6.5 The role of the facilitator

Literature is replete with many examples verifying the importance of the facilitator as an enabler in entrepreneurial education. Pretorius (2008:5) emphasises the critical role the facilitator plays in the learner support system where the responsibility is for creating an enabling environment and not just for teaching. The facilitator controls the manner in which the constructs are combined resulting in the best learning during the programme. The facilitator plans how to combine the construct mix, organises the learning, leads the participant through the self-learning process and controls the entire learning process.

Facilitators have an important impact on learners’ attitude, thinking and willingness to take the plunge of NVC. Much is expected from a facilitator and it is often said that a poor programme with a good facilitator does better than the best programme with a poor facilitator (Pretorius 2008:17). FinMark Trust (2010) concurs that facilitators need to have a deep understanding of the entrepreneur - what motivates them, the nature of their businesses and the particular market sector in which they are working.

Kuratko (2005:582) mentions that the role of the facilitator extends beyond the training programme and it is not only entrepreneurial know-how and know-why that is important but also entrepreneurial know-who. The facilitator can play an important role in this function as the success of training programmes is not only dependent on knowledge but also on the network of individuals with whom an entrepreneur is connected within the training programme. Trainees should be shown how to behave and should also be introduced to people who might be able to facilitate their success.
Perks and Smith (2008:148) confirm that entrepreneurs need assistance in building networks.

The facilitator needs to be comfortable using a range of different methods. Ideally the training should be a mixture of knowledge, skill competence and attitude change with a strong focus on the training needs of the entrepreneur (Perks & Smith 2008:153). With the above factors taken into account it can be seen that attention also needs to be given to the training of facilitators (Nieman 2001:448). This means that facilitators must ideally have had business experience, be supportive towards the participants and preferably speak the home language of the participants (Nieman 2001:450). The facilitator brings the dynamic education process together and the effectiveness of the training hinges on the facilitators experience, empathy and facilitative approach. Facilitators need to be aware of the multiple factors involved if they are to raise the level of sophistication and ability to deliver quality and appropriate training programmes (Pretorius 2008:17).

A study by Pittaway and Cope (2007:230) shows that more research needs to be done if educators are to design effective programmes that provide a sophisticated approach to entrepreneurial training. The transformation from traditional, lecturer-centered, passive learning calls for a dramatic and sometimes uncomfortable shift to student-centered, active, group-based learning (Jones & English 2004:421). How entrepreneurial learning takes place is an important precondition for training programmes that encourage learning. Training should provide an opportunity for prospective entrepreneurs of an awareness of the challenges associated with NVC (Pittaway & Cope 2007:216). How training programmes should be assessed will be highlighted next.

2.6.6 Assessment of training programmes

It is important to assess training programmes to ensure quality and effectiveness. Tan and Ng (2006:418) attempted to determine what constitutes good curricula by using benchmarking. Pretorius (2008:5) notes that institutions lack tools and benchmarks to evaluate the quality of their programmes. According to Smith et al. (2006:560) evaluating any training programme is fraught with challenges. Furthermore they recommend that the evaluation be formative and that training
programmes need to be constantly reviewed and redesigned for future use. This would include feedback from the trainees.

In order to assess training programmes the following areas may provide insight into their effectiveness:

- The target audience needs to be understood to ensure that the training programme is pitched at the correct level (Fayolle & Gailly 2007:577; Le Roux & Steyn 2007:332);
- The life cycle of the business is a critical element in training programmes. Business start-up is approached very differently as there is the urgency to start trading. Opportunity and necessity entrepreneurs also require different training interventions (Matlay 2005:672);
- Entrepreneurial themes should be addressed in training programmes to ensure their effectiveness. For instance problem-solving exercises can be offered that have to be completed within a short time which will force the trainees to find solutions under time pressure. This type of training copies what happens in business. There are many exercises that address ambiguity, perseverance, persistence and so on which should be used to address the nuances of being an entrepreneur (Pittaway & Cope 2007:218; UNCTAD n.d.);
- Business knowledge and skills must be focused on the needs of the entrepreneurs and address the actual shortcomings of the trainees. The training programme should avoid a generic approach (Smith & Perks 2006:23);
- Business learning for entrepreneurs can be achieved through the use of simulations, through feedback and role playing (Steenekamp et al. 2011:54). Using board games and computer games enables different learning opportunities especially when dealing with the younger generation of trainees. Le Roux and Steyn (2007:330) and UNCTAD (n.d.) reiterate the importance of simulation use in successfully training nascent entrepreneurs. Furthermore it is recommended that reflective practice be part of simulation;
- The role of business plans is important as it can create learning opportunities on many levels. The quality of business plans could also be an indicator of the effectiveness of training (Pretorius 2008:6); and
The role of the facilitator is very important in ensuring the effectiveness of the training programme. This is especially important as the facilitator needs to move from a traditional approach to a more enterprising approach. The facilitator needs to be comfortable using simulations, role plays and so on (Co & Mitchell 2005:4).

A key issue differentiating more successful learning programmes from average programmes is whether there is attitudinal modification in the trainees after attending the training programme. The question is: Have the participants been able to implement what they have learnt through the training programme? If so, this is what makes the training effective.

2.7 SUMMARY
The strong correlation between education and entrepreneurship is undeniable. Therefore, the role of entrepreneurial education and training is of paramount importance. In South Africa there is a plethora of institutions involved in education and training to the extent that there is overlapping of services and general inefficiency within the sector which is described as fragmented. The GEM study of 2011 confirms South Africa’s poor record especially in comparison to other developing countries such as Brazil and Argentina. As a country there is a lot of hard work needed to ensure that society is committed to innovation and an entrepreneurial spirit.

Chapter two indicated the need for entrepreneurship training and education. It looked at the role of the government. It differentiated between education and training and entrepreneurs and entrepreneurship. Fayolle and Gailly’s model comprising five main areas that give perspective to the training process was discussed. These areas include the objective, the content and the methodology used in training programmes. Additionally, the facilitator, the role of the business plan and assessing training programmes was discussed.

Chapter three elaborates on the role of incubators in entrepreneurial training and how it can provide business support for small businesses.
CHAPTER 3
INCUBATORS AND ENTREPRENEURSHIP

3.1 INTRODUCTION
Chapter two examined general literature on entrepreneurship. There is a correlation between education and successful small business growth and sustained growth. This chapter focused on clarifying the two concepts of entrepreneurial education and training as a lot of confusion exists between the two types of learning. Fayolle and Gailly’s framework for training programmes was discussed with specific reference to the objective of the training programme, the content, the methodologies used, the target audience and how to assess training programmes. The role of the facilitator and applicability of the training to the business were also discussed.

This chapter introduces the concept of the incubator and the role that it plays in the promotion of entrepreneurship. A general overview of incubators will be discussed by exploring the development of incubators, different types of incubators, the incubator as a form of support and training and the success factors of incubators. A brief overview of incubators from an international and South African perspective will be discussed. As the sample was drawn from the Seda Nelson Mandela Bay ICT Incubator an overview of a local example in the South African context is provided. The development of incubators will be highlighted next.

3.2 THE DEVELOPMENT OF THE INCUBATOR
Technological progress and entrepreneurship have dramatically changed the global economic landscape (Lalkaka 2001:1). Incubators are a hybrid type of economic development facility that combines entrepreneurship, business facilitation and real-estate-development (Ndabeni 2008:259). A business incubator is a shared office-space facility that seeks to provide its incubatees with a strategic, value-adding intervention system of monitoring and business assistance. Hackett and Dilts (2004: 57) describe the incubator as a facility that controls and links resources with the objective of facilitating successful NVC and development of the incubatees, while simultaneously containing the cost of their potential failure. The incubator is also described as a network which includes both individuals and organisations such as the management of the incubator, the advisory board, universities, industry contacts,
and training service providers. Incubators are economic development tools for job creation with a basic vision to increase start-ups and prevent business failures (Hackett & Dilts 2004:57). Incubators are therefore innovative forms of business that are increasingly considered to be of prime importance in developing and promoting competitive SMMEs.

Technological growth and entrepreneurship has influenced the growth of incubators from 200 to over 3500 worldwide in 2002 (Lalkaka 2002:167). Business incubators evolved out of business centres and other support services and in developing countries are typically focused on technology ventures. However, civil society has called nations to address the wider concerns of empowering disadvantaged groups through employment and facilitated access to human, knowledge, social and financial capital. Many incubators also support clients from different business sectors and there has been an increase in sector-specific incubators in eco-tourism, arts, agri-business and food products (Lalkaka 2001:3).

As can be seen in Figure 3.1 a potential incubatee approaches the incubator facility. After the incubatee is adopted into the facility, support in an enabling environment is ensured until the business is able to graduate into the broader business arena.

**Figure 3.1: Incubator-incubation concept map**

![Incubator-incubation concept map](source: Hackett & Dilts (2004:57))
According to Lalkaka (2001:9), the primary requirements of a sustainable incubator model are to:

- develop a smart work-space with strong e-infrastructure;
- enhance the quality of management;
- provide marketing and networking support for incubatees;
- actively promote the innovation process;
- facilitate access to capital sources geared to risk; and
- ensure a steady flow of deals to match market needs.

The incubator provides an enabling environment that allows small business to establish strong positions in niche markets. Different types of incubators will be highlighted next.

### 3.3 DIFFERENT TYPES OF INCUBATORS

Although sponsor objectives and management orientations may differ, the universal purpose of an incubator is to increase the chance of a firm surviving its formative years. The incubator is thus an important aspect of a local economic development strategy and can serve as a market failure bridging function by enabling entrepreneurship where previously it was too costly or too risky. (Hackett & Dilts 2004:62).

#### 3.3.1 University technology business incubators

University incubators provide support for nurturing new technology-based businesses and commercialisation of university innovations. Some university based incubators are very dynamic (Al-Mubarak & Busler 2010:337). These incubators have additional value-adding services outside of the typical business services offered and may include:

- faculty consultants;
- student employees;
- university image;
- library services;
- labs and workshops;
- technology transfer programmes; and
employee education and training.

Technology business incubators (TBI’s), according to Somsuk, Wonglimpyarat and Laosirihongthong (2012:248), often work in conjunction with science parks. Once new technology based businesses grow into fully fledged businesses they leave the incubator and move to the competitive market environment of the Science park keeping close to their original location and hence many of the relationships with their associates.

3.3.2 Government incubators
Most incubators have been established as vehicles for job creation and urban economic revitalisation (Somsuk et al. 2012:247). This focused help to selected firms has been shown to increase their chances of survival and the evidence also shows that the initial subsidy provided by the government is returned as taxes. Other social benefits also accrue like cultural change and stimulating entrepreneurship (Lalkaka 2002:167).

3.3.3 Multiple sponsored incubators
The majority of incubation programs are characterised as public-private partnerships in which initial financial support is received from government bodies. The private sector participates when it sees that the program will lead to greater business opportunities and promote spin-offs (Lalkaka 2001:24). Multiple sponsors bring a variety of concerns and strengths (and conflicting goals) but all are motivated by the benefits of a successful programme and of bringing credibility to the incubatees (Lalkaka 2001:5).

3.3.4 Privately funded incubators
High-potential new ventures are often privately funded (Somsuk et al. 2012:247). Business invests in an incubator when effectiveness is demonstrated or as social responsibility initiatives, or for profits (Lalkaka 2002:171).

The fact that the incubators are mostly financially dependent means that they operate in an environment where they constantly need to demonstrate the ‘successes’ of their incubatees in order to justify continued subsidisation of the
incubator operations (Hackett & Dilts 2004:58). It is suggested that the incubator itself must mimic the dynamism of entrepreneurial ventures with the prospect of becoming self-reliant within a set period of years. However, the majority of incubators in both developed and developing countries operate on a non-profit basis and with economic development goals, deriving their income from rentals and some services, and supplemented by subsidies (Lalkaka 2001:5).

In the next section the factors contributing to the success of incubators is elaborated on.

3.4 FACTORS CONTRIBUTING TO INCUBATOR SUCCESS
Most incubators specialise in one or a limited number of sectors with the most popular sector being Information Communication and Technology (ICT). Concentration on a specific sector increases the expertise of the incubator personnel and the value of the incubator to the entrepreneurs. However, this may be a drawback if the sector underperforms because the incubator and tenants may also be vulnerable. So for example with the recession of 2000 the popularity of the ICT incubator business has declined in Europe (Aertsa et al. 2007:15). Hackett and Dilts (2004:64) believe that incubators are necessary as they also create value in terms of:

- developing credibility;
- shortening of the (entrepreneurial ) learning curve; and
- quicker solutions to problems.

Lalkaka (2001:1) indicates that success in NVC and employment generation depends on five inter-linked linkages namely:

- public policy;
- private partnerships;
- knowledge affiliations;
- professional networking; and
- community involvement.
Government policy facilitates NVC and provides the business infrastructure. Universities and research form the knowledge base and the private sector partnerships provide mentoring and marketing. Professional networking on a national and global level is required and community involvement is critical in promoting entrepreneurship (Lalkaka 2002:171). Figure 3.2 depicts the factors impacting the enabling environment of incubators and the success of incubators.

**Figure 3.2: Factors impacting the enabling incubator environment**

As can be seen in Figure 3.2, there are internal-, market- and external environmental factors that impact on the support and enabling environment of the incubator.

Ndabeni (2008:264) claims that at least six factors are necessary to ensure the success of incubators. These factors are emphasised in Figure 3.3 and follow next.
The success factors cited by Ndabeni in Figure 3.3 will now be briefly discussed.

a) **Policies and legal framework**

According to Hackett and Dilts (2004:63), business incubators should be one element of a larger economic development strategy. Incubators therefore represent a protected environment in which NVC can develop. Lalkaka (2002:168) indicates that it is the government’s duty to create policies to enable businesses to be productive and sustainable.

b) **Society must be open to innovation**

An important driver of national entrepreneurial capacity is how people perceive entrepreneurship. Perceptions about entrepreneurship may affect the supply side and the demand side of entrepreneurship. On the supply side, or the “pool” of potential entrepreneurs, important perceptions include both willingness and
perceived ability to become an entrepreneur. Education levels and the availability of entrepreneurship training programs are possible determinants of perceptions of entrepreneurship in society. (Herrington et al. 2011:34).

c) Financial support
An example of financial support is the below market office rental that is charged to incubatees (Hackett & Dilts 2004:63). Government is also instrumental in making financial support available to SMMEs (The Integrated Small Business Development Strategy in South Africa 2012). This support has to be marketed so that society knows what is available and how to access the services.

d) Accessibility and geographic proximity to SMME’s
The provision of access to the incubator network is increased when similar sector type businesses are in the same area or in close proximity. Entrepreneurship Development Institute in India is an example of a world class network of laboratories of the Council for Scientific and Industrial Research with 10 000 researchers (Lalkaka 2002:172).

e) Existence of social networks
Incubatees assist one another, and sometimes purchase from one another; having access to an entrepreneurial network is important (Hackett & Dilts 2004:64). Lalkaka (2002:171) mentions that professional networking and community involvement underpin incubator support with associations providing advocacy, information and training.

f) Business services offered
Incubators also add value by diagnosing business needs (health checks), provision of a selection and monitored application of business services (Hackett & Dilts 2004:64). Experienced business owners must also be available to mentor and coach entrepreneurs and volunteer their services to the incubators. Mentoring is an important service (Smith & Perks 2006:19). Shared office space, shared business services such as fax machines, flexible and reasonable leases; are some of the other advantages of using the incubator as a form of support (Ndabeni 2008:267).
The simplest measure of success is graduating from the incubator. Most of the studies indicate a high rate of over 80% of incubatee survival while others are less optimistic indicting about 55% survival rate (Hackett & Dilts 2004:68). Bergek and Norrman (2008:21) comment on the lack of evaluation of incubator performance in general and on the identification of best practises in particular. A European Commission study in 2002 revealed that the survival rate of incubator tenants was significantly higher (80% to 90% still exist after five years) than the business success rate among the wider small and medium enterprise community (Aertsa et al. 2007:1). The European Commission thus still favours the further development of the business incubator sector.

In the next section a more detailed discussion of the role of incubators in business support follows.

3.5 ROLE OF INCUBATORS IN BUSINESS SUPPORT

Entrepreneurs may have considerable specialised knowledge but they often lack a full array of business skills. The importance of providing business support has been emphasised by Bergek and Norrman (2008:24). This support generally includes:

- entrepreneurial training and business development advice;
- services concerning general business matters such as accounting, legal matters, advertising and financial assistance; and
- business development and entrepreneurial training, including coaching and education related to business planning, leadership, marketing and sales.

It is evident that the personal and professional relationships established whilst in the incubator should give NVC’s a competitive advantage. In the start-up phase, when the new entity is at its most vulnerable, it has access to support strategies, business and technical assistance through a combination of in-house expertise and networking with peers. Xu (2010:95) confirms that access to networks beyond the incubator is provided by the management of the incubator and sometimes by other tenants.
Table 3.1 summarises the findings of a study by Gstraunthaler (2010:399) which identifies the extent to which the incubator facility plays a key role in offering services and follows next.

**Table 3.1: The extent of the key roles that the incubator plays in offering business services**

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network of business relationships to tenants</td>
<td>88</td>
</tr>
<tr>
<td>Consult tenants regarding business plans</td>
<td>86</td>
</tr>
<tr>
<td>Help with funding</td>
<td>79</td>
</tr>
<tr>
<td>Provide general office equipment</td>
<td>77</td>
</tr>
<tr>
<td>Give marketing</td>
<td>73</td>
</tr>
<tr>
<td>Financial advice</td>
<td>72</td>
</tr>
</tbody>
</table>

Adapted from: Gstraunthaler (2010:399)

Although training is mentioned briefly no research appears to have been conducted to evaluate the type of training that would benefit entrepreneurs, the effectiveness of the extant training and the complex topic of how entrepreneurs learn. However, Bergek and Norrman (2008:24) indicate business support in the form of counselling (mentoring) are provided in the incubator settings such as:

- **reactive and episodic counselling** where the entrepreneur requests help dealing with a crisis or problem and the assistance is focused on this problem and is short term;
- **proactive and episodic counselling** where the incubator manager engages entrepreneurs in informal and ad hoc counselling; and
- **continual and proactive counselling** where the incubator managers are involved with the business in an intense-aggressive intervention.

These types of mentoring represent a paradigm where on the one hand managers are involved in the incubation process and represent strong intervention, to managers that are laissez faire in their approach and only assist incubatees when requested to do so. However, incubator managers are expected to provide quality counselling and mentoring (Xu 2010:98).
In conclusion, this section on incubators reiterates that incubators do not replace entrepreneurial initiatives, but create better conditions for entrepreneurship. It is evident that incubators have the potential for enabling the creation of innovative businesses, increasing the chance of survival and success of SMMEs, new job creation, promoting commercialisation of research, fostering skills for entrepreneurship and lastly for influencing national policies on SMME development.

The next section will highlight the development of international incubators.

3.6 DEVELOPMENT OF INTERNATIONAL INCUBATORS
Internationally incubators have proved to be a highly successful element in economic development and job creation, innovation, technology transfer and diversification of the local economy and will be a driver of the twenty-first century. There are more than 7000 incubation programs worldwide. (Anderson & Al-Mubarak 2012:208). Some researchers like Ndabeni (2008:260) give credit to the United Kingdom for the first business incubators in the early 1970’s whereas other researchers assert that the United States has been a pioneer in the industry starting with the concept in Thomas Edison’s inventions factory and Frederick Terman’s mentoring of students such as Hewlett and Packard (Lalkaka 2001:10). However, it was evident that there was a need to enhance innovation and entrepreneurship through university related incubators or other business innovation centres irrespective of which country was deemed first.

India had an early start in the 1950’s building state-supported programmes for small business support, scientific research and entrepreneurship development. With funding from the United Nations three pilot TBI’s were initiated in the late 1980’s. Although a good start was made the initial state financial support to continue operations was insufficient. In 2002 there were 17 Science and Technology Entrepreneurs Parks (STEPs) that were initiated which are similar to TBIs (Lalkaka 2002:173).

Lalkaka (2001:15) mentions that China boasts with about 400 incubator-variants involving huge government investments. China also pioneered the concept of International Business Incubation (IBI) in 1996 to facilitate foreign tech-based
businesses to enter their markets. The incubators also provide support to local companies in their efforts to export their products, services and technology as well as to enhance their competitiveness abroad (Xu 2010:91). One of the strengths of the Chinese incubators is that anchor tenants (banks & restaurants) occupy prime spaces and raise revenues ensuring sustainability.

Figure 3.4 shows the international incubator distribution in terms of percentage.

**Figure 3.4: International incubator distribution**

![Bar chart showing international incubator distribution](image)

Adapted from: European Commission (2002:10)

As can be seen in Figure 3.4, there are incubators in many countries around the world and they also exist in other regions such as Uzbekistan and Malaysia (Lalkaka 2002:174). Furthermore, the Republic of Korea has about 300 technology incubators which are connected to government and linked to universities and schools throughout the country. Japan has around 200 and Taiwan 60 incubators. Most of these countries mentioned have strong incubator associations and are active in the international dialogue.

Brazil has also made headway using incubators to impact economies by creating sound businesses with good survival rates. Seventy percent of the incubators in Brazil are linked to universities. The Brazilian Association of Business incubators and Science Parks are among the strongest associations in the world. Their objectives are to help commercialize technology, diversify regional economies, foster entrepreneurship and generate employment (Lalkaka 2001:16). Incubators in Brazil
have highlighted their importance in building innovative businesses and also in building regions (Timm 2011:13).

The United States has the largest number of incubators in the world and according to Lalkaka (2001:13) this could be attributed to:

- government policies that reduced barriers to entry of new firms into the high-tech sector;
- the crucial role played by the private sector;
- a large and responsive university system; and
- the growth of venture capitalism.

These factors were further impacted by a spirit of risk-taking, ethnic mix and the positive educational role played by the national Business Incubator Association (Lalkaka 2001:11). While incubators have their constraints they keep growing in numbers owing to their distinctive features. In a global system driven by e-communication the formation of a world incubation association is not far away which will make benchmarking easier and allow for a more professional standard (Lalkaka 2002:175).

Some background to South African incubators will be highlighted next.

3.7 BACKGROUND TO SOUTH AFRICAN INCUBATORS

From a South African perspective the business incubator is a recent phenomenon that is still evolving. For many years a network of facilities called hives of industry were established by the Small Business Development Corporation (Lalkaka 2001:22). Currently the main incubation programme falls under Seda. In 2010 there were 29 incubators while in 2007 there were 23. The adoption of incubators in South Africa has been constrained by the high level of skills needed to manage incubators (Timm 2011:59). In the 2010 financial year, Seda supported 243 new and 675 existing SMMEs. Ninety percent of these businesses were black-owned and additionally 6778 jobs were created or sustained (Timm 2011:60).
Incubators in South Africa have been established primarily to stimulate economic growth especially in the high tech SMME sector. Two foci are combined: technology and business. The most advanced incubator is ‘The Innovation Hub’ in Pretoria which focuses on high-technology entrepreneurs and start-up companies. It is the first internationally accredited science park in Africa. It is a high-tech cluster that also creates an environment where international businesses can access a regional centre of knowledge creation (Ndabeni 2008:264).

Most incubators are funded by government and there are only two privately funded incubators (Timm 2011:59). Raizcorp and Shanduka Black Umbrellas both own incubators. According to Timm (2011:60), Raizcorp assists 200 incubatees in their two incubators and take a 33% equity share in each business. They also charge their tenants a rental which is below the market price.

The severe problems of unemployment and low skills-level of retrenched workers are also major constraints to NVC. South African Breweries is an example of the corporate sector initiating business and vocations skills at Project Noah, a business incubator which they started at Isando in Gauteng (Lalkaka 2001:22). Other incubator developments have taken place in major cities such as Kimberley, Bloemfontein, Welkom, and Kwazulu Natal (Lalkaka 2001:22). In Port Elizabeth there are currently three incubators; one in the chemical sector which is located close to the Nelson Mandela Metropolitan University (NMMU), a construction incubator and the ICT incubator focused on in this study.

3.7.1 ICT incubators

In the 21st century ICT is seen as an essential tool for businesses, helping businesses to remain competitive in both domestic and international markets. Businesses in the developing world need to have access to timeous and accurate information regarding the supply of and demand for products and services in various markets (Herrington et al. 2008:36). Adding to this, South Africa lags behind the rest of the world in the uptake of the Internet and in the use of personal computers with only 7.8 per 10 000 inhabitants being Internet users.
Lalkaka (2001:2) indicates that the pace of progress in the ICT, biomedical sciences, microelectronics, nanotechnology and other advanced fields continues to quicken. Technological entrepreneurship is therefore expected to grow rapidly. In addition the Technology Achievement Index (TAI) has been introduced which measures four dimensions (Lalkaka 2001:3):

- creation of technology which looks at the number of patents granted and license fees received per capita;
- diffusion of recent innovations which looks for instance looks at internet hosts per capita;
- diffusion of old technology which looks at electricity consumption per capita amongst other things; and
- human skills which look at mean years of schooling and enrolment at technical tertiary levels.

South Africa falls into the category of dynamic adopters with countries such as China, Brazil, India and Indonesia and according to Lalkaka (2001:3) these countries have the most active incubator programs. The Seda Nelson Mandela Bay ICT incubator is an example in the South African context. A brief overview of the Seda Nelson Mandela Bay ICT Incubator (SNII) will be discussed next.

**3.7.2 SEDA NELSON MANDELA BAY ICT INCUBATOR**

Seda Nelson Mandela Bay ICT Incubator (SNII) is an incubator that is an example of a partnership between local government and national government. It receives funding from the Seda Technology Programme (STP) and the Nelson Mandela Bay Municipality (NMBM). Other forms of revenue are below market related office rentals. It has recently acquired equity stakes in some of the incubatees’ businesses. The SNII aims to build a steady pipeline of clients by cementing relationships with the Eastern Cape tertiary institutions within its reach. The SNII’s incubation programme is backed up by a system of consistent monitoring and evaluation processes (Fischat 2012:1). Figure 3.5 shows the support and programmes that the SNII incubator offers.
Figure 3.5: Support and programmes offered by SNII incubator

<table>
<thead>
<tr>
<th>Infrastructure support</th>
<th>Technology support</th>
<th>Business services support</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Office space</td>
<td>• Internet</td>
<td>• Pre-incubation</td>
</tr>
<tr>
<td>• Boardrooms and</td>
<td>• Wireless internet</td>
<td>• Launch pad</td>
</tr>
<tr>
<td>meeting rooms</td>
<td>• Business support</td>
<td>• Full incubation</td>
</tr>
<tr>
<td>• IT services</td>
<td>• Mentoring</td>
<td>• Virtual incubation</td>
</tr>
<tr>
<td>• Telecommunications</td>
<td>• Training</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from: Fischat (2012:1)

The business support offered by the SNII incubator as depicted in Figure 3.5 has four different stages. Each stage involves different training and support interventions that assist the incubatees. This is thus a personalised model that seeks to streamline the different needs of the incubatees depending on the stage of the business. According to Fischat(2012:1) the stages are:

- **Pre-incubation** stage to support entrepreneurs converting their ideas into viable finished products/services with potential yield benefit;
- **Launch Pad**, a six month programme targeting recently started businesses;
- **Full incubation** is a 24 month programme targeting incubatees that need premises and require the development that the centre has to offer. The entity must be trading, have a customer base with skeleton human resources;
- **Virtual incubation** is a 18 months programme that targets an entity that doesn’t require premises but requires support; and

The management of the SNII comprise a small team of seven with a branch manager and a co-coordinator. The co-coordinator mentors, coaches or counsels incubatees on an ad hoc basis. Most of the training and other development functions
are outsourced to organizations that specialize in entrepreneurship, training, ICT and so on. An additional role is facilitating access to different networks and associations on behalf of the incubatees. (Fischat 2012:1).

3.8 SUMMARY

In this chapter it was shown that developing economies use a variety of support measures to stimulate entrepreneurial development. The incubator is one such example. The traditional business incubator is a micro-environment with a small management team that provides physical work-space, shared office facilities, counselling, information, training and access to finance and professional services in one affordable package. Incubators vary widely in their sponsors, objectives, location, sectoral focus and business model. Sponsors can be the government, economic development groups, university and venture capitalists. Their focus might be on empowerment or it could be on technology commercialisation. Their location can be urban, rural, international and suburban. They could be for-profit or not-for-profit.

However, literature indicates that the one common denominator that all incubators have is ensuring start-up businesses are enabled and nurtured to be able to graduate to the broader business community where they will take root, flourish and be sustainable over the long term bringing in revenue and job creation.

The next chapter will discuss the methodology used in the study. A brief discussion of paradigms is given, with a more in-depth focus on the qualitative paradigm which is the predominant view used. The research design, the sample, data collection, measuring instruments and data analysis are also indicated.
CHAPTER FOUR
METHODOLOGY OF THE STUDY

4.1 INTRODUCTION

In Chapter three the incubator was introduced as a facility that fosters the growth of SMMEs and entrepreneurship. The development of incubators, different types of incubators, factors contributing to the success of incubators and business support was discussed. Incubators were looked at briefly from an international and South African perspective, from an ICT perspective and lastly an overview of the SNII was given.

In this chapter an overview of the two main paradigms will be discussed; namely the quantitative and the qualitative paradigms. The research design, how the sample was chosen, data collection procedure, the measuring instrument used and data analysis procedure will also be discussed. The research design is outlined next.

4.2 RESEARCH DESIGN

A research design provides the plan and structure of the research but at the same time must allow for flexibility when approaching research from a qualitative perspective. A plan provides certainty and Boeije (2010:19) also notes that a plan must ensure that the research problem, purposes, sample, data collection, analysis and reporting are in tune with each other. The researcher’s worldview affects the research design, the data collection, analysis and the way in which it is written. It is therefore important to understand how one’s personal paradigm determines the entire course of the research project. Flowers (2009:1) notes that most researchers have inherent preferences (biases) that are bound to shape their research designs. In order to ensure that researcher biases are understood, exposed, and minimised, it is suggested that the researcher consider a series of choices that should be aligned with the original research problem. Furthermore, if this is not achieved incompatible methods with the researcher’s worldview may be adopted, resulting in the final work being undermined through lack of coherence.
4.2.1 Research paradigm and approaches
At the outset it is important to understand what a paradigm is. Krauss (2005:759) defines a paradigm as a basic belief or world view system that guides the investigation whereas Sobh and Perry (2006:1194) define a paradigm as an overall conceptual framework within which a researcher may work. Paradigms describe perceptions, beliefs, assumptions and the nature of reality and truth (knowledge of that reality) and they can influence the way the research is undertaken from design through to conclusions (Flowers 2009:1). There are two main research paradigms that are at opposite ends of a continuum with a range of other paradigms in between namely quantitative and qualitative. The quantitative paradigm will be examined first.

4.2.1.1 Quantitative paradigm and approaches
According to Sobh and Perry (2006:1193), quantitative researchers use numbers and large samples to test theories while qualitative researchers use words and meanings in smaller samples to build theories. The quantitative paradigm is defined as one that sees natural and social worlds as being bound by certain fixed laws in a sequence of cause and effect. This paradigm is also known by other names such as positivistic, objectivist, scientific, experimentalist or traditionalist. The paradigm is sometimes criticised for not being suitable for business research especially when looking at marketing and management cases (Flowers 2009:4). This is because the assumptions of positivism may be inappropriate when dealing with complex social science phenomena involved in marketing. Krauss (2005:760) asserts that positivists separate themselves from the world they study while researchers within other paradigms leaning towards the phenomenological acknowledge that they have to participate in the real-world to some extent so as to better understand and express its emergent properties and features.

The associated research approaches used in the quantitative paradigm are listed by Collis and Hussey (2003:60) as:
- Cross-sectional studies that are designed to obtain information on variables in different contexts but at the same time;
- Experimental studies that are conducted in laboratories or in natural settings in a systematic way;
• Longitudinal studies that are done over time with either the same situations or people several times; and
• Surveys that are studies using a sample of subjects from a population about which inferences can be made to the population.

As can be seen there are many approaches within the quantitative paradigm. In the next section the qualitative paradigm is elaborated on.

4.2.1.2 Qualitative paradigm and approaches

At the other end of the continuum is the qualitative paradigm which Flowers (2009:3) says is concerned with understanding human behaviour from the participants frame of reference and the focus is on meaning rather than measurement. This paradigm is also known as phenomenological, subjectivist, humanistic, and interpretivist. In general, qualitative research is based on a relativistic, constructivist ontology that posits that there is no objective reality (Krauss 2005:760).

Boeije (2010:11) defines qualitative research in the following manner: ‘The purpose of qualitative research is to describe and understand social phenomena in terms of the meaning people bring to them.’ It was mentioned that the research questions are studied through flexible methods enabling contact with the people involved to an extent that is necessary to grasp what is going on in the field. Furthermore, the methods produce in-depth, descriptive data that need to be interpreted through the identification and coding of themes and categories leading to findings that can contribute to theoretical knowledge and practical use.

It is important to note what dominant paradigms are used in a particular area of research. For example the qualitative paradigm is said to be an appropriate research paradigm for some marketing phenomena (Sobh & Perry 2006:1199). This is because the worldview considers the external reality of the market place whilst also acknowledging the complexities of the market place that needs to be investigated with in-depth qualitative research methods. According to Fillis (2007:118), entrepreneurial small businesses also require a more creative
orientation to the research process as small businesses thrive in non-linear sometimes chaotic environments.

The research methods used in qualitative studies are an array of interpretative techniques which seek to describe, translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world (Collis & Hussey 2003:53). Case studies, ethnography and participant observation, grounded theory, biographic and participative studies are some of the techniques used to elicit data from a qualitative perspective (Sinkovics, Penz & Ghauri 2008:691).

Collis and Hussey (2003:60) list the research approaches within the qualitative research paradigm as:

- Action research which assumes that the social world is constantly changing and the researcher and the research itself are part of this change so it is a type of applied research;
- Case studies which can be described as research studies that focus on understanding the dynamics present within single settings;
- Ethnography refers to a full or partial description of a group;
- A feminist perspective is concerned with challenging the traditional research paradigm from the point of view of the politics and ideology of the women’s movement;
- Grounded theory which is a systematic set of procedures to develop and inductively derived grounded theory about a phenomenon;
- Hermeneutics which is concerned with the interpretation of a text through continual reference to its context; and
- Participative enquiry which refers to research with people rather than research on people.

As can be seen there are many research approaches within the qualitative paradigm. In the next section the paradigm and approach used in this study is highlighted.
4.2.2 Paradigm and approach used

This study utilises the qualitative paradigm. The following is a summary of why the qualitative paradigm is the most appropriate paradigm for this study:

- it allows for an in-depth focus on the participants, their businesses and the training they have received;
- the ten interviews with the participants will be done on a one-on-one basis;
- it is a small sample;
- the interview process is subjective and based on real world issues. It is not possible to disregard the complexities of the market place and the context within which the entrepreneurs run their businesses;
- an interview schedule (see Annexure A) covering training interventions undertaken during 2011 and 2012 will be completed by the interviewer together with the participants;
- the focus will be on the participants’ perspectives of the effectiveness of the training interventions, the meaning derived from the training and impact on their businesses, in other words the study will be exploratory and descriptive in nature.

The qualitative approach is therefore the most appropriate research process when studying small businesses, entrepreneurs and their assessment of the training interventions that they have participated in.

As the study is using the qualitative paradigm it will also utilise the case study approach as a vehicle to find the information that is required for this study. Laws and McLeod (2004:8) see the case study method as an appropriate approach when doing an evaluation as it enables better understanding of the dynamics of the programme. Case studies are differentiated from other types of qualitative research in that they are intensive descriptions and analysis of a single unit or bounded system such as a single organisation, programme, event, group or community (Laws & McLeod 2004:5).

The case study approach will be utilised to describe the biographical data. The biographical approach was a popular research method in the 1920’s and 1930’s.
Fillis (2007:118) proposes the biographical approach as a technique which provides richer and deeper data. This technique comes from the growing acceptance of the need for alternative ‘lenses’ through which to see entrepreneurial activity and so the net of theory is growing to include inputs from a range of paradigms in areas such as anthropology and literary studies where narrative, dramaturgical, fictive and discursive approaches have been adopted. Contemporary biographical data can also involve primary interpretation of pertinent issues since the ‘storyteller’ is the owner of the business (Fillis 2007:119). In this study it is the story of the entrepreneur, it is the story of how the business started and the future growth plans. It is the story about the participant and his or her journey on the path to becoming a successful business owner and attending training to assist them in this journey. The study will highlight the impact of training interventions from the participants’ point of view.

In the next section the population and sampling are discussed.

4.2.3 Population and sampling

Collis and Hussey (2003:56) define a population as any precisely defined set of people or collection of items which is under consideration. The population of this study is all entrepreneurs that have received incubator training from the Seda Nelson Mandela Bay ICT Incubator (SNII) in the last two years. This was the criterion for inclusion in the study.

Collis and Hussey (2003:56) define a sample as a subset of a population and should represent the main interest of the study. The sample of this study is thirteen entrepreneurs (10 cases) that underwent training in the incubator. The sample was chosen on a random basis by the management of the incubator.

The sampling method chosen was purposive as the cases were selected specifically because they are knowledgeable on the topic explored (Boeije 2010:35). All participants in the sample have participated in some training interventions offered by the incubator and will therefore be able to evaluate the effectiveness of the programme offerings. Three of the incubatees are not situated on the incubator premises as they have graduated and seven are still located at the incubator. All have undertaken training both on and off the incubator premises.
Six of the cases were interviewed on the premises of the incubator in a small office that the incubator made available to the researcher. Participants were familiar with the room. Two of the incubatees were interviewed at their workplace at the premises of the incubator. Two of the virtual tenants were interviewed at their business premises located outside the incubator. The participants were interviewed face-to-face. Most of the participants were also communicated with on their cell phones to verify certain information or to clarify some issues after the initial interviews to ensure all information provided by all participants was explored fully.

In the next section the data collection procedures are highlighted.

### 4.2.4 DATA COLLECTION

Both secondary and primary data were collected. The next sections elaborate on how primary and secondary data were collected.

#### 4.2.4.1 Secondary data

Secondary data was collected by undertaking an in-depth literature search in journals, books and on the internet on entrepreneurship education and training programmes in terms of the content, methodology used, role of the facilitator and how to evaluate training programmes. The open-ended questions in the interview schedule were based on the reviewed literature study.

#### 4.2.4.2 Primary data

The primary data collection method for this study is interviews using an interview schedule (see Annexure A). Boeije (2010:61) defines an interview as a form of conversation in which the interviewer pose questions concerning behaviours, ideas, attitudes, and experiences with regard to social phenomena, to one or more participants who provides answers to these questions. Interviews provide the opportunity to learn about life through the perspective, experience and language of those living it.

Boeije (2010:62) distinguishes between the following types of interviews as can be seen in Figure 4.1.
As can be seen in Figure 4.1, in qualitative studies interviews can range from free and unstructured, to structured and standardised depending on the objective of the study. The objective of this study was to explore the participants’ perceptions of the effectiveness of the training programmes undertaken. In the in-depth interviews with each incubatee, they shared their feelings and perspectives on the different training programmes in terms of which training programmes they regarded as the most beneficial in the last two years. Furthermore, the content, methodology used, quality of the facilitator and how applicable the training programme was to their field of business as well as the benefits derived from the training were explored. Each participant was asked the same questions in exactly the same way. However participants were allowed to deviate and provide their responses freely. This way more information was forthcoming.

The biographical information about themselves and their businesses was in a more structured format as they had to indicate their age, when they have started their business etcetera. As the researcher conducted the fieldwork, the participants’ nuances, body language and colloquial language could be observed. The role of the interviewer is to facilitate the process of remembering and articulating and shows respect for what the participant has to say. It is important that the questions fit the participants’ frame of reference. Both parties must know more or less what outcomes are expected from the interview. Boeije (2010:63) adds that the topic should be of concern to the participants and the questions need to be posed in a language that is
understandable. This aspect is very important as most of the participants in this sample have English as a second language. Finally, the interviewer must be a good listener, establish rapport with the participants and try not to interrupt the flow of conversation. No problems were experienced in interviewing the 10 business incubatees (13 participants).

Once the interviews were concluded, the specific training programmes highlighted by the participants were further explored by obtaining background information about the programmes from the incubator manager. In addition, some of the training service providers were contacted as the information from the participants was insufficient to provide an overview of each service provider. This was done by email and by cell phone. Limited information was obtained due to confidentiality and rivalry between training providers. However enough information was provided to be able to relate it to the information obtained from the participants and to make a comparison in terms of the effectiveness of the training programmes.

In the next section the measuring instrument in this study is indicated.

4.2.5 Measuring instrument

The interview schedule is the main measuring instrument which was compiled after completing the literature review. Boeije (2010:69) asserts that using the interview schedule during the interview process has many benefits, two of which have relevance for the study at hand:

- it is a reminder of the key questions that need to be asked; and
- it focuses on which data to collect as it is easy to get sidetracked which might lead to missing data or unnecessary information.

The interview schedule had two sections. The questionnaire was deliberately constructed to elicit different types of information. Firstly, information on the training interventions and the effectiveness and satisfaction of the participants with the training interventions were obtained. Information was also obtained on which of the content they could apply to their businesses or their own lives. Secondly, the biographical details of the entrepreneur and the business were canvassed.
The participants were requested to evaluate training programmes attended in 2011 and 2012. Only these two years were included as it would have been difficult for participants to remember beyond this period and provide quality information. The specific focus was on the results of the training in terms of content, quality of the facilitator, methodology used, applicability of modules to business and additional business support. It was envisaged that each participant would elicit information on about five different training interventions but participants could only recall three interventions or less.

The data was transcript and during this process it was evident that some participants provided information on some issues that others did not reveal. This meant that participants were contacted to elaborate on these other issues. Some participants attended the same training programme but supplied information that the others had not elaborated on. Participants were therefore contacted telephonically to obtain this information.

Once the interviewing was complete, the raw data was prepared for data analysis. With a small sample like this study it is fairly straightforward. For ease of reference, the interview schedules were filed alphabetically.

In the next section the data analysis procedure is described.

4.2.6 Data analysis
Data will be analysed using the constant comparative method by comparing the information supplied by all ten cases on the entrepreneurship training programmes attended in 2011-2012. Grounded theory will also be discussed briefly.

4.2.6.1 Grounded theory
The purpose of grounded theory according to Laws and Mcleod (2004:8) was to organise many ideas from analysis of the data. This idea was later extended to the idea that its purpose was to build theory that was faithful to and illuminated the area under study. The theories that were developed could be related to existing theories within a field thereby extending the current understanding of the phenomena being
examined. Collis and Hussey (2003:73) concur that the purpose of grounded theory is to build theory that is faithful to the area under study. Therefore, one of the main advantages of grounded theory is that it emphasises theory development.

4.2.6.2  Constant comparative method
Butler-Kisber (2010:52) views constant comparison as a focus on reducing field texts to reveal some common features of shared understandings across experience, in other words a categorising approach. Boeije (2010:83) describes constant comparison as the main component of the analytical process in the grounded theory approach. Together with theoretical selection they constitute the cornerstones of the research, as their purpose is to describe the variation that is found within a certain phenomenon. This includes wherever possible indicating in which situations different variations of the phenomenon manifest themselves. The process of constant comparison is highly abstract with few guidelines in literature to guide the researcher (Boeije 2010:84).

Constant comparison of data does not automatically lead to adequate descriptions of the field or to theory so the researcher plays an active role in combining the different themes. The following framework is proposed by Boeije (2010:84) and Butler-Kisber (2010:52):

- Exploration by reading and rereading the field texts to get a feeling of what is contained in them;
- Specification to extract significant statements (sentences and phrases) from the interview sheets;
- Reduction to determine the core concepts or formulate meanings about the significant statements that relate to the participants contexts. Cluster these into a series of themes to reveal common patterns of experience; and
- Integration to write a detailed description that reflects the participants’ ideas and feelings about each theme. Possibly develop a theory - although this might not happen.
The researcher used the four steps proposed by Boeije (2010:84) and Butler-Kisber (2010:52) to analyse the data of the evaluation of the training programmes as follows:

- The interview schedules were read and reread to ensure familiarity with the answers and to keep searching for emerging themes.
- The interview schedule was constructed in such a way that it was easy to find common patterns and to extract significant phrases or sentences.
- Some of the biographical data was also displayed using tables. Collis and Hussey (2003: 268) explain that a display is a visual format that presents information systematically so that the user can draw valid conclusions and take the needed action. Tables are used to display biographical data in the current study which have the advantage of allowing the researcher to view the data collected at a glance and to see similarities and differences at a glance.
- The results of all the participants on the training programmes were integrated and presented. This was done by what Collis and Hussey (2003:262) describe as the explaining method by trying to understand the coherence of meaning and action in the cases under study. The researcher through the process of explaining attempts to makes sense of the way that the participants in the research make sense of their own actions, goals and motives.

These steps were followed to find the variations and similarities within the data obtained from the in-depth interviews. In the next section trustworthiness is discussed and how it was ensured in the study.

### 4.3 TRUSTWORTHINESS

Sinkovics et al. (2008:691) are of the opinion that reliability and validity have a somewhat uncertain place in the repertoire of the qualitative methodologist. Sinkovics et al. (2008:699) have broken away from traditional concepts of quality validity and reliability by discussing the following terms:

- *credibility* is likened to internal validity which must reflect the match between constructed realities of the participants and the realities represented by the researcher. Boeije (2020:168) confirms that researchers need to be specific about what is assessed to make the research valid;
• *transferability* is likened to generalisability;
• *dependability* is likened to stability of results over time; and
• *confirmability* is likened to objectivity.

Boeije (2010:174) reiterate this break from traditional concepts of quality in terms of validity and reliability. Sinkovics *et al.* (2008:699) add that the results need to demonstrate that the data and interpretations drawn from it are rooted in circumstances and conditions outside the researchers own imagination and are coherent and logically assembled. Butler-Kisber (2010:15) concurs with this by summarising trustworthiness as providing qualitative researchers with a set of tools by which they can illustrate the worth of their study outside the confines of the often ill-fitting quantitative parameters.

Butler-Kisber (2010:15) further discusses the role of reliability in qualitative research and states that it is not considered possible or desirable as it undermines the very assumptions on which qualitative inquiry is based. Furthermore, it is proposed that transparency and researcher reflexivity are more appropriate terminology to use. Transparency permits a clear understanding of the process which instils trustworthiness of the study. Researcher reflexivity accounts for and attends to the biases and assumptions in the study.

Trustworthiness in this study will be ensured by asking the same questions to all thirteen participants. All the participants will be interviewed at their business premises or at the room set aside at the incubator premises for this purpose. Only the results obtained from the participants will be analysed with no assumptions or biases by the researcher. As the training providers were contacted and in some cases the incubator manager was requested to confirm the content and presentation of the training programmes, triangulation could be ensured which enhances the trustworthiness of the study.

Collis and Hussey (2003:78) define triangulation as the use of different research approaches, methods and techniques in the same study and describe the following types of triangulation:
• data triangulation;
• investigator triangulation;
• methodological triangulation; and
• triangulation of theories.

Triangulation was also ensured as some training programmes were mentioned by more than one participant whereby the answers provided during the interviews could be compared to ensure that it is a true reflection of the overview of the training programme. This also ensured data triangulation as explained above.

Another issue with qualitative research is trust. Trust will increase openness in the participants to share information. Boeije (2010:45) discusses the principle of beneficence which refers to maximising good outcomes for science, humanity and the individual research participants while avoiding or minimising unnecessary harm, risk or wrong. Informed consent, privacy, confidentiality and anonymity are principles of building trust.

In this study the names and other unique identifiers of the participants in the sample are anonymous and their confidentiality is guaranteed. The participants were asked before the start of the research if they wished to be included in the study. Two incubatees of the intended sample declined participating in the research due to work commitments. They were replaced with two other incubatees.

4.4 SUMMARY
This chapter described why the qualitative paradigm was adopted for this study. This paradigm works well with the case study method and ensured that biographical data was obtained using an interview schedule. It described how the interview schedule was used to ensure that the interview process worked smoothly and elicited the necessary data. It also described how the interviews had been conducted in familiar environments that the participants were comfortable with. It further indicated how the researcher endeavoured to establish rapport and trust with the participants. Finally, the trustworthiness of the study was discussed.
In the next chapter the results of the biographical data obtained from the participants will be examined. There are 10 incubatees in the sample and a total of 13 participants who are entrepreneurs/business owners. Results will be discussed according to three categories in the sample; start-up, mature and virtual tenants. Aspects of the businesses such as how they started, the business entity, use of business plans and future growth plans will be discussed. The level of education, age, previous work experience and family entrepreneurial background of each participant will also described.
CHAPTER 5
RESULTS OF THE BIOGRAPHICAL PROFILES OF THE INCUBATEES

5.1 INTRODUCTION
Chapter four dealt with the methodology of the study. A brief overview of the two dominant paradigms was discussed before dealing with the qualitative paradigm in more depth. The research design, population and sampling, data collection, measuring instrument, data analysis and trustworthiness were also discussed.

In Chapter five the focus will be on the ten incubatees who are currently being assisted by the Seda Nelson Mandela Bay ICT Incubator (SNII). The biographical details will indicate important aspects of the sample such as level of education, impact of prior work experience and other details of the entrepreneurs. The results of the interviews with the incubatees will be presented as case studies.

Firstly, the case studies of the start-up incubatees will be presented, followed by the mature incubatees and lastly the virtual tenants.

5.2 BIOGRAPHICAL PROFILE OF START-UP INCUBATEES
The case studies of the start-up incubatees will be presented next.

5.2.1 Case A: Mobile innovations in retail promotion
The owner of the business is a 48 year old male. He has a B Sc (honours) and has prior working experience as a computer consultant, Artificial Intelligence (AI) specialist and project manager. He does not come from an entrepreneurial family background although his late wife and mother-in-law had their own businesses. Both encouraged him to start a consulting business.

The business is in the start-up phase. He started the business with a good business idea and hopes to make a difference in the community by getting involved in social entrepreneurship. The business is registered as a private company. He owns 70 percent of the business and his partner owns 30 percent. It is envisaged that the business will be fully operational by the end of September 2012. Currently his
partner is responsible for marketing and in particular to spot trends in the market place and in the ICT industry in particular.

This business sells mobile innovations relating to retail and entertainment promotions, rewards and spending. In this way services are also offered concerning promotions and micro-spending. He promotes products that consumers will have access to by using their cell phones to interact directly with retailers and once the connection is made, shopping will become a rewarding and social experience. He plans to launch his products into the retail clothing-, food- and entertainment markets.

The owner has a business plan which he has used primarily to source funding for the new business. The business plan was part of the competition that he participated in through SEDA. He is also currently consulting with Corporate Project Management services (CPM) to improve his business plan as he seeks investors to partner with him in this new endeavour.

5.2.2 Case B: On-line retail electrical component business

The owner of this business is a 39 year old male. This is the first business that he solely owns. He was previously in a partnership after buying into an existing business that had been operational for five years. He was the technical director in the business for seven years before selling his share back to his partner. He started the business as he wanted to be his own boss and he wanted to have the freedom to make decisions without having to consult partners. His family background is not entrepreneurial.

The business is registered as a trust. This retail business started operating in April 2012 through on-line selling of electrical components. The business has grown and clients are now requesting access to his premises to purchase stock from the floor. Other services such as turnkey solutions, software development and business consulting are also offered. He employs one permanent staff member and two casuals currently (2012).
He does not have a business plan at this stage. He is in the process of compiling a business plan while attending the CPM business plan seminars and hopes to enter for the business plan competition. His future plans are to grow the business by marketing the business more and creating awareness of his product offerings through workshops to his existing client base.

5.3 BIOGRAPHICAL PROFILE OF MATURE BUSINESSES
The case studies of the mature businesses will be presented next.

5.3.1 Case C: Multi-media
The business owner is a twenty nine year old male. He has a tertiary education with a diploma in Marketing Management. He has held various positions in the film industry such as directing, camera operator and sound operator. He does not have an entrepreneurial family background.

The business has been in existence for two years. He has been renting office space in the incubator for sixteen months. The business was started as the owner wanted to be his own boss. He started preparing for his new business while still employed. He completed the company and tax registrations before he resigned from his last place of employment. The business is registered as a private company.

The business services offered are the making and producing of corporate videos, events filming and documentaries. Two full time staff and four temporary staff are employed.

The owner has drawn up a business plan as it was part of the requirements for the South African Breweries (SAB) programme that he participated in. He paid Vision4 Consulting five hundred rand to assist him with the completion of it. He will do a presentation of the business plan in September 2012. He plans to run a reputable and efficient media house locally in the next five years after which he plans to go national.
5.3.2 Case D: Voice over internet protocol (VOIP) and PABX systems installations

The owner of the business is a male in his mid-twenties. He has a tertiary degree – a Bachelor of Arts degree. He does not have an entrepreneurial family background. Prior to starting his business he worked for Telkom and another company that was also in the telecommunications sector. The last company he worked for closed down and he realised the opportunity of taking over the existing customer base and servicing their systems, many of which he had installed while employed at the company.

The business has been in existence for approximately two years. He has been renting space in the incubator for approximately the same time. He started his business after realising the opportunity to beat Telkom on service and took over the previous companies client base. He started the business to generate an income and to provide employment for other people. The business is registered as a close corporation with two founding members. He currently employs two full time and two part time employees.

His business is in the retail sector as he sells PABX systems, internet systems, networks and websites. He also services clients who buy systems from the company and is able to offer other related services such as internet connectivity and ICT in general.

He does have a business plan which was a requirement when entering the small business competition through SEDA and the East Cape Development Corporation (ECDC). His intention is to expand throughout the Eastern Cape. Once this goal is achieved, he plans to expand the business throughout South Africa.

5.3.3 Case E: Graphics and advertising

The business owner is a 41 year old male with a National Diploma in Graphic Design. He had a varied working experience in many fields before starting his business. He worked as a supervisor at STAT SA for the pilot census. He worked as a Desk Top Publisher (DTP) operator at Cadar Printers, as a senior graphic designer
for the Green Room and senior DTP at Valmac Printers. His family do not own any businesses and he does not come from an entrepreneurial background.

The business has been in existence for four years, two of which have been spent in the incubator. He works on his own and does not have any employees. He started his business after buying a computer and working from home. His business is registered as a close corporation. He is the sole member.

The main focus of the business is the creation and design of the following products:
- business cards;
- letterheads; and
- annual reports.

He has an informal business plan but he is attending the training currently offered by CPM and plans to draw up a business plan by the end of 2012. His future plans are to move into his own business premises and in the long term he hopes to grow the business into a one-stop shop, offering graphic design, branding and digital printing.

5.3.4 Case F: Video production

The owner of the business is a thirty one year old male. He has a B Tech in Tourism Management. He has previous working experience as a marketing manager. He does not have an entrepreneurial background. His family moved to South Africa from Zimbabwe when he was ten years old after his father was transferred by his company.

The business has been in operation for five years and he has rented office space in the incubator for three years. He started his own business as he did not enjoy being an employee. He started the business with his own capital. His business is registered as a close corporation.

The business is in the multi-media field with the main focus on video production, photography and graphic design. Currently he employs two fulltime and one part-time staff members.
He does have a business plan which he drew up after being a participant in the SAB KickStart program in 2010. He says he rarely uses it for strategic value as he has all his plans and ideas in his head. Since the owner is originally from Zimbabwe he expressed the desire to open a branch in that country or in another African country.

5.3.5 Case G: Business consultants specialising in signage and graphic design

The business was started by a thirty year old male with a B Comm. Accounts degree. He has no previous working experience as he started the business immediately after graduating from university. He does not come from a family with entrepreneurial aspirations. He is currently studying towards his MA in Development Studies at the Nelson Mandela Metropolitan University.

The business has been in operation for four years with premises in the incubator for the last three years. The business entity is a close corporation. Four staff members are employed. His father is also working in the business with him.

Signage, graphic design and development services are also offered as well as writing business plans for businesses. He also offers other business services such as skills development. He was interested in entering the skills development field and did the assessors training with this in mind but to date no work has materialised in this area. He has serviced the government and parastatals but finds their slow payment affects the cash flow of the business.

He does not have a business plan. He offers this as a service to other entrepreneurs and is currently doing business plans for one of the petroleum company’s Eastern Cape provincial offices. He feels that he does not need a business plan as he knows how to draw them up. He aims to grow his business by finding new opportunities in the private sector. He eventually plans to expand the business to other areas in the province.

5.4 BIOGRAPHICAL PROFILE OF VIRTUAL TENANTS

The case studies of the virtual tenants will be presented next.
5.4.1 Case H: Video production

The business is owned by two people, a female and a male who are both in their early thirties. They are both qualified in Visual Production (one has a diploma and one has a certificate respectively). The couple both had previous working experience in this field as they did freelance work for other production companies in Port Elizabeth and in Johannesburg. She was also an assistant lecturer and he was a partner in a visual production company. Both their parents have their own businesses so they come from a strong entrepreneurial family background.

The business has been in existence for six years. They spent three years in the incubator. Working for other companies made them realise that they could manage their own business as they felt that they did most of the work at the previous companies. They started the business with no capital or resources. They would complete one job and buy a video camera with the money paid. In this way they were able to build up capital equipment that is necessary for video production gradually over a period of time without going into debt. The business is a close corporation. They have one permanent employee.

They offer services such as editing, filming and graphic design as well as production management and related producing services.

They do not have a business plan. They are however participating in the CPM business plan competition. By the end of the year (2012), their business plan will be a tool which they will be able to use for strategic and investor related endeavours. Their vision is to grow the business by renting out equipment and office space at their current premises as well as editing time on edit suites.

5.4.2 Case I: Advertising agency

The business is owned by a male and female who are both in their early thirties. They have tertiary qualifications with a diploma in Graphic Design and a BSc in Construction Management respectively. Both have had previous working experience; one in being the co-owner of a training company and the other worked as facilities manager for the local municipality. Both their fathers have their own businesses. This prompted them to start their business. The one member’s brothers also have their
own businesses. It can therefore be seen that both members come from a very strong entrepreneurial family background.

The business has been in existence for five years. They spent four years in the incubator. They have two branches; one in Queenstown and one in Mthatha. They employ seven permanent employees. The business was started using their own funds and with advice from family and friends. The business entity is a close corporation.

They offer the following business and media services:
- advertising;
- design; and
- web design.

They also sell products such as corporate clothing and signage. They are also involved in innovation such as a patent registration for a new IT product that involves advertising and mobile technology.

They do not have a business plan as they have been busy setting up the three branches. Their vision is to grow the business into a fully fledged advertising agency. They intend expanding to offer a range of IT products.

5.4.3 Case J: IT services
The current owner of the business is a 28 year old male. He completed a B Comm. degree in Business Economics. Prior to starting the business he was employed for three years in the marketing field. He comes from a very entrepreneurial family background with both parents owning businesses. His father runs a shell company and his mother had various catering businesses.

The business has been in existence for seven years with three years spent in the incubator. They were one of the first incubatees in the incubator. The business was started after they had a good idea which they turned into a business opportunity. They both liked the idea of owning a business. One employee currently works in the
business and is involved in the technology side. The business entity is a close
corporation with three members. The two main members are friends and the third
member is the father of one of the members.

The business offers IT services with a focus on touch screen applications.
One partner has left and joined an IT firm. The current owner has the financial
acumen but admits that he is not good at technology and IT. He is currently meeting
with a friend who is also the owner of a small business to get advice about changing
the direction of the business.

The owner does not have a business plan and has never found a need for one in all
the years in business.

A summary of the case studies is highlighted next.

5.5 SUMMARY OF THE CASE STUDIES
Table 5.1 summarises the salient biographical details for easy reference. As can be
seen in Table 5.1, 77% of the participants in the sample are male. Thirty eight
percent of the participants in the sample fall into the age category of 30-39 years. All
the participants have tertiary qualifications. Ninety-two percent of the participants
have had previous working experience although not necessarily in line with the
current business. Seventy percent of the participants did not have an entrepreneurial
family background. Seventy percent of the participants do not currently use or have a
business plan and 50% of the businesses have been in the incubator for at least
three years.
Table 5.1: Summary of biographical details of the case studies

<table>
<thead>
<tr>
<th>Biographical data</th>
<th>Description</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender*</td>
<td>Male</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>3</td>
</tr>
<tr>
<td>Age*</td>
<td>20-29</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>3</td>
</tr>
<tr>
<td>Tertiary education*</td>
<td>Degree</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>8</td>
</tr>
<tr>
<td>Previous working experience *</td>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Entrepreneurial family background*</td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>9</td>
</tr>
<tr>
<td>Business plan</td>
<td>Yes</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>7</td>
</tr>
<tr>
<td>Years in incubator</td>
<td>&lt; 1 year</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1 - 2 years</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>&gt; 3 years</td>
<td>5</td>
</tr>
<tr>
<td>Years in operation</td>
<td>&lt; 1 year</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1 - 2 years</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>&gt; 3 years</td>
<td>5</td>
</tr>
</tbody>
</table>

*Participants (not case studies)

It must be noted that there were 10 cases and 13 participants.

5.6 SUMMARY

This chapter looked at the biographical data of the incubatees in the sample. Previous working experience was indicated and whether or not they come from a family that is entrepreneurial. Information pertaining to details of the business was also discussed. How long the business has been in operation, how many years they have rented space in the incubator and which products or services they provide is
indicated. The owners also discussed their motivation for starting the business, what resources they had available to them and what their future plans are. Whether or not they had a business plan was also highlighted.

The next chapter will present the results of the training interventions that the incubatees have been exposed to.
CHAPTER 6
RESULTS OF THE TRAINING INTERVENTIONS OF INCUBATEES

6.1 INTRODUCTION
The previous chapter looked at the biographical details of the 13 participants in the 10 incubatee businesses. In particular previous working experience, level of education and entrepreneurial family background was looked at. Additionally the reasons for starting the businesses and the future plans for the businesses indicate important aspects about their entrepreneurial spirit.

This chapter will examine the information obtained regarding the assessment of the training interventions the participants attended for the years 2011 and 2012. The participants received training from various training providers. The perceptions of the participants regarding the effectiveness of the training programmes will be elaborated on. The training programmes offered will be discussed in two separate sections namely; those organised by the incubator on their premises and those sourced by the incubatees themselves taking place elsewhere. An overview of each training programme will first be given after which the results of the interviews of the incubatees’ perceptions of the training programmes attended will be presented.

6.2 TRAINING INTERVENTIONS WITHIN THE INCUBATOR
This section will highlight the opinions of the participants about the training interventions attended during 2011 and 2012 within the incubator. Table 6.1 summarised the training interventions at the incubator recalled by the participants (incubatees and virtual tenants).

Table 6.1:  Training interventions attended at the incubator

<table>
<thead>
<tr>
<th>Training Provider</th>
<th>Programme offered</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Project Management Services</td>
<td>Corporate Renewal Mentorship Programme</td>
<td>√ √ √ √</td>
</tr>
<tr>
<td>Enhancement Consultants</td>
<td>Strategic Business Processing Management (SBPM)</td>
<td>√</td>
</tr>
<tr>
<td>Mind Strategies</td>
<td>iRock</td>
<td>√ √ √ √</td>
</tr>
<tr>
<td>Total training interventions</td>
<td></td>
<td>1 1 1 2 2 1 1 2 2 1</td>
</tr>
</tbody>
</table>
It must be noted that the participants did not necessarily attend all the modules in a training programme. The above table indicates that the Corporate Project Management (CPM) training modules which took place in 2012 were attended by most of the participants. The Strategic Business Processing Management programme was offered by the incubator and two incubatees from the ICT incubator attended this training programme. Mind Strategies offered a programme during 2011 which started off as a small group training programme where the facilitator together with the participants assessed their “business” health.

Only the training programmes attended by more than one participant as indicated in Table 6.1 are elaborated on in the next section. An overview of the CPM training programme is provided next, followed by the evaluation of the training programme as experienced by the participants.

### 6.2.1 Corporate Renewal Mentorship training programme

In the next section a brief overview of the content and presentation of the programme is given.

#### 6.2.1.1 Overview of the training programme

The incubator used an external service provider, CPM, to deliver the training programme on the premises of the incubator, free of charge to the participants. There are two main objectives with this programme. Firstly, it is to reignite the entrepreneurial spirit and secondly, it aims to ensure that the business owners are aware of the responsibilities of owning a business. It is a six month long training programme that contains modules such as:

- marketing management;
- financial management;
- human resource management; and
- how to write a business plan.

Two facilitators present this programme. The one facilitator is the owner of a few small businesses. He is very experienced in general business management and presents most of the sessions. The other facilitator is a qualified accountant with an
MBA and is experienced in all financial matters. The two work well together as a team as they are specialists in different business matters. The training sessions are offered on Friday mornings and last two hours. The facilitators are also available for additional information or assistance with specific business issues after each presentation.

Initially the participants were not given notes but may now request electronic notes from the facilitators. Both facilitators use PowerPoint presentations when conducting the sessions. When necessary they use Excel spreadsheets to illustrate the financial bookkeeping principles or statements. The course is offered on an interactive basis and participants are encouraged to ask questions. In the business plan module, exercises have been designed for maximum exposure to real life business conditions. The various parts of the business plan will be combined and the participants will have their “business plans” assessed as part of a business plan competition.

6.2.1.2 Results of the evaluation of the training programme
The results of the assessment of the training programme was summarised by referring to the modules they have attended and found most rewarding. One of the most popular modules attended was the 25 marketing ideas for under R500 module. Three participants provided feedback on the quality and value of this module. Feedback on the Human Resource module was provided by two participants. Two participants found the module 3% changes for 80% net growth beneficial.

In the next sections the participants’ assessment of the training programmes attended will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business. Feedback is given in respect of the three most attended and valued modules.

a) Content
Cases A and E have attended most of the modules since the beginning of June 2012 with Cases B, C, D, H and I only attending some modules. Case E attended the marketing module and found the content of the course as very applicable to his
business. Cases C, D and H also attended the marketing module and commented that the content matches their marketing needs.

Case H also attended the finance module as they need financial guidance and found the content aligns with their needs. Case I attended the 3% changes for 80% net growth module and found the content applicable to their business. They also attended the SWOT analysis module as they could utilise this technique in the different projects they are working on. However, they found the content of the SWOT analysis module quite boring.

Case B and C also attended the Human Resources module as both participants were in the process of increasing their staff complement. Both participants experienced satisfaction with the content of this module since they could practically apply it to solve their immediate work related problems. Case H felt that the content of this module was neither relevant nor practical to their business.

The ‘how to write a business plan’ training programme only started at the time the interviews took place so no comments could be made about the applicability or the participants’ satisfaction with the module as yet.

b) Quality of facilitator
All cases that attended these three modules rated the facilitators as excellent. Case A describes the facilitators of the modules as versatile and experienced. Both Cases C and E also rated the quality of facilitation as excellent. The level of language used by the facilitators is pitched at the right level. Cases C and E felt that facilitators are very helpful as they are always available to assist during the practical session of the modules on a one-on-one basis.

c) Methodology
Case A regards the training presentation as excellent. Case E would like more notes at the end of the session pointing out the most salient aspects for future reference. Case C regards the sessions to be not as practical as he would have liked it. Case H would like access to notes if unable to attend a module.
d) Applicability of modules to business

With regards to the marketing module, Case C learnt the value of using business cards as a brand building tool by supplying customers with a business card to remind them of the business and for future reference purposes. Since attending this module, most of the participants have realised the importance of social media and are using Face book. Case D branded his business by printing the business name onto t-shirts and hoodies which will be worn when doing service and installations to display his business name. In addition he implemented a competition to increase sales of the PABX systems he sells which resulted in four direct sales. Case H has only been able to apply the marketing modules in terms of upgrading their website and company profile.

With regards to the finance module, both owners of Case H feel that the modules are very applicable in the business context. They now have a better understanding of how they should manage their business finances. They also felt that the finance module has provided them with a better understanding of costing and how to apply it in the business context.

Case I is implementing all the ‘small changes that can make a big difference’ as indicated in the 3% changes for 80% net growth module and they also mentioned that they will be training their staff in using these principles.

With regards to the Human Resources module, both Cases B and C found it very pertinent to their business needs as they needed information about employee contracts and about their rights as employers.

e) Additional business support

One of the facilitators is also available for consultation or mentoring during the week if required by the attendee participants.

f) Other comments on the training programme

Case E feels that some participants arrive just before the session ends which is disruptive to those that have attended the entire session.
In the next section the results of the Strategic Business Processing Management training programme is presented.

6.2.2 Strategic Business Processing Management (SBPM) training programme

In the next section a brief overview of the programme is given.

6.2.2.1 Overview of the training programme
This course was presented by an external service provider to the participants (incubatees) of all three incubators in Port Elizabeth. Approximately twelve participants from the ICT, Chemin and Construction incubators attended the training programme. The training was provided for free of charge.

This is a five day business training programme which was presented in the boardroom at the Seda ICT incubator. Both owners of both Cases D and I attended this training programme which has two main objectives. The first objective is to align the vision of SMMEs with their core processing business goals. The second objective is to manage the core processes in small businesses (input - activity - output) in a more efficient and sustainable way.

The facilitator has a degree in Bio-Chemistry as well as training in business consultancy. He has diverse experience in project management, process re-engineering, food safety and packaging. Practical examples relevant to different sectors were provided. The facilitator also used general group discussions to allow participants to share problems experienced. Minimal training notes were available for attendees. However, the facilitator’s email was made available after the training programme. A variety of media was used from PowerPoint slides to flip charts. It was an interactive programme and the facilitator used brainstorming and debating to stimulate the learning experience.
6.2.2.2 Results of the evaluation of the training programme

In the next sections the participants’ evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
Cases D and I found the content of this training programme on how to improve business systems by cutting down on unnecessary expenses and unnecessary waste, as excellent. Case I regards the content of the training programme on how to establish cash flow indicators and to control the flow of resources between projects as good, especially how to use Gantt charts to track time frames linked to key employee responsibility areas. Both participants of Case I found the content of the training was very relevant as they are involved in project management.

b) Quality of facilitator
Both the participants of Cases D and I found the facilitator interesting to listen to and regard him as a good communicator that is accommodating in his presentation approach. Case D particularly impressed with his knowledge and his experience in business. They regard him as accommodating as examples provided in the training session were related to their business sectors. He also responded promptly to their queries.

c) Methodology
Both cases indicated that the facilitator used an interactive approach when they shared the problems they were experiencing and he provided some possible solutions within their business sector. They also enjoyed sharing ideas during the general group discussions which were encouraged by the facilitator. According to Case I minimal training notes were given to the participants but according to Case D the participants each received a booklet. Both owners of Case I found the discussion around the problem areas and solutions as the most beneficial and relevant to their business experience. They further commented that it would be even more beneficial if the facilitator used less PowerPoint slides and more interaction.
d) Applicability of modules to business
The feedback from the participants about the training programme was very positive. Cases D and I revealed that they learnt how to improve their business systems by cutting down on unnecessary expenses and unnecessary waste. Case D sells and installs PABX systems so he travels extensively. After attending the programme he became aware of the costs of travel and has learnt to plan his trips and in so doing to cut down on unnecessary expenses.

Both owners of Case I mentioned that they learnt how to run their business more efficiently by using cash flow indicators in the business. Their business manages different projects so they are now able to allocate resources between the projects more effectively. They now also use Gantt charts for tracking time frames and to allocate key employee responsibility areas.

e) Additional business support
The facilitator provided all participants in the training programme with his email address and was prepared to give business advice. The owners of Case I have utilised his support a few times since attending this training programme and received a prompt response.

f) Other comments on the training programme
Case D attended the training programme from day three out of curiosity as he was not sure if it was applicable to his business needs. He found it very relevant to his business and he would recommend the course especially to businesses that use project management or that are in the manufacturing sector. Case I also found the training programme very applicable to their business and suggested that a refresher course be offered.

6.2.3 iRock Training Programme
In the next section a brief overview of the iRock programme is given.

6.2.3.1 Overview of the training programme
Five of the participants attended iRock mind strategies intervention programme namely, Cases E, F, G, H and J. It was a group “business health” intervention that
commenced in April 2011 and concluded at the end of October 2011. Seda approached the company requesting that a business health check be done on some of the participants. The objective from the incubator’s perspective was to offer participants the business support promised when joining the incubator. The objective of the iRrock programme was to assist participants to grow their businesses. Business growth was to be measured in terms of increases in sales/revenue and/or an increase in staff complement. Seda was meant to track these growth indicators.

The programme facilitator is a qualified business psychologist and is also a business owner. The training programme was geared to the soft skills side of business ownership and being able to manage oneself to grow the business. Modules such as time management, visualisation, having a personal vision, goal setting and procrastination were presented to ensure the participants had the personal skills required for business growth. The underlying themes were thus inspirational and motivational but also with practical applicability such as goal setting and time bound tasks for which the participants were held accountable.

Initially there were five participants attending the training but after one month this changed to individual sessions as the participants were unwilling to share problems and confidences within the group setting. The facilitator gave each participant a CD with a number of worksheets and questionnaires to stimulate thinking and create continuity between sessions. The participants were also encouraged to keep a journal recording successes and challenges. In addition the facilitator sent e-mails and videos to the participants to reinforce learning relevant to the week’s training.

6.2.3.2 Results of the evaluation of the training programme
In the next sections the participants’ evaluations of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
Case E felt that the content of the training programme was geared to the personal and psychological aspects of being a business owner since the modules included
making a personal vision, the importance of goal setting, dealing with procrastination, visualisation techniques and time management and so on. Case H regarded the content of the programme as focused on being motivational and inspirational and better suited for business owners who have been in business for some time.

b) Quality of facilitator
All five of the participants expressed how comfortable and at ease they felt with the facilitator. All five of the participants also found her very approachable. Case G found her easy to understand and the level of language used pitched at the right level.

c) Methodology
Case G said that PowerPoint slides used to emphasise the main learning points was good as well as the notes provided. Case F did not like it that the feedback to participants was given in a group context as each participant's personal issues was addressed. Case J concurred with this, saying that feedback was given to each participant in front of all participants. Case H enjoyed the practical component of making a virtual vision board. Cases F, G and H felt that a group approach was not suitable for this type of training as it was too personal. In addition all cases alluded to the fact that they did not want to divulge some information about their businesses and themselves due to a lack of trust as well as confidentiality and propriety knowledge issues.

d) Applicability of modules to business
Case E benefited by getting in touch with the emotional side of being a business owner which included having a personal vision and of being business ‘healthy’. To him this meant getting a work and life balance which requires working hard but also eating well, getting enough sleep and exercise. Case E reiterated his changed thinking towards his business and he mentioned how he now plans his day and never reads his emails until after 10.00am. This is because he has learnt that emails become time consuming and could delay sending quotations and attending to other important business issues. Both cases F and H found the module on the art of visualisation very beneficial and are still practising this technique.
Case G found the training programme very beneficial especially from a personal perspective as he was able to unlearn procrastinating and no longer defers tasks. He learnt that when he set goals he no longer procrastinates.

Both owners of Case H felt that the sessions were well suited for established businesses and for team building but not for a new business that needs hands-on business expertise and advice. However, although Case H found the sessions inspirational and motivational, they did not find all of them beneficial from a business point of view, except making a virtual vision board. This is contrary to the feedback received from the other participants.

e) Additional business support
There has been no contact between the participants and the facilitator of the course since the completion of the training programme.

f) Other comments on the training programme
At the end of the programme each participant received a ‘goody bag’ which some participants regard thoughtful. Case E was particularly impressed with this gift which contained some chocolates and other memorabilia.

In the next section the training programmes that the participants attended outside the incubator will be discussed.

6.3 TRAINING INTERVENTIONS OUTSIDE THE INCUBATOR
This section will highlight the perceptions of the participants about the training interventions experienced during 2011 and 2012 that was not offered by the incubator. Table 6.3 shows the training interventions that participants attended. Some training was recommended by the incubator but most of the interventions were sourced by the participants themselves.
Table 6.2: Training interventions sourced by incubatees

<table>
<thead>
<tr>
<th>Training provider</th>
<th>Training Programme</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations and Seda</td>
<td>Empretec</td>
<td>✓</td>
</tr>
<tr>
<td>Edward Nathan Sonnenberg</td>
<td>Intellectual Property Seminar</td>
<td></td>
</tr>
<tr>
<td>South African Breweries</td>
<td>Kick-start Training</td>
<td>✓</td>
</tr>
<tr>
<td>Nedbank</td>
<td>Small Business Forum</td>
<td>✓</td>
</tr>
<tr>
<td>East Cape Development Corporation</td>
<td>Introduction to Financial Management</td>
<td>✓</td>
</tr>
<tr>
<td>Jupilog (Pty) Ltd</td>
<td>Enterprise Development</td>
<td>✓</td>
</tr>
<tr>
<td>The Media Workshop</td>
<td>Video Production</td>
<td></td>
</tr>
<tr>
<td>BEEBIZ Compliance Pty Ltd</td>
<td>BEEBIZ Marketing &amp; Sales</td>
<td>✓</td>
</tr>
<tr>
<td>Services Seta</td>
<td>Assessors Course</td>
<td>✓</td>
</tr>
<tr>
<td>Seda</td>
<td>Mentoring</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Total training interventions</strong></td>
<td></td>
<td><strong>1 2 1 1 1 2 1</strong></td>
</tr>
</tbody>
</table>

6.3.1 Empretec training programme

In the next section a brief overview of the training programme is given.

6.3.1.1 Overview of the training programme

The Empretec training programme is offered jointly by the United Nations Development Programme (UNDP) and Seda. Case A was the only case that participated in this training programme. They were very fortunate to be able to attend this prestigious training programme as it was part of a prize they won in a competition run by Seda during 2011. It is a rigorous seven day training programme on entrepreneurship starting at seven in the morning and finishing very late each day. The main objective of the training programme is to assist entrepreneurs to improve their businesses and to ensure sustainability over the long term.

There were five different facilitators from different Southern African Development Countries (SADAC). The facilitators were experts in various fields and operated in a team context. Each participant was provided with a file with notes and worksheets to be completed. Some of the worksheets were aimed at getting a better understanding of the entrepreneurial personality. All modules in this training programme had assignments which were to be completed during the week at the time the programme was offered.

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The Empretec methodology was developed by David McClelland at Harvard University and attempts to motivate the inner self to improve oneself. The three motives addressed are in terms of achievement, affiliation and power. Ten personal entrepreneurial competencies form the basis of the Empretec Training, namely:

- opportunity-seeking and initiative;
- persistence;
- fulfilling of commitments;
- demand for quality and efficiency;
- goal-setting;
- information-seeking;
- systematic planning and monitoring;
- persuasion and networking; and
- independence and self-confidence.

The outcome of this training programme promotes a behavioural change that can help entrepreneurs to turn their ideas into opportunities and helps fledgling businesses to grow. Seventy percent of the programme was instructor led and 30 percent comprise practical business exercises. A production line was simulated. Additionally the attendees had to start a business of their own and generate a profit by the conclusion of the programme.

6.3.1.2 Results of the evaluation of the training programme

In the next section the participants’ evaluations of this training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business. Feedback of the training programme was provided by both owners of Case A.

a) Content

Both participants rated the content of the training programme as excellent as it allowed them new knowledge about business and business growth. The content was also beneficial from a self-development perspective. Both participants enjoyed the rigour of the training programme, as the theoretical content could be practically tested at each session.
b) Quality of facilitator
Both of the participants rated the facilitators as excellent and experienced. According to the participants, the five facilitators bring a depth and range of business experience that is difficult to imitate, especially in the South African environment. Being an internationally developed programme also ensures that they are exposed to quality international presenters with appropriate experience for the intended target audience.

c) Methodology
The participants of Case A found the programme very interactive with a combination of theory and practice. The practical application in terms of the worksheets and assignments which required reflective learning, the simulated production line and starting a business was found most enjoyable by the participants and reflected business reality. The participants were glad they could work on the same business project within their field of business, which was to sell a computer widget. The participants also mentioned they liked getting a file with notes and worksheets. The participants liked the fact that the course was presented in an interactive manner and that they could work in a team to share ideas.

d) Applicability of modules to business
The participants found the entrepreneurial nature of the programme highly applicable for nascent incubatees such as Case A. The male participant commented on the confidence he has gained by attending the programme which was also endorsed by his partner. The major objective of the programme is promoting behavioural change. This aspect was evident by the comments made by both the participants as they reiterated the value of persistence and perseverance that they learnt during the week which they regard as an essential requirement when managing your own business.

The male participant found that after attending the programme he has more confidence. The participants found they benefited from practising what they have learnt by setting up a production line. As there were other attendees in their group it sparked some brainstorming and discussion around the different possible ways of setting up a production line. The participants mentioned that as the project was a
team approach, they learnt how to resolve differences of opinions in the group which taught them negotiating skills.

Case A indicated that the programme was very beneficial for new business owners. He also found the networking opportunities very stimulating as he met eighteen other entrepreneurs from other provinces in South Africa, and even as far as Botswana attending the programme. Thus it can be seen that the training programme was beneficial for both participants on a personal and a business level.

e) Additional business support
After completion of the programme, participants have access to the Empretec network. All participants throughout South Africa and beyond are able to network with each other via the Empretec website. Only participants who have attended the training programme have access to this network.

f) Other comments on the training programme
No other comments about the training programme were forthcoming.

6.3.2 KickStart training programme
In the next section a brief overview of the training programme is given.

6.3.2.1 Overview of the training programme
Case C was the only participant that attended this training programme and heard about it via word-of-mouth. Case C was one of 60 participants chosen to attend the SAB KickStart Competition which was a two week interactive training session with other like-minded entrepreneurs during 2012.

SAB launched its KickStart programme in 1995 as a poverty alleviation programme but it has subsequently become a platform to stimulate sustainable business development. KickStart promotes business awareness through training, supplying grants as start-up capital and providing post-training mentorship and assistance during the set-up phase of the business. The programme is aimed at 18 to 35 year old entrepreneurs from previously disadvantaged backgrounds. The objective of the training programme is to increase participants’ business skills by taking them through
a robust and intensive business skills training programme that may take place over 14 days.

To be able to participate in the KickStart training programme the following criteria are required:

- high growth potential that can be scalable;
- sustainable competitive advantage;
- black managed with minimum of 50% black ownership;
- in operation for less than five years;
- post revenue – meaning a product or service has already been sold to a customer; and
- innovative and creative.

In addition the entrepreneur should have an entrepreneurial spirit, be talented and energetic, have integrity and be able to manage the business full-time.

The training was held in a spacious and “excellent” venue that could accommodate this large group of participants. During this time Case C was exposed to the day-to-day management of a business from a holistic perspective. The programme culminates in a business plan competition which he was eligible to participate in. Case C therefore stood a chance of being chosen as a regional prize winner.

Two different teams of facilitators facilitated the training programme to ensure an alignment between practice and theory. The course ran from Monday to Saturday and was approximately eight hours long per day. The programme has been offered for over fifteen years and is continuously updated thereby ensuring its relevance and standard of excellence.

6.3.2.2 Results of the evaluation of the training programme

In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.
a) Content
Case C mentioned that the theory could be practically applied. Files and notes were given to each participant. According to the participant, the content of the programme covered the value of the business plan and how to use it in a business setting on a more practical level. It also provided him with an overview of what it takes to manage a business as it covered generic business topics such as legal matters, ethics, marketing, operations and financial aspects of managing a small business.

b) Quality of facilitator
Case C found the highly qualified and skilled professional facilitators excellent. He commented on the fact that there were two groups of facilitators; five of the facilitators presented the theoretical components of the programme. The second group of facilitators were called the “Dream Team” and according to Case C they presented the practical activities and ensured networking between all the participants.

c) Methodology
Case C enjoyed that after each theoretical module a group activity with a different group of participants was required. Case C mentioned the strong link between theory and practical activities often during the interview. There were six groups of ten participants for each activity and after each module the participants in the groups rotated to join another group. Case C enjoyed this application of theory and sharing and networking with other participants. The participant also regarded the interactive team-based approach stimulating and providing networking opportunities. Case C explained that one of the core themes emphasised in the programme was learning to become a team player and he was able to practice this new skill in all the different group activities.

d) Applicability of modules to business
Case C mentioned that the programme gave him an overview of how to manage a business holistically. In addition he learnt the value of having a business plan and applying it in his business. Case C found the group activities and networking opportunities among the sixty participants presented new diverse business
opportunities. Working in different teams was very stimulating and taught him to become a team player. He was able to practice this new skill in all the group activities.

**e) Additional business support**

After undergoing the training on the KickStart programme the participants have to compile their own business plan. Case C paid five hundred rand to a service provider who is contracted by the SAB programme to assist him in fine tuning the business plan before it was handed in. If Case C wins he will have additional support in the form of grants and mentoring as these are the prizes offered to the regional winners. A business development support (BDS) specialist will assist with the development of a specific and aligned growth strategy and a mentor will assist with the execution and monitoring of the growth strategy. Progress within the mentorship phase will be used to determine the national winner.

**f) Other comments on the training programme**

Case C is the second incubatee from the Seda ICT incubator to have undergone the rigorous and intensive training offered through the KickStart programme. Case F attended the KickStart training programme during 2010.

### 6.3.3 Nedbank Small Business Seminar training programme

In the next section a brief overview of this training programme is given.

#### 6.3.3.1 Overview of the training programme

A small business seminar is offered twice a year by Nedbank to the business community in the various cities around the country. Case C was the only incubatee who attended the seminar when it was held in Port Elizabeth. He heard about it on the radio.

Two business consultants present the four hour workshop on two different topics. The facilitators are not employed by Nedbank. The forum is presented at one of the beach front hotels and admission is free. It is open to the public. The one topic is usually financial in nature and the second topic is usually related to marketing. Well over 100 small business owners attend the seminar.
Each participant received a file with notes for each module and paper to make additional notes. Services offered by the bank for the small business community are also discussed. The first module is presented after which refreshments are served with networking opportunities. The facilitators mingle with the participants. The second module follows after this. In addition there are lucky draws for the participants. Feedback is obtained after each seminar about future presentations that the small business owners would like more information and training on.

6.3.3.2 Results of the evaluation of the training programme
In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
The content of the programme is tailored for SMMEs. Case C found the content of the marketing module very informative, whereas the finance module was less inspiring.

b) Quality of facilitator
Case C found the one facilitator was very interesting to listen to with a charismatic and dynamic personality. The facilitator that presented the financial module was more reserved in his approach and Case C found him boring.

c) Methodology
Case C approved of the PowerPoint slides that highlight the main points. The participant could follow the presentation as well as the notes received were used in conjunction with the presentation. Case C commented that unfortunately this training programme is very theoretical in nature of the presentation and generic. Case C takes pleasure in the fact that the facilitators mingle with the participants during the tea break.

d) Applicability of modules to business
Case C first commented that due to the theoretical approach he did not learn anything to implement in his business. However, in the interview he later mentioned
that he will always remember the maxim: ‘the day that you do what you enjoy, is the day you stop working!’ which alludes to the seminar being inspirational and motivational. He also enjoyed the networking opportunities provided during tea break.

e) Additional business support
The Small Business Seminar provides a platform for SMME’s and entrepreneurs to network and to get to know the products the bank offers including access to information about different financial options available.

f) Other comments on the training programme
As more than 100 business people attend the seminar it is an ideal opportunity to network and expand relevant social connections.

6.3.4 Introduction to Financial Management training programme
In the next section a brief overview of this training programme is given.

6.3.4.1 Overview of the training programme
Case D was the only participant to attend this particular training programme. The training programme was facilitated by Vision4 Consulting on behalf of East Cape Development Corporation (ECDC) at the premises of the African Global Skills Academy. There were approximately 25 participants. The course took place over a week, from Monday to Friday from 9.00am to 15.00pm. The objective of this training programme was to assist small businesses to understand financial management and to assist them by laying a foundation upon which to build their businesses.

The facilitator is qualified and holds a National Diploma in Information Technology as well as certificates in facilitation, presentation and business skills. She is isiXhosa and speaks the language of the majority of the attendees. She is also fluent in English. She has been facilitating courses for Vision4 since 2007 to both SMMEs and corporate clients.

The content of the Introduction to Financial Management programme consists of five modules namely:
• income and expenditure;
• budgeting;
• pricing and costing;
• start-up capital; and
• tax and your business.

The modules offered cover the foundation of financial literacy training programmes as this is an introductory course accredited on Level 2.

6.3.4.2 Results of the evaluation of the training programme
In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
Case D indicates that the content on the recording of all financial matters such as expenses, outstanding invoice and stock control is good as it teaches one how to keep records. The content of the training programme fits in with his needs as he wished to have a basic understanding of business finance and is varied as the modules cover the importance of budgeting, tax and the small business as well as costing and pricing. Case D is pleased that this is an accredited training programme.

b) Quality of facilitator
Case D found the facilitator easy to understand as training was pitched at a level that was understood by attendees. Case D was impressed with the professional way in which the facilitator presented the modules.

c) Methodology
Case D commented that he enjoyed that participants were encouraged to share problem areas and that the facilitator used practical examples to illustrate theory. Case D commented on the fact that most of the participants were not from the ICT field. Case D liked it that each participant received a booklet with examples for future reference purposes after completion of the programme.
d) Applicability of modules to business
Case D still uses the booklet that participants were given today as it provides him with examples of what he has learnt if he needs to refresh his memory. Case D felt that the training programme was very applicable to business and especially the importance of having financial discipline. After completing the training programme, Case D’s personal objective of understanding business finance was achieved. He found the training so beneficial that he would recommend the training programme to other small business owners. After attending the training, Case D reiterated his use of an excel spreadsheet to record all his financial transactions. This provides him with the discipline he now has on using his business money wisely.

e) Additional business support
There is no additional support after completing this training programme.

f) Other comments on the training programme
Case D mentioned this training programme first although he attended it during 2011. It was the only training received by any of the participants that was certified.

6.3.5 Intellectual Property Seminar training programme
In the next section a brief overview of this training programme is given.

6.3.5.1 Overview of the training programme
Both the owners of Case I attended the one day workshop in Cape Town. The objective of the training programme was to give information on patents and intellectual property rights in South Africa and in the rest of Africa. The different sessions were presented by different lawyers who were all specialists in specific legal areas. Case I is in the process of registering a patent and needed to have the latest information available in this business area. Over 100 people attended the seminar which was held at the offices of the Edward Nathan Sonnenberg law firm.

6.3.5.2 Results of the evaluation of the training programme
In the next sections the participants’ evaluations of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.
a) **Content**
Both owners of Case I indicated that the content of the training programme provided information on patents and intellectual property rights in particular the laws pertaining to intellectual property rights and patents. It was easy to comprehend what was presented, although initially both participants battled with the legal jargon.

b) **Quality of facilitator**
The facilitators were a group of lawyers that used PowerPoint slide presentations to cover the content. According to the participants, the facilitators were all experts in their specific fields. Colloquial language was not used so both owners of Case I battled initially to understand the language but as the morning progressed they found it easier to comprehend this “new” language.

c) **Methodology**
This training was essentially informative. Although a traditional lecture style presentation was given to over 100 participants, comments were made by the participants that there was opportunity to ask questions after each session.

d) **Applicability of modules to business**
As Case I is in the process of registering a patent, they found the modules applicable to their current business aspirations. The legal jargon made it difficult to grasp all that was presented but the participants appeared satisfied with the learning outcomes. There was no practical application since it was all theory; rules and regulations. This one day training has a very specific focus and the owners of Case I indicate that their new knowledge will prevent them from making costly mistakes. This may have resulted in not being able to know how to register a patent. Both participants expressed their satisfaction that they are now well prepared and knowledgeable to register a patent.

e) **Additional business support**
There were limited networking opportunities during the tea break.
f) Other comments on the training programme
This training programme was expensive in that it cost Case I air tickets to Cape Town and all meals whilst there. The incubator sponsored the training programme and the accommodation.

6.3.6 Capacity Development training programme
In the next section a brief overview of this training programme is given.

6.3.6.1 Overview of the training programme
Only one participant, Case E attended this training programme which was presented over a period of approximately three months. Jupilog Pty Ltd sourced funding for the Capacity Development training programme through Corporate Social Investment (CSI). The training is therefore indirectly sponsored by the private sector. Jupilog approach various organisations that offer support interventions for SMMEs and invite them to attend the training.

The training programme comprised of seven modules amongst others tendering, marketing and sales, human resource management, finance and accounting and project management. It is a non-accredited programme. Each module was presented by a different lecturer from the Nelson Mandela Metropolitan University (NMMU). The duration of each module was one day. The training programme was conducted on the South campus of the NMMU and 15 to 20 participants attended the programme. The objective of the training programme was to strengthen the capacity of SMME’s. Each trainee was given a booklet and handouts after completion of the individual modules.

6.3.6.2 Results of the evaluation of the training programme
In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.
a) Content
Case E mentioned that the basis of the training programme was on mostly theoretical in content. No further information was forthcoming regarding the content of this training programme.

b) Quality of facilitator
Case E found the language used by the facilitator as easy to understand as it is commonly used in business. He also mentioned that different facilitators presented each module but did not provide comment on their quality as presenters.

c) Methodology
Case E found that most of the presentations were conducted using PowerPoint slides in a traditional classroom style. He also mentioned that the modules were mostly theoretical in nature but some exercises were included. The only exercise that he could remember was on how to calculate breakeven point of sales. The participant appreciated the fact that each trainee was given a booklet and some notes as well as the few practical exercises.

d) Applicability of modules to business
Case E found the training programme useful especially on how to calculate breakeven point of sales but did not comment on implementing it or any other content covered in the modules.

e) Additional business support
There is no evidence of any additional business support.

f) Other comments on the training programme
No further comments were provided.
6.3.7 Video Production training programme

In the next section a brief overview of this training programme is given.

6.3.7.1 Overview of the training programme

Business F participated in the three month video production training programme as he needed more knowledge and skills to apply in his current work. The training was done with a small group of four people. The first two months were theoretical training and the last month was putting the theory into practise. The objective of the training programme is to assist people to become self-employed by learning how to make videos. It is a non-accredited short training programme.

The content of this training programme includes modules such as: lighting, script writing (basic), editing, sound production, theory of film and so on. The programme was offered twice a week from 12.00 to 16.00 to accommodate participants managing their own businesses. The programme was facilitated by three different lecturers. Each participant receives a comprehensive training manual covering all the modules.

6.3.7.2 Results of the evaluation of the training programme

In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content

Case F felt that the content of this training programme aligns with his needs as he needed to learn the fundamentals of video production. Case F was very satisfied with the practical application of the content of the training as it met his objective.

b) Quality of facilitator

Case F enjoyed the humorous anecdotes that the facilitators, who were qualified and experienced, shared with the attendees.
c) Methodology
The participant thoroughly enjoyed both the theoretical and practical aspects of the training. The participant also likes it that each participant receives a comprehensive training manual.

d) Applicability of modules to business
Case F said that he could implement a lot of what he learnt with regard to making videos. Case F found it very beneficial as he could enhance his business with the skills learnt as it relates directly to the artistic and creative side of his business.

e) Additional business support
There is no formal business support offered after completion of the video production training programme. However, the owners of the Media Workshop who conducted the training offer their advice and counsel if required as they have compassion for the community and social entrepreneurship.

f) Other comments on the training programme
Case F mentioned that he is not interested in learning anything more about managing a business but will rather participate in creative courses that can impact his creativity to grow his business.

6.3.8 BEEBIZ Marketing and Sales training programme
In the next section a brief overview of this programme is given.

6.3.8.1 Overview of the training programme
Case G was the only participant in this training programme and wanted to hone his marketing skills as he required a new strategy to do business with the private sector and not just with government and parastatals. He needed assistance to develop new marketing strategies and in particular how to use cold canvassing as a marketing tool. The objective of the training programme for Case G was to leverage BEE credentials. This included learning about defining the market, applying marketing principles and doing a market needs analysis.
Each training module was two hours long. The participant, together with his employees, participated in the training programme. The training programme took place at the offices of the BEEBIZ offices of the facilitator in Walmer. The intervention lasted for six weeks and Case G and employees met once weekly with the facilitator. Power point slides and Excel spread sheet presentations were used when necessary but the training was more practical orientated and specific to the business needs of Case G. The facilitator of BEEBIZ has more than twelve years of experience in business development.

6.3.8.2 Results of the evaluation of the training programme
In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
According to Case G, the content of the marketing and sales training programme met their needs as the programme could be practically applied. Case G mentioned that the content was focused on obtaining the skills and knowledge required to do cold calling, how to do a needs analysis and how to define the new market. Case G expressed his confidence that the content of the course has shown him how to leverage his BEE credentials in marketing.

b) Quality of facilitator
Case G found the facilitator very easy to understand as his training was pitched at the required level of the participants. Case G also mentioned that the facilitator had over twelve years of business development experience and shared his knowledge freely.

c) Methodology
Case G found the training interactive and likes it that a study guide was provided for future reference purposes if needed, as he could not recall all learnt. Case G mentioned that he was pleased that the information received was not only theoretical but could be practically applied.
d) Applicability of modules to business
Case G commented on the fact that although he had not obtained any new theoretical knowledge about marketing or sales, the training was presented in such a way that it was relevant and could be applied to his business. The fact that all his employees also attended the training impacted on his business positively. Case G mentioned that he learnt a lot about changing his marketing strategy in this highly personalised training programme.

e) Additional business support
There is no additional support offered to attendees.

f) Other comments on the training programme
Case G recommends this type of focused, personalised training. It is also recommended that employees attend this training programme.

6.3.9 Assessors training programme
This training programme lies outside the ambit of the ICT sector. In the next section a brief overview of this training programme is given.

6.3.9.1 Overview of the training programme
Case G attended a one week assessors training programme which was held at the offices of the Services Seta in Port Elizabeth. The training started at 08.00 am and finished at 16.00 pm and was conducted from Monday to Friday. There were ten participants in the class. The objective of this training programme was to demonstrate an understanding of outcomes based assessment, to prepare for assessments, conduct assessments, provide feedback on assessments and review assessments.

Each participant receives a file at the commencement of the training which covers the entire content of the training programme. There is also a training manual with all the relevant theory that is required by the trainee to become an assessor. There are five different sections that need to be completed at various times throughout the week. The last section concerns the portfolio of evidence (POE) which is completed after the conclusion of the training programme. Certification only occurs after the
(POE) is evaluated and found of an accepted minimum standard. The facilitator was qualified as a level six facilitator and was able to speak isiXhosa, English and Afrikaans.

6.3.9.2 Results of the evaluation of the training programme
In the next sections the participant’s evaluation of the training programme will be provided by referring to the content, quality of the facilitator, methodology used to convey the message and applicability of the “new” knowledge in their business.

a) Content
Case G found the content of the training programme theoretical but practically applicable.

b) Quality of facilitator
Case G was impressed by the fluent use of the different languages used by the facilitator during training and his manner of presentation.

c) Methodology
Case G was matter of fact about the course explaining that it was a mix of theoretical and practical modules. Case G only indicates that the facilitator used a flipchart and worked through the assessor training guide.

d) Applicability of modules to business
Case G participated in the training course as he thought he might offer skills development training and services in his business. Business G expressed confidence in his ability to assess candidates now according to the requirements demanded by programme.

e) Additional business support
A portfolio of evidence is required to be handed in at a set date after conclusion of the programme before being certified. During the compilation of the portfolio stage, support is offered to participants by the facilitator and staff at the Services Seta offices either telephonically, by email, or in person by visiting the offices.
f) Other comments on the training programme
Business G has not utilised his new skills as his business opportunity for skills development have not yet materialised.

In the next section general comments made by the incubatees on training will be discussed.

6.4 GENERAL COMMENTS BY INCUBATEES ON INCUBATOR TRAINING
Case A has no suggestions for training taking place in the incubator as all training has been pertinent to the business. He feels that the incubator is a business setting and the management team of the incubator know what the training needs of the incubatees are. Case A feels that training in the incubator should always be beneficial.

Case B concurs with Case A but added that training in the incubator is very convenient, it is free, it is organised and it is planned with the incubatees in mind. Case D indicates that incubator training is preferable as there is no need to source training. Case F felt that the training in an incubator setting surpasses training outside the incubator as there is accountability and recourse should problems in any way occur with the facilitator or training. Case G regards training at the incubator as more beneficial as management are aware of the training needs of the incubatees, in particular for start-up businesses.

Case C felt ambivalent as to whether training offered in the incubator is more beneficial than those sourced elsewhere. This could possibly be due to the fact that he is comparing it with the SAB KickStart programme he has attended which is known to be of a high standard. Both Case E and J feel that the most important point is the purpose of the training and its effectiveness. In other words the type of training the incubator offers is the critical question.

Case I felt that training taking place in the incubator has a disadvantage as many of the incubatees are in the same business sector and therefore might be in competition with each other. However, Case I also felt that staying up-to-date in the ICT sector is important so there will always be a need for training that is current and
relevant. Training sessions must be tailored to accommodate the different business life-cycle stages that the incubatees are in their businesses.

Case F also felt that a staff member at the incubator must call a meeting with the incubatees to determine their concerns. He also mentioned that the training should be more personalised. However, time is a major constraint for Case F and he will not attend any generic business training programmes. Case G is also not interested in attending training programmes currently due to time-, money- and staff constraints. He is currently enrolled at the NMMU for a degree which might explain why he feels he does not have enough time. Finally, Case J felt that the incubator cannot provide the training he needs.

In the next section the summary of all the training programmes will be addressed.

6.5 SUMMARY OF THE TRAINING INTERVENTIONS ATTENDED

Table 6.1 indicates the number of training programmes attended by the participants in the sample. Seven participants attended three programmes, four participants attended two programmes and two participants attended one programme each during the two year period. The average number of training programmes attended during the 2011 and 2012 period by participants is one. Most of the training has taken place during 2012 and consist of various modules. From comments made by the participants it is evident that few training programmes took place during 2011.

Twelve different training providers are used by the incubator. Nine of these training interventions were off-site and out-sourced. The focus of these training programmes was very specific to participants’ needs. Most of the training was paid for by the incubator except in five instances:

- Empretec training where Case A won the training as a prize in the annual business plan competition through Seda;
- Intellectual Property Seminar where the business owners of Case I paid for their own air transport and food while the incubator sponsored the course and accommodation in Cape Town;
• Nedbank Small Business Seminar where the incubatee sourced this free training;
• Jupilog training which is self sponsored and funded as a corporate social investment initiative; and
• Assessor training which is offered for free of charge to all Service Seta clients.

CPM has been a six month intervention. In order to ascertain the business needs of the current participants a business health check was done. Based on this assessment two hour sessions have been planned for every Friday morning. They are voluntary. More than 54% of the participants in the sample have attended most of the sessions of CPM depending on their current business needs and on their available time.

Mind Strategies offer the iRock support programme that was implemented during 2011 that at least half the incubatees attended. A business health check assessment was done before embarking on the programme. This programme has since changed to become more of a mentoring programme as the participants were uncomfortable to disclose personal information in front of each other.

The training offered in 2012 has been more consistent and specific for each participant. This may have to do with new management at the incubator who have the incubatees’ interests at heart and wish to empower them to be able to grow their businesses. It is difficult to assess all the programmes fully as only three training interventions were attended by more than one participant. These are the courses offered by CPM, Mind Strategies and Enhancement Consultants.

6.6 SUMMARY
This chapter has assessed the interventions used by the incubator to support their incubatees. The training interventions were firstly analysed in terms of interventions offered by the incubator and hosted on the incubator premises and secondly, those interventions attended off-site which were either sourced by the incubatees themselves or recommended by the incubator management. An overview of each training programme offered was provided as well as the results of the assessment of
the training programme by the participants. The training programmes were assessed in terms of the content, quality of the facilitator, methodology and applicability of the training programmes utilised.

Chapter seven will summarise the study, provide some conclusions and interpretation of key findings. The chapter will also provide recommendations to incubator management based on the assessments provided by the participants of this study.
CHAPTER 7
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

In Chapter six the results of the training interventions were presented from the participants’ perspective. The results of the training programmes that were presented by the incubator as well as those sourced by the incubatees during 2011 and 2012 were presented. The training programmes were assessed in terms of the content of the training, the quality of the facilitators used to deliver the training, the methodologies used and the applicability of the modules to business. Additional business support that was provided was also elaborated on as well as other comments made by the participants regarding the training programmes. The results of twelve training programmes that participants provided feedback on were outlined.

This chapter will summarise the study. The conclusions and recommendations of the biographical data will be presented. The conclusions and recommendations as to the effectiveness of the training interventions will be presented. Finally, recommendations will be made on training in an incubator setting.

7.2 SUMMARY OF THE STUDY

This study comprised of seven chapters. A summary of these chapters are as follows:

- Chapter one provided the background to the state of entrepreneurs and SMMEs currently. The problem statement discussed the importance of the study before highlighting the primary and secondary objectives. A definition of concepts used in the study was outlined as well as other studies covering the training of SMMEs. A brief outline of the research methodology was provided regarding the sample, the data collection and analysis procedure and how to ensure trustworthiness. Finally, an outline of the study was introduced.

- Chapter two was an in-depth study examining the need for entrepreneurship, the need for entrepreneurial education and training and the role of government in promoting entrepreneurship and entrepreneurial education and training. An
education and training framework was presented to assist in evaluating training programmes.

- Chapter three explored the concept of the incubator by looking at its development, the different types of incubators, the purpose of incubators, factors contributing to their success and the business support offered by incubators. A brief overview was given on international and South African incubators. Special reference was made to the Seda Nelson Mandela Bay ICT Incubator because the participants that were the focus of this study are incubatees in this local incubator.

- Chapter four provided the research design framework. It described the sampling process and how data was collected. It described the measuring instrument used to collect the data. The data analysis procedure was outlined and finally trustworthiness was elaborated on.

- Chapter five provided the results of the biographical profiles of the participants. Information such as the age, gender, education and previous working experience was provided. This information was gleaned using the interview schedule with open ended questions.

- Chapter six provided the results of the effectiveness of training interventions offered to the participants in the study. Information was obtained from in-depth interviews with the participants according to an education and training framework. The training programmes were divided into two sections; those conducted in the incubator and those conducted in premises off-site.

In the next section the conclusions that were drawn from the analysis of the results of the biographical profile of the participants and the training interventions will be presented.

7.3 CONCLUSIONS AND RECOMMENDATIONS OF THE BIOGRAPHICAL DATA

The biographical profile confirms that most of the participants of the study prior to joining the incubator were operating home-based informal sector businesses. These businesses were however not necessity driven but rather opportunity driven. Acceptance into the incubator has moved the businesses from the informal to the
formal sector. Furthermore, the incubator environment has enabled the participants to grow their businesses by offering training interventions and other much needed business support. According to Seda this means that after leaving the incubator these businesses should have a 70% survival rate (Timm 2011:60).

In the South African context the incubator provides a safe environment with shared resources, training, access to finance and networking opportunities which are currently still not often available to the informal sector. The incubator therefore has an additional role of bridging the gap by changing micro businesses in the informal sector into micro or even small businesses in the formal sector. The success of the incubator can be linked to their management. If well managed, these incubatees can soon graduate and exit the incubator and have a good chance of business survival. Therefore care has to be taken when appointing an incubator manager. It can be assumed that the incubator manager must at least be knowledgeable in the sector such is the case in this ICT incubator and being well connected to ensure that enough networking opportunities are provided for the incubatees.

In the next section the conclusions and recommendations of the training interventions commented on in the results are indicated.

7.4 CONCLUSIONS AND RECOMMENDATIONS OF THE TRAINING INTERVENTIONS

The conclusions and recommendations of the training interventions the participants commented on are provided next. The same framework used to measure the effectiveness of the training programmes will be used to conclude the study and to make recommendations.

7.4.1 Conclusions and recommendations of the content of the training programmes

The conclusions and recommendations of the content of the training programmes are presented next.
7.4.1.1 Conclusions

Most participants appear to regard the content of the training programme as excellent when there is a strong link between the theoretical and practical content. It seemed that the participants also learned underlying themes of being an entrepreneur such as perseverance, being a team player, confidence and persistence when the theoretical content of the course was closely tied to practical application. According to Penaluna et al. (2011:2), this aspect of entrepreneurial education and training is recognised as being as important that entrepreneurial competencies and “soft skills” such as initiative, confidence, creativity and persuasion are being integrated into most international entrepreneurial programmes. Pretorius (2008:4) concurs and emphasises the importance of such integration by suggesting that if these themes are not included, it could lead to the failure of the programme and ultimately of the entrepreneur.

Some training programmes include writing a business plan. Literature highlights the role of the business plan as a method in entrepreneurial training. Pretorius (2008:6) claims that the value of the business plan is found in its creation. It appears that this might be what holds entrepreneurs back from writing business plans as it is a formal document that can be very time consuming and difficult to write for many who are inexperienced in managing a business effectively.

It also appears that when the content of the programme is aligned with the life cycle stage of the business, training is more applicable and relevant. Pretorius and Wlodarczyk (2007:511) note that the different life cycle stages act as moderators of the programme and determine the content of the programme. Furthermore it appears that during the start-up stage of the business, problems are generally complex and multi-dimensional which requires a different set of skills. This further supports the notion of having a team of facilitators presenting courses that are knowledgeable on training start-ups. Herrington et al. (2011:10) observe that entrepreneurship is a process that has different stages. Thus, it warrants different training interventions to meet the particular stage of the business.

It seems that when the content of the course is mostly theoretical and generic the entrepreneurs do not “experience” the training as worthwhile and they seem to
remember little of the content and even less of what has been applied. This may be the reason why many participants remember very little of the content of some of the training programmes. Ideally it appears that to be effective, the content of the training must be a combination of knowledge, skills competence and attitude change. Perks and Smith (2009:8) concur that the content of training must focus on obtaining personal-, business operation- and management skills. A further reason for the theoretical basis may be due to a generic content focus more suitable for managing large business which Nieman (2001:450) find unsuitable for the entrepreneur in a SMME environment. Furthermore, a generic one-size-fits-all training intervention is not effective as substantiated by Raiz (2012:28).

It appears that some of the training programmes are regarded as excellent because the training providers have learnt from best practices what the content and approach should be used in the training programmes as confirmed by Pretorius and Wlodarczyk (2007:507). This was especially evident with one of the programmes that had an international focus. It also seems that when the training programme is linked to the participants’ needs, they regard it as excellent such as how to go about registering patent rights and making videos.

In order for programmes to be exceptional the content has to match the objectives of the training (Pretorius 2007:505) which should address a specific need. This was evident in the results as participants did not necessarily attend all modules but only those that they regard will satisfy their specific needs. As incubatees do not have to pay for in-house training they have the flexibility for doing so. Nieman (2001:448) recommends modular training programmes.

7.4.1.2 Recommendations

It is recommended that there must be a strong link between the theoretical and practical content of a training programme. However the training programme must not be too theoretical. With entrepreneurial education and training it is important to look for themes which undergird the content such as the opportunity to experience ambiguity, problem solving and negotiation skills using simulation. These themes are what set entrepreneurial programmes apart from those with a more traditional theoretical focus.
The management of the incubator know the life cycle stage each business is at. The objectives and content of each course should be scrutinised for its relevance and appropriateness before recommending a programme to incubatees. Training programmes should not be generic but specifically designed for start-ups. Ideally to be effective, the content of the training programme must be a combination of knowledge, competence and attitude change.

Training interventions should be done in-house where possible as the needs of the incubatees have a greater chance of being met as incubator management are aware of the business “health” problems. The module of the training programme can then be based on each problem area. In this way incubatees can attend only the module that is linked to their particular need. A training programme sourced and presented with an international best practice focus is preferable.

### 7.4.2 Conclusions and recommendations about the quality of the facilitators

The conclusions and recommendations about the quality of the facilitators of the training programmes are presented next.

#### 7.4.2.1 Conclusions

It appears that the overall standard of the facilitators delivering the training programmes in the study was excellent. It appears that most of the facilitators have diverse business experience and some even own a business. Literature supports the view that facilitators should ideally have business experience and also be empathetic towards the participants (Nieman 2001:448).

It appears that some of the facilitators have a limited understanding of how entrepreneurs learn which deems some good training programmes not as effective as they could be. This might be the reason why there was little recall of some of the training interventions. Pretorius (2008:17) mentions that facilitators must be aware of the multiple factors that influence the success of entrepreneurial training programmes.

Le Roux and Steyn (2007:332) also feel that it is important for facilitators to be aware of the learning styles used by the target audience. Smith et al. (2006:557) add that
entrepreneurs learn through doing, being active, trial and error and learning experientially. It seems that facilitators presenting training programmes using traditional approaches do not really connect with their audiences. Steenekamp et al. (2011:53) support this view by commenting that entrepreneurs are “doers” and enjoy being active in the learning process. However, most participants regard the facilitators as accommodating.

Some of the training programmes are presented by more than one facilitator and this approach appears to add more value to the learning experience of the participants. This may be due to the fact that one facilitator cannot provide the whole range of knowledge, skills and attitude change that is required in effective entrepreneurial training programmes. Where more than one facilitator is presenting it seems the participants are exposed to a variety of approaches that better reflect the dynamic environment they work in.

It seems that some of the facilitators avail themselves beyond the training programme. This appears to reflect what Kuratko (2005:582) means by referring to the role of the facilitator as extending beyond just the training of entrepreneurs. It seems that these facilitators are genuinely concerned about the entrepreneurs and want to make an impact on the participants and/or their businesses.

It seems that the facilitators who could speak more than one language especially if is an African language like isiXhosa, impressed their participants more. Nieman (2001:445) supports this notion as a favourable factor which appeals to the majority of trainees. It must be noted that 90% of SMME’s incubated at SEDA incubators are previously disadvantaged black South Africans (Timm 2011:60).

7.4.2.2 Recommendations

It is recommended that facilitators pay attention to their relationship with the trainees as it is a critical success factor in providing excellent entrepreneurial training. A relationship can only be build if training is scheduled over a period of time. It allows for mentoring or counselling beyond the training programme. This also allows for role modelling to take place and for problem solving from a multi-disciplinary approach which is also important for effective entrepreneurial learning.
The management of the incubator also need to establish rapport with the facilitators and ensure they are indeed quality presenters. It is suggested that incubator management attend the training to act as a “watch dog” to ensure that training is up to standard, accommodating and that the facilitator connects with the incubatee audience. The facilitator should present the training in the language spoken by the majority of trainees. It is recommended that facilitators are also aware of the cultural issues of the different African cultures as this may impact whether they will be regarded as role models or having credibility. It is also suggested where possible to have more than one facilitator to expose trainees to various approaches and experiences.

7.4.3 Conclusions and recommendations about the methodology of the training programme

The conclusions and recommendations about the methodology of the training programmes are presented next.

7.4.3.1 Conclusions

It appears that most of the training providers used PowerPoint slide presentations with Excel integration when required. It seems that most of the sessions were interactive and participation was expected from the participants. Nieman (2001:450) notes that training offered to SMMEs should be in short sessions covering one topic at a time. It was further suggested that training should be on an on-going basis but with follow-up sessions as the participants may then be free to share business experiences of mutual concern.

It seems that when support is provided beyond the training programme, participants find it more beneficial. It appears that this provided an opportunity for participants to receive advice on matters that they regard too personal in nature to discuss in front of the other participants. As this sample was in the same sector of the ICT market it might also be that participants did not want to disclose their competitive strategies. Bergman and Norrman (2008:4) call this reactive counselling which occurs when the participant asks for assistance with a specific business issue or problem. In this case advice might be sought after each module of the training programme. It seems that
training and reactive counselling work especially well in an incubator setting. The need for one-to-one assistance is also noted by Smith and Perks (2006:19).

It appears that few training programmes use methods such as role play and simulation. Literature confirms that this type of learning is about involving participants, is less passive, and therefore appeals more to entrepreneurs (Fayolle & Gailly 2008:580; Pittaway & Cope 2007:213). However, it seems that with training programmes that are tailored for start-ups, a broader approach is needed than just presenting theory. It seems preferable that different methodologies be used such as simulation and opportunities for reflection. It appears that participants value practical exercises and feel they gain more from training if required to do “homework”. It appears that participants receive notes for most of the training programmes which seem to be regarded as essential and value adding.

7.4.3.2 Recommendations

All trainers should provide trainees with notes on the topics covered in the training programme which they then can use for future reference purposes. It is suggested that trainers use a combination of multi-media in their presentations. Role play, simulation and experiential types of learning approaches could bring trainees in touch with the real business world. It is also recommended that facilitators use an interactive approach by imparting theory and sharing practical examples that relate to the trainees experience field or type of business. Trainers could provide aftercare to trainees by offering them advice via email correspondence when required and if their agreement with the incubator management provide for it. Doing so, trainees in the same business sector do not need to impart sensitive information in a group setting. It is also suggested that training should be provided to smaller groups to allow working in small groups to practice what they have been taught. Alternatively trainees should do exercises to determine what they know and what they don’t know.

7.4.4 Conclusions and recommendations about the applicability of the training programmes

The conclusions and recommendations about the applicability of the training programmes are presented next.
7.4.4.1 Conclusions

Only training programmes that were beneficial for the participants were recalled with relative ease. It appears that most of the modules of the training programmes attended by participants align with their specific business needs; in other words they attend these training programmes as the content is applicable to their businesses. Participants are able to recall these training programmes as it adds lasting value.

It seems that marketing and finance programmes are the most popular training programmes as they can be applied in any business. Most of these training programmes provided participants with immediate benefits as they could be applied with relative ease. In most instances participants did not just benefit from the specific content of the training programme but also from obtaining soft skills such as working in a group setting which taught them skills like teamwork, negotiation etc. Participants also enjoy the networking opportunities provided by attending training programmes.

When participants attend programmes with modules that are generic it appears that participants do not find them as applicable to their businesses. It also appears that generic programme modules by their very nature are often presented using more traditional approaches which are less appealing to entrepreneurs (Perks & Smith 2008:18).

7.4.4.2 Recommendations

It is recommended that training programmes include marketing and financial modules, as what is learnt in these programmes can be easily applied. The outcome of any training programme should be to find more efficient ways of doing things, in other words to add value to the business. The lessons learnt should become instilled as a new way of thinking or doing. The training programme should either add personal value or business value.

7.4.5 Conclusions and recommendations on additional comments made by participants

The conclusions and recommendations on additional comments made by participants are presented next.
7.4.5.1 Conclusions

It seems that some training has been sourced by the participants whilst others have been identified by the incubator management. It was not clear how the trainers were sourced to provide training in the incubator setting. Internationally developed training programmes sourced by participants outside the incubator seem to be better funded, more regularly scrutinised and subjected to benchmarking, and employ more established and experienced facilitators; therefore offer better quality training.

It seems that training at the incubator by external trainers are needs driven as incubator management first identify the specific training needs. However some external trainers don’t totally rely on the identified training needs, they do “business health checks” to confirm the needs identified by the incubator manager. This ensures that the “right” training programme is chosen with modules addressing specific needs. Perks and Smith (2008:146) use the term “targeted” training to confirm this approach. It is also confirmed by (Pretorius & Wlodarczyk 2007:511) and Nieman (2001:449) who point out that care must be taken not to adopt a supply driven approach to training. The training is therefore more applicable and effective when based on the needs of the entrepreneur.

It seems that some training programmes consist of many modules whilst others focus on addressing only one business issue. It appears that the duration of the training programme can be linked to the number of modules. Participants only seem to remember a few of the modules in the training programmes. This could be due to the fact that some of the modules might not have matched their needs.

It seems that some training programmes are relatively short covering only one specific topic whilst others can be as long as six months or beyond covering many topics. It appears that entrepreneurs especially in an incubator setting benefit from a longer training intervention. It appears that most of the participants have tertiary qualifications, specific working experience and therefore have knowledge in a limited area but seem to have a need for general and business knowledge. It seems a longer training intervention together with aftercare advice on a one-to-one basis (mentoring) is the most effective combination of entrepreneurial training. This idea is
confirmed by Herrington *et al.* (2011:13) that a single intervention has less value but that support over a period of time is more effective.

### 7.4.5.2 Recommendations

The management team of the incubator is also an important determinant of the success of the incubatees. The incubator needs to copy the dynamism of entrepreneurial business and become self-reliant. The role of leadership is important in running incubators so that they become businesses of excellence themselves. There needs to be a move away from training for the sake of training and rather for an emphasis on training that can be applied. It is recommended that incubator management make a list of service providers who offer demand driven entrepreneurial training. Service providers need to benchmark their programmes against similar successful programmes.

Training interventions should be offered over a period of time to have lasting value and to be beneficial. A six month time period seems to be favoured. This could be extended for a year with less frequent meetings such as twice a month instead of weekly.

It is recommended that more research needs to be undertaken in the field of entrepreneurial training and education in respect of incubators. Entrepreneurial training needs to be supported and encouraged by nongovernmental organisations (NGO’s), service providers, universities and schools. The incubator is an ideal facility for the creation of an enabling environment for start-up entrepreneurs. It provides continuity, a physical space and a range of other beneficial support. Most importantly in terms of start-up business success SMMEs have a better chance of surviving the first two years if in an incubator setting.

### 7.5 FINAL CONCLUSION

Finally, South Africa needs to address the entrepreneurial education and training needs of the country especially in promoting an entrepreneurial culture of risk taking, innovation and creativity. This should be our legacy for future generations wishing to start businesses due to fewer employment opportunities. The role of the incubator in serving entrepreneurs is important because it allows both novice and nascent
entrepreneurs a greater chance of survival. However, the facility must be managed by a competent team of leaders who are committed to empowering incubatees and promoting a genuine entrepreneurial culture.

Joseph Schumpeter’s quote is even more relevant in 2012 than it was in 1942: “an economy will only be able to survive if its entrepreneurs keep following the path of continuous innovation” (Aertsa et al. 2003:1).
REFERENCES


Greene, P.G. 2011. *Four approaches to teaching entrepreneurship as a method*. Available: http://www.babson.edu/enterprise-education-programs/educa...


## INTERVIEW SCHEDULE:

### Section A: Training programme evaluation

1. Provide the following information regarding the training programme(s) attended:

<table>
<thead>
<tr>
<th>Programme name and topics covered</th>
<th>Duration</th>
<th>Cost</th>
<th>Reason for attending</th>
<th>Benefits (learnt and implemented)</th>
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<td></td>
<td>Learnt:</td>
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<td></td>
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<td>Implemented:</td>
</tr>
</tbody>
</table>
2. Provide information regarding your satisfaction with the way the training presented?

<table>
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<tr>
<th>Programme</th>
<th>Format of training</th>
<th>Level of satisfaction with the training</th>
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<td>Trainer:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Understanding the level of language used:</td>
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<td>Training material provided:</td>
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<td>Method used to convey message:</td>
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<td>Practical application:</td>
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<td>Sector specific:</td>
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<td>Venue where it took place:</td>
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<td>Size of the class:</td>
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<td>Time slot in the day:</td>
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<td>Day of the week:</td>
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<td>Length of training per day:</td>
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</tbody>
</table>
3. Which training programmes would you still wish to attend? Motivate your answer.
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________

4. In addition to the training programme, have you received mentoring? If so, please indicate whether you find that beneficial? Motivate your answer.
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______________________________________________________________________________________________________________________

5. Do you think training provided in an incubator setting is more beneficial than attending training of other service providers? Motivate your answer.
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________

6. Any suggestions you would like to make to a training provider in an incubator setting regarding the offering of training programmes?
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________
______________________________________________________________________________________________________________________
Section B: Biographical data of the Business Owner

Age: .................................................................................................................................

Gender: ..............................................................................................................................

Qualifications prior to starting the business: .................................................................
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Current Qualifications: ....................................................................................................

Prior work experience: ....................................................................................................
........................................................................................................................................
........................................................................................................................................

Section C: Biographical Data of the Business

Type of business venture: ...................................................................................................

Products sold: ....................................................................................................................

Services offered: ..............................................................................................................

Length of time business has been in existence: ..............................................................

More than one business: .................................................................................................

Current number of employees: ........................................................................................

Length of time in the incubator: .....................................................................................

Do you have a business plan? ..........................................................................................
Does anyone in your family own a business?

Why did you start your business?

How did you start the business?

What are your future plans for the business?