



# Identifying potential for successful entrepreneurs

An adaptive strategic framework approach for assisting entrepreneurial programs in enhancing success: focus on out-of-school youth (UPLOAD JOBS for Mindanao)

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# Introduction

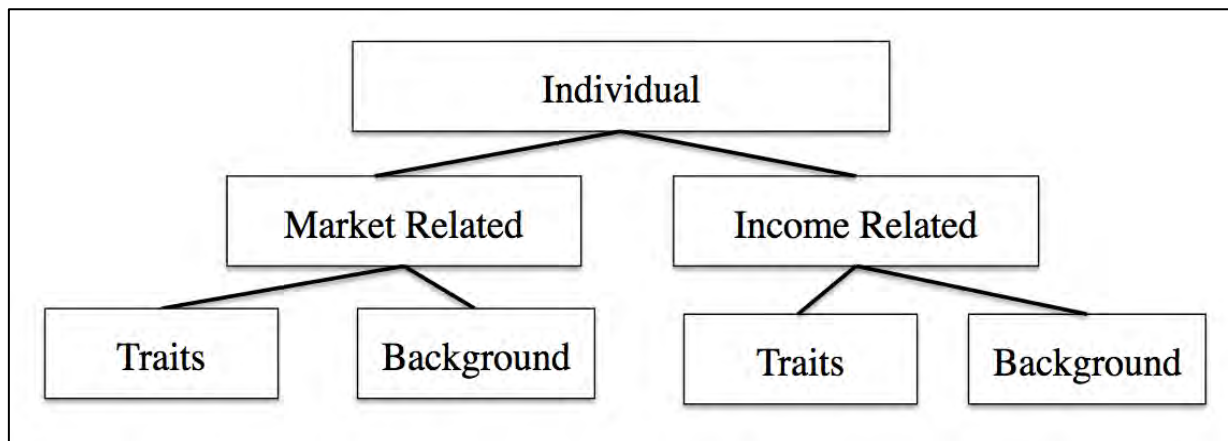
- Entrepreneurship been identified as an untapped resource in developing countries
- Youth: Age 15 – 24
  - Approx. 18% of the world's population; 85% in developing countries
  - Challenges:
    - Less capital in the form of skills, knowledge and experience, difficult access to finances, business networks and sources of information
- Billions of dollars in spending on youth training programs (i.e. United Nations Millenium Goals in 2000)
- How effective is this spending on developing successful entrepreneurs???
  - Limited longitudinal studies

# Introduction, Con't.

- Multiple variables influence an individual's potential for becoming a successful entrepreneur

(Chigunta 2002; Goel et al. 2007; Rasheed 2000; World Bank 2009) .

- Purpose behind venture
- Characteristics
- Background



**Figure 1.** Diagram developed to represent the two major routes leading to a successful entrepreneur (Chigunta 2002; Goel et al. 2007; Rasheed 2000; World Bank 2009) .

# Objectives

- **Develop a screening tool to select potential entrepreneurs for success, prior to entering an entrepreneurship program, and will have the advantage of a simple format and ease of administration and interpretation.**
- Approach:
  - Short and long term studies (2012 – 2015)
    - I. OSY Screening tool, validate through relevant stakeholder feedback
    - II. Monitor and evaluate OSY's entrepreneurial progress throughout UPLOAD JOBS for Mindanao Project to determine program impact

# I. OSY Screening Tool

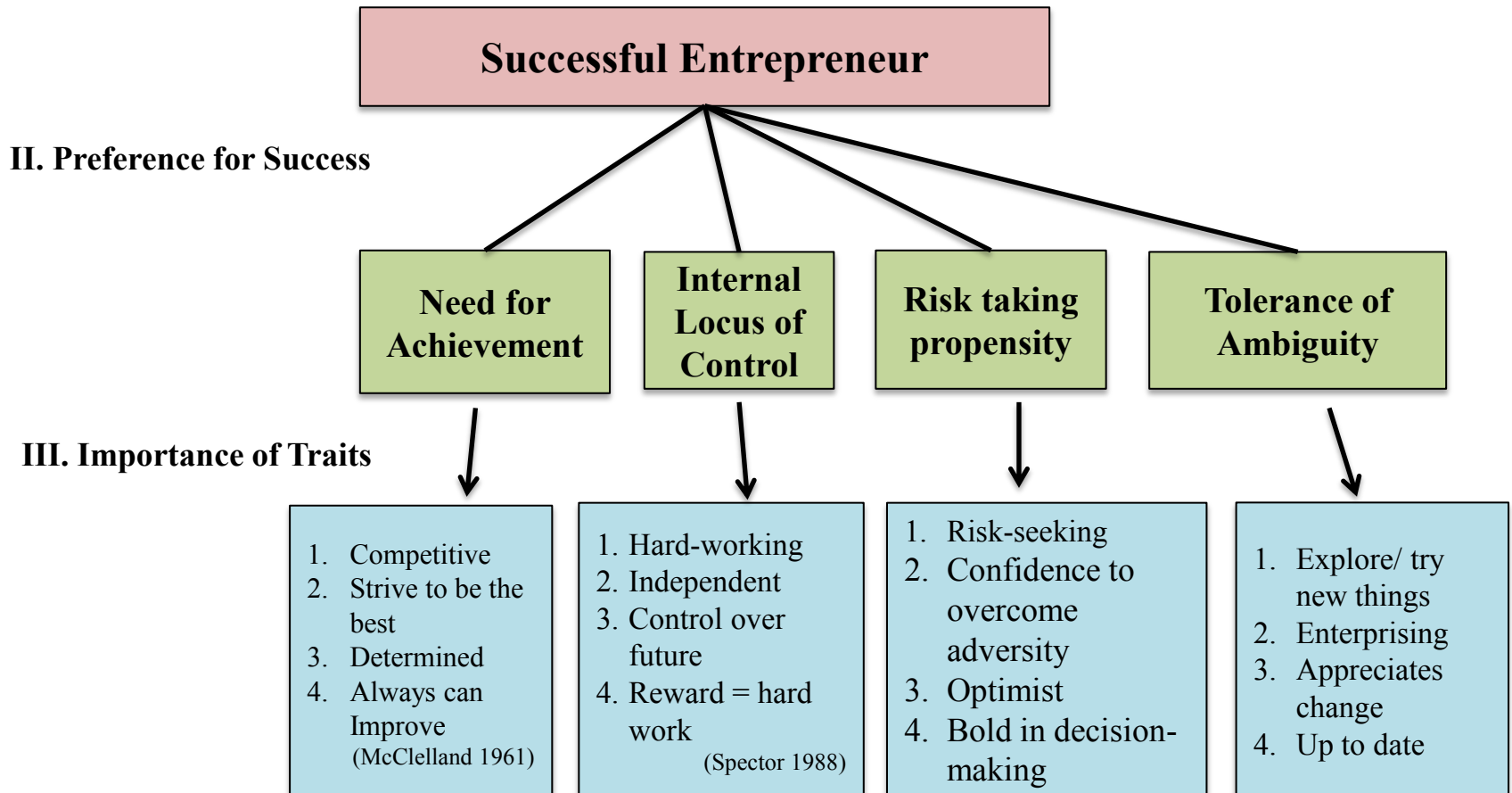
- Extensive literature review: Characterizing a successful entrepreneur

Criteria	Definition	References
<i>Tolerance of Ambiguity</i>	Tend to perceive ambiguous situations as desirable; (Challenges allow for creativity)	Carter et al. 2003; GEM 2012; Thompson 2004; Schiebel 2002; Galloway 2006; Littunen 2000; Myers 1962;
<i>Risk taking propensity</i>	High tolerance for risk; (Risk = opportunity)	GEM 2012; Alsos 1994; Shank 2007; Driessen and Zwart 1999; Myers, 1962; Mengel 1972; Liles (1974), Broehl 1978; Ahmed 1985
<i>Internal Locus of control</i>	Believes that his/her behavior is guided by his/her personal decisions and efforts; (I am in control of my life and what happens)	Thompson 2004; Lescevic 2002; Schiebel 2002; Alsos 1994; Hansemark 2004; Paulhus 1983; Brockhaus 1982; Perry et al. 1986; Lorrain and Dussault 1988; Bagley and Boyd 1987; Getwood et al. 1995; Paulhus 1983; Hood and young 1993
<i>Need for Achievement</i>	Persistent in activities, highly motivated; (Nothing is impossible)	Carter et al. 2003; GEM 2012; Goel et al. 2007; Schmitt-Rodermund 2004; Finland et al. 1999; Alsos 1994; Galloway 2006; Bolton 2004; Cassidy and Lynn 1989

# I. OSY Screening Tool, Con'td.

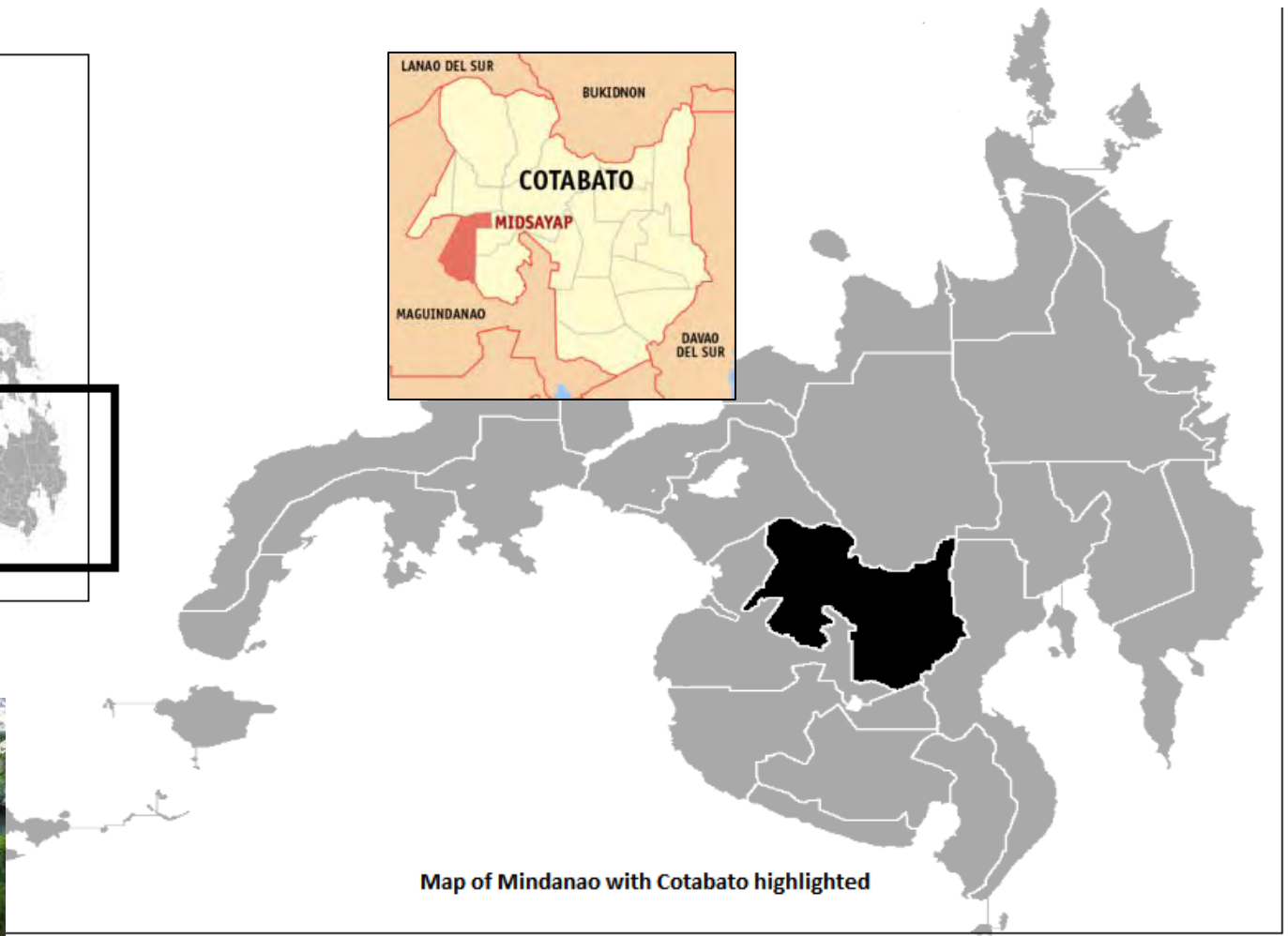
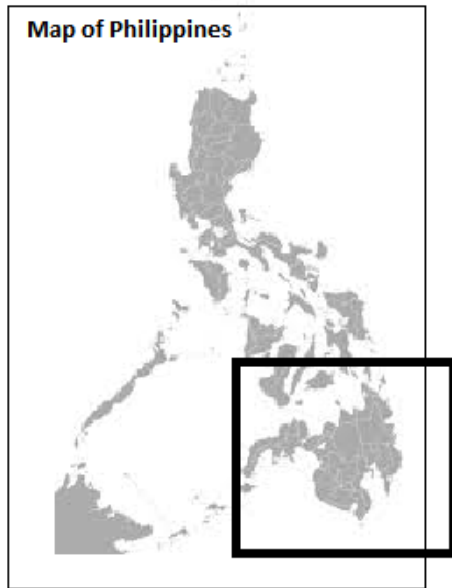
- Validate the screening process through relevant stakeholder feedback and involvement
  - Utilize the Analytical Hierarchy Process to determine preferences (weights)

**I. Goal: To determine what professionals and entrepreneurs describe as being an entrepreneur**



# I. OSY Screening Tool: Study Area

- Central Cotabato, Mindanao, Philippines



Map of Mindanao with Cotabato highlighted

# I. OSY Screening Tool: Results

- **Results of Professional/ Expert Opinion for Success Preferences (Philippines)**

Criteria	Tolerance of Ambiguity	Risk-Taking Propensity	Internal Locus of Control	Need for Achievement
Weight	0.226	0.282	0.172	0.319

- **Results of OSY Screening for UPLOAD JOBS for Mindanao Training:**

- Barangays (7): Pacao, Nes, Nabawalag, Dunnguan, Aroman, Malapang, Rangaban
  - Gender equality
  - Announced 1 month prior
- Total Screened: 131
  - (42 females, 89 males)
- Total Selected for training: 60
  - Top 3 from each barangay
  - 60:40 (Male: Female)





# II. Monitor OSY: Longitudinal Study

## UPLOAD JOBS for Mindanao Project (2012 – 2015)



- Goal: Seek to provide out-of-school (OSY) with workforce skills that will help them become more productive members of society.
- 2 trainings/ year, Action Survey during each training

### Monitoring Activities:

- Action Survey
  - References: Panel Study of Entrepreneurial Dynamics, University of Michigan; Global Entrepreneurship Monitoring (GEM) Program
  - Organization of Survey:
    - Background Information (Baseline)
    - Start-Up
    - Venture Information
- Individual Interviews, Metrics (TBD/ In-Progress)

# II. Monitor OSY: Longitudinal Study

- Baseline Findings
  - Entrepreneurial training (UPLOAD JOBS for Mindanao)
    - Action Survey: No prior business plan or entrepreneurial venture experience
    - Overall low pre-screen scores (Avg. 46.41)
    - Rangaban ranked last overall (pre-screen), ranked #2 in business plan competition
  - Business Plan Competition, support screening selection

Scores	Max	Min
Overall	87.63 (M)	-77.07 (F)
Female	82.11 (Nes)	-77.07 (Aroman)
Male	87.63 (Nes)	-17.09 (Malapang)
Barangay	Pacao	Rangaban

Business Plan	Barangay	Pre-Screen Group Avg.
1. Heavenly Banana Chips	Pacao	73.04
2. Wonder Mushrooms	Rangaban	47.98
3. Tinagtag King	Nabawalag	61
4. Coco Sugar	Aroman	60.4
5. Coco Delight	Pacao	60.2

# Conclusions

- Youth Entrepreneurship to boost local economies
- Professionals in developed and developing countries characterize entrepreneurs similarly
  - Need for Achievement (Philippines)
- Screen survey: Innovative tool for identifying entrepreneurs, can be replicated
- Potential for impact through training (UPLOAD JOBS for Mindanao)
  - Comparative analysis (OSY within and outside of training program)

## **Schedule of Activities, UPLOAD JOBS for Mindanao Project (Longitudinal Study)**

Date	Activity
July 2012	Project Inauguration; Needs Assessment
December 2012	OSY Pre-Screen, Selection of 60 OSY
January 2013	First training module, Action Survey
July 2013	Second training module, Action Survey/ Interviews
2013 – 2015	Continuous monitoring and evaluation



# Thank you!

## Any Questions?

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