



**SWP 1/88 THE ENGLISH GRADUATE ENTERPRISE
PROGRAMME STUDENT
ENTREPRENEURSHIP INTENTIONS /
RESEARCH (SPRING 1987)**

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English Graduate Enterprise Programme - Student
Entrepreneurship Intentions/Research
Spring 1987

During recruitment for the third English Graduate Enterprise Programme in early 1987, research was undertaken amongst 250 students who attended two-day workshop and selection interviews at the 5 providing business schools (Bristol, Cranfield, Durham, Manchester and Warwick). The students attending these workshops had previously attended half day seminars at their own colleges and had completed, (with aid of counsellors), mini business plan application forms for the GEP (see Report on GEP Recruitment, Cranfield Working Paper No. ^{9/87}---).

The objectives of the research undertaken was to provide evidence to answer the following questions:

- (1) Would the students concerned have set up in business with or without the aid of the Graduate Enterprise Programme? (ie. programme impact on entrepreneurship).
- (2) What was the primary source of students business ideas?
- (3) What was the primary motivating factor leading students to want to set up their own businesses.

Information was also sought on the timing of students business intentions, likely sources of outside help in setting up, the element of GEP provision that appealed most to

students and the role of family and family background in supporting the entrepreneurship ideals of the student.

A questionnaire was devised (Appendix 1) to administer to the students during the workshop sessions and summary results of the 214 completed returns were tabulated by Mr. Andrew Myers on the Cranfield School of Management Computer Database (Appendix 2). At the same time, a shorter but matching questionnaire was sent by post to the approximately 90 unsuccessful applicants to the previous GEP 2 (1986) programme to establish what had been their intentions before GEP selection with regard to setting up in business. In this latter instance, the actual outcome of these intentions could be established. From this questionnaire (Appendix 3) only some 19 replies were received (due mainly to difficulties in establishing permanent as distinct from college addresses of students; the GEP application form has since been modified to secure two addresses). The summary results of these replies were manually tabulated. (See Appendix 4).

Preliminary Conclusions from Surveys

a) **Programme Impact on Entrepreneurship** (Appendix 2, questions 1 and 2)

- . Nearly 9 out of 10 students were considering setting up in business before they had heard about the Graduate Enterprise Programme. Only approximately 1 in 10, therefore, were prompted by the programme to consider the entrepreneurship route.
- . Nine out of ten students also maintained that they had intended to set up regardless of whether or not they were accepted on the GEP. A similar result was obtained from the survey of those who were not selected for the programme (Appendix 4 question 2). In this instance however, only 1 out of 3 (following negative selection decision) actually did set up (usually

successfully, See question 3-3). One might conclude therefore, that even a negative selection decision did not deter really determined entrepreneurs.

Four out of 10 students intended to set up in business immediately after graduation. The remainder considered doing so later, nearly 4 out of 10 within 5 years, 1 out of 10 after 5 years. The programme could claim therefore, to have had an important effect on the timing of students intentions; as those attending the GEP would normally be expected to set up in business either during or at the end of the 16 week programme, GEP training could be seen as accelerating the timing or setting up for the majority of likely participants.

Family help was rated as importantly as local enterprise agency help in setting up (1 in 4 would seek help from each source). The earlier GEP seminars had stressed the availability and importance of enterprise agencies in helping business start ups.

b) Primary Source of Students Business Ideas (Appendix 2 questions 3 and 4)

One in three of student business ideas was 'supply side' driven i.e. derived from a skill or a hobby.

Just under 1 in 3 of ideas was 'demand side' driven i.e. derived from opportunity noted in local market area.

One in four ideas had been developed from a training activity at university.

To help develop these ideas, what appealed to students most about the programme, was clearly business training (51%), followed by counselling (29%), financial support (18%) and contact with other GEP students (2%).

c) **Student Motivation** (Appendix 2 questions 5 - 8)

- . Three out of five students (61%) rated the need 'to be independent' as their primary motivation.
- . 'To make money' was noted only by 1 in 5 (22%) as the first ranked motivation, just ahead of the 'no alternative' grouping of 'I can't help it I have to' (14%).
- . The impact for job outlook (1%) or influence of friends (1%) or nobler element of creating jobs for others (1%), received practically no primary ranking.

The students objectives of independence and the MSC's objective, as primary sponsor, of creating employment are therefore somewhat at odds! The importance of making money, the only certain way of creating employment, needs perhaps therefore to be emphasised in selection and measurement of the programme's success in the first instance.

- . Nine out of ten students (93%) had family support for their idea to start their own business.
- . More than 1 in 3 students (38%) had a father who owned his own business and 12% had a mother who owned her own business. One in 4 had grandparents (28%) who had owned their own business.
- . Self employment (30%) was therefore, the highest ranking occupation of fathers, with a further 28% in business and 27% in the professions. Against this, 35% of mothers were engaged in domestic duties with 22% in the professions, 15% in business and 11% self-employed.

Just over one third of students (36%) were already in receipt of a full time job offer, which confirms the earlier finding that while 92% intended to start their own business, many would delay the timing of this activity until either GEP or job experience had been gained.

d) **Students not Selected for GEP** (Appendix 4)

Reference has been made above to the contrast in student intentions before selection (92% intended to set up regardless of GEP outcome) and post selection, when of those not selected only 32% actually did set up in business. Clearly the six who did set up were neither deterred by selection nor benefitted in anyway from GEP course training. Five out of the six were able, nonetheless, to report that they were trading profitably (question 3-3) and clearly they have found the selection decision incorrect! The remainder either found the selection decision correct (10 or 52%) or were undecided (3 or 15%).

Conclusions with such a small sample are tenuous but possibilities include:

- a) a negative selection decision sometimes acts as a positive spur on entrepreneurs;
- b) improvements in selection procedures that might be considered include more time (one hour interview not enough), more business like interviewers (currently either academics or civil servants), less formal interviews (question 4).

The majority (89%) nonetheless had found the two-day selection workshop training to have been helpful and all had been sign-posted to alternative sources of help and guidance.

Robert Brown.

MARKET RESEARCH QUESTIONNAIRE (NOT CONNECTED WITH SELECTION)

1. **Before you heard about the Graduate Enterprise Programme, were you going to set up your own business?**

YES [] NO []

- a.If **YES**, did you intend to do this immediately after graduation or later? (tick one only)

IMMEDIATELY [] WITHIN 5 YRS []
WITHIN 10 YRS [] LATER []

- b.If **YES**, were you going to be helped to do so by any one of the following:

LOCAL ENTERPRISE AGENCY [] FAMILY []
FRIEND [] UNIVERSITY []

OTHER (please specify) _____

2. Do you intend after graduation to set up your own business **regardless** of whether or not you get on the Graduate Enterprise Programme? YES [] NO []

3. Rank in order of importance (1, most, to 4 least) what appeals most to you about the Graduate Enterprise Programme.

THE MONEY - FINANCIAL SUPPORT [] THE TRAINING []
THE COUNSELLING [] CONTACT WITH OTHER GEP STUDENTS []

OTHER (please specify) _____

4. What was the specific source of your business idea?

EITHER A. IT COMES FROM A SKILL/HOBBY I HAVE DEVELOPED []
OR B. SOMETHING I NOTICED LACKING IN LOCAL MARKET AREA []
OR C. SOMETHING DEVELOPED FROM TRAINING AT UNIVERSITY []

OTHER (please specify) _____

5. Rank in order of importance (1, most, to 6 least) what makes you want to start your own business? (tick **one** only)

TO MAKE MONEY [] TO BE INDEPENDENT []
TO CREATE JOBS FOR OTHERS [] I CAN'T HELP IT, I HAVE TO []
MY FRIEND HAS DONE IT [] POOR JOB OUTLOOK []

OTHER (please specify) _____

PLEASE TURN OVER . . . / . . .

6. Does your family support your idea to start your own business: YES [] NO []

	YES	NO
(a) DOES YOUR FATHER OWN HIS OWN BUSINESS	[]	[]
(b) DOES YOUR MOTHER OWN HER OWN BUSINESS	[]	[]
(c) DID YOUR GRANDPARENTS OWN THEIR OWN BUSINESS	[]	[]

(d) HOW WOULD YOU CLASSIFY YOUR PARENTS MAIN WORKING BACKGROUND?

	Father	Mother
i. Professions (lawyer, teacher etc.)	[]	[]
ii. Business employee/manager	[]	[]
iii. Self employed/own business	[]	[]
iv. Civil service/forces	[]	[]
v. Household/domestic duties	[]	[]
vi. Unemployed	[]	[]

Other (please specify) _____

7. Have you actually received the offer of a full-time job, to work for someone else, already? YES [] NO []

8. Finally, on your own background, please indicate:

(a) Male	[]	(b) Undergraduate	[]
Female	[]	Postgraduate	[]
(c) Studying at:		(d) Studying:	
University	[]	Arts degree	[]
Polytechnic	[]	Science degree	[]
College of H.E.	[]	Bus. Studies	[]
(e) Your work experience to date has been:			
None	[]		
less than 6 months	[]		
6 - 12 months	[]		
more than 12 months	[]		

Thank you very much for your help!

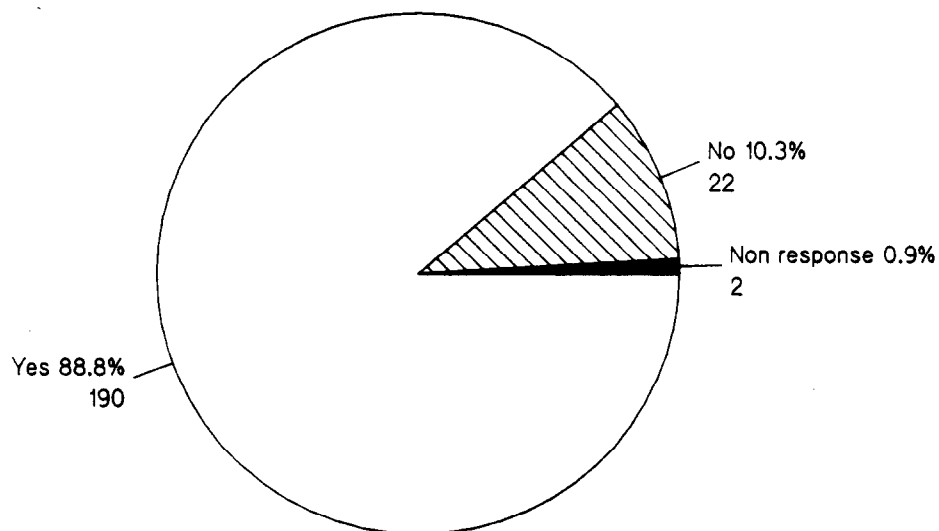
MARKET RESEARCH QUESTIONNAIRE

N=214

-
1. **Before** you heard about the Graduate Enterprise Programme, were you going to set up your own business?
-

	N	%
Yes	190	89
No	22	10
Non response	2	1

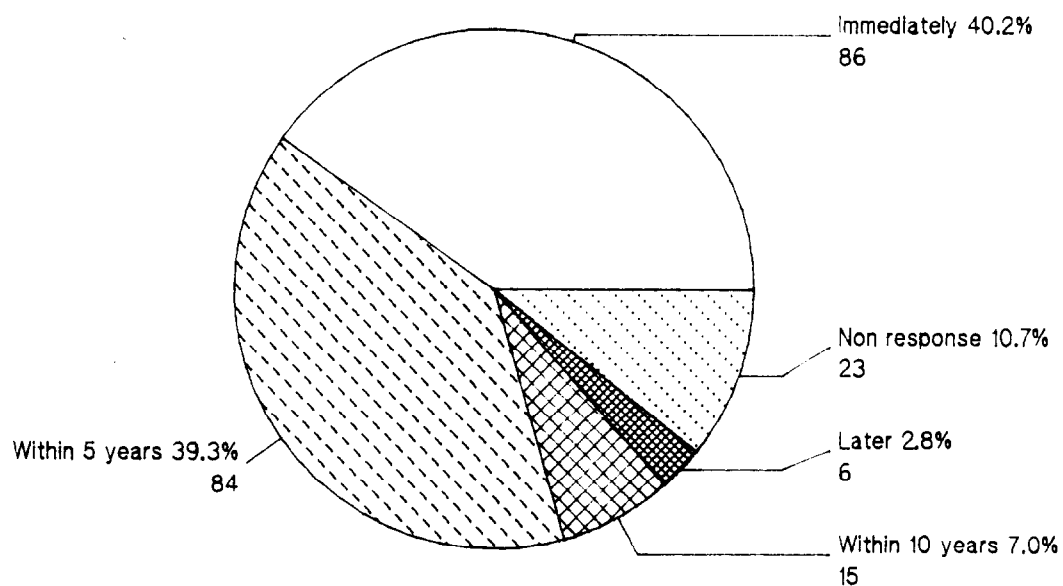
1. BEFORE YOU HEARD ABOUT THE GEP, WERE YOU GOING TO SET UP YOUR OWN BUSINESS?



1. If "YES", did you intend to do this immediately after graduation or later?

	N	%
Immediately	86	40
Within 5 years	84	39
Within 10 years	15	7
Later	6	3
Non response	23	11

1. IMMEDIATELY AFTER GRADUATION OR LATER



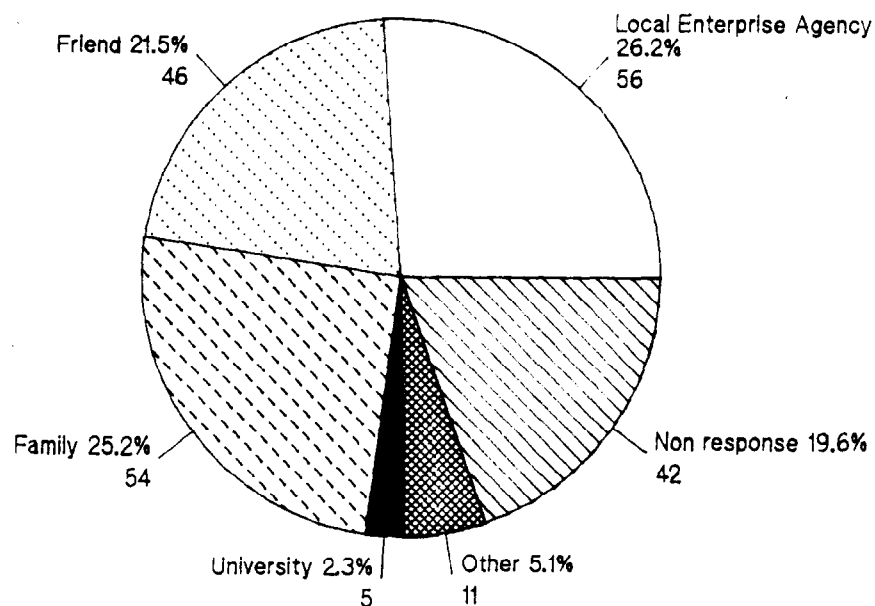
1. If "YES", were you going to be helped to do so by any of the following?

	N	%
Local Enterprise Agency	56	26
Friend	46	21
Family	54	25
University	5	2
Other	11	5
Non response	42	20

OTHERS MENTIONED

Industrial society, self (2), London Enterprise Agency, father and Italian friends, polytechnic, recommendations - word of mouth, existing successful businessmen, would also have approached bank, family/friends, contacts in commerce

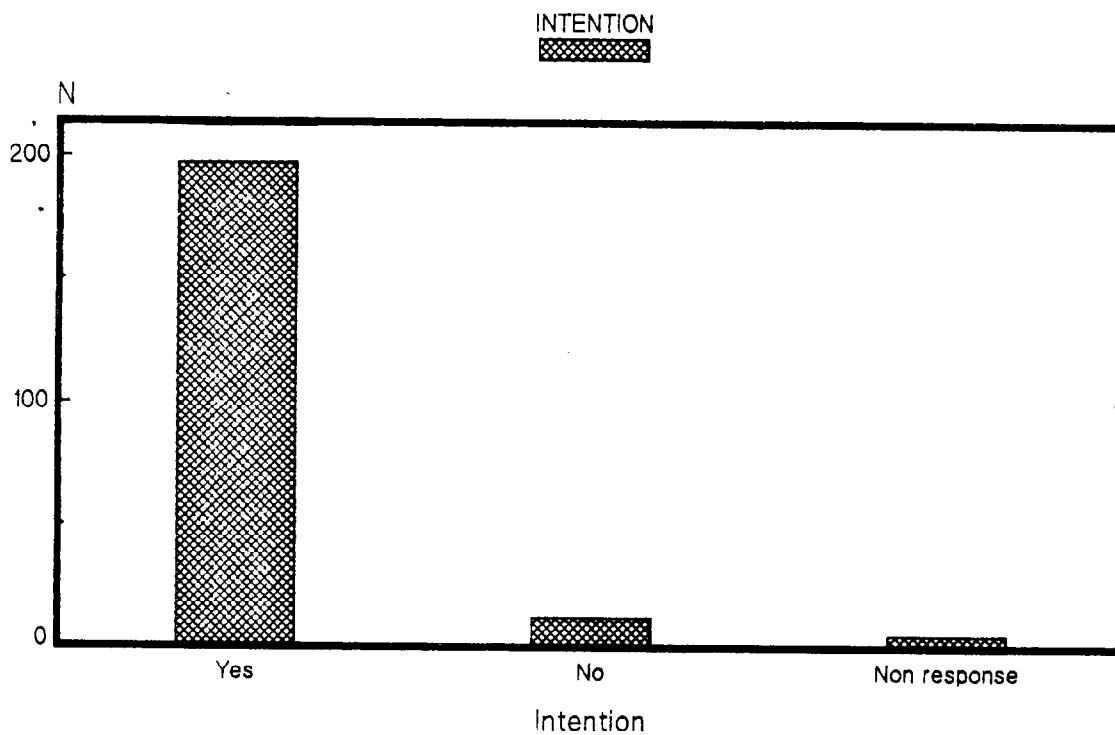
1. WERE YOU GOING TO BE HELPED BY ANY OF THE FOLLOWING?



2. Do you intend after graduation to set up your own business regardless of whether or not you get on the Graduate Enterprise Programme?

	N	%
Yes	197	92
No	12	6
Non response	5	2

2. SET UP YOUR OWN BUSINESS REGARDLESS OF WHETHER
OR NOT YOU GET ON THE GRADUATE ENTERPRISE PROGRAMME?



3. Rank in order of importance (1, most, to 4 least) what appeals most to you about the Graduate Enterprise Programme.

		RANK					
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>N/A</u>
1	Money - financial support	38	61	68	41	0	6
		(18)	(28)	(32)	(19)	(0)	(3)
2	Counselling	63	83	57	7	0	4
		(29)	(39)	(27)	(3)	(0)	(2)
3	Training	110	48	41	11	0	4
		(51)	(22)	(19)	(5)	(0)	(2)
4	Contact with other GEP students	4	16	39	148	0	7
		(2)	(7)	(18)	(69)	(0)	(3)
5	Other	1	0	1	1	10	201
		(.5)	(0)	(.5)	(.5)	(5)	94

OTHERS MENTIONED

Sounds good, contact with accountants etc, sponsors, sausage rolls, access to expertise, market research, takes advantage of recent graduates before chance to get settled/stuck in something, contacts/sponsors etc, moral support, gain in confidence, contact with sponsors

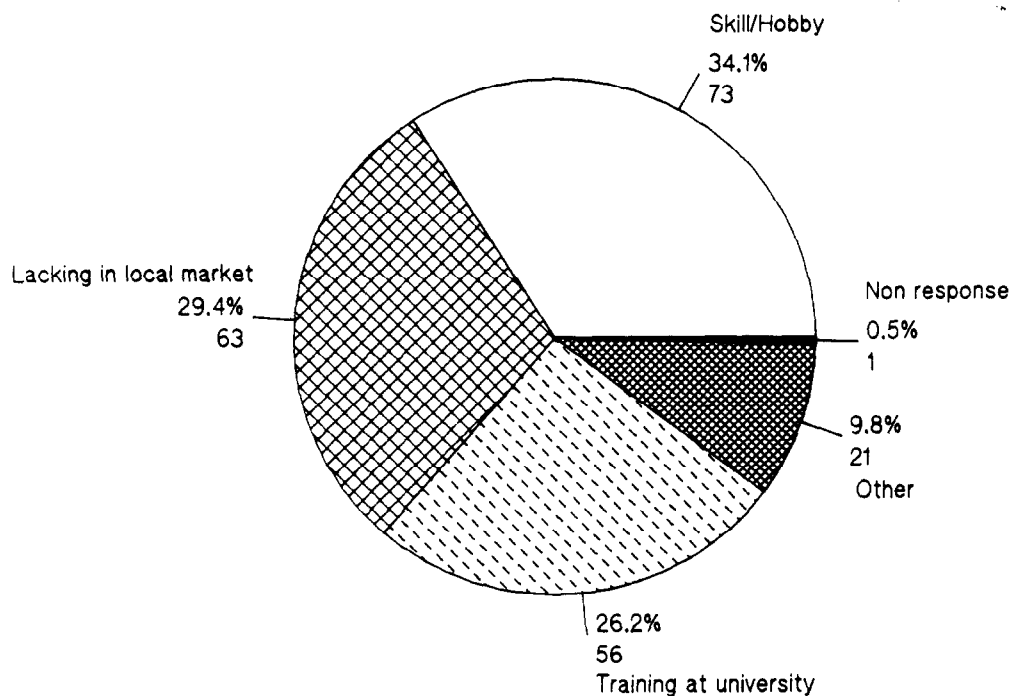
4. What was the specific source of your business idea?

	N	%
It comes from a skill/hobby I have developed	73	34
Something I noticed lacking in local market area	63	29
Something developed from training at university	56	26
Other	21	10
Non response	1	1

OTHERS MENTIONED

Idea I developed, skill/hobby and something lacking in local market, my involvement as an agent, my father's business, idea for project, developed through design/research at college, an opportunity to apply new computer systems, noticed an increasing market nationally, something lacking nationally, working overseas, lack of export for the product, training at college and an outside interest, job satisfaction, turn brother's and friends skill into a business, inspiration from a similar successful business, saw idea in another country, opportunity to purchase similar outlet, my interest in the area, observation of local money makers, from a friend who had the idea, I wanted to do it alone, aware of trend in industry, travelling, developed from vacation work, service operating abroad, also, experience, commercial interest

4. SPECIFIC SOURCE OF BUSINESS IDEA



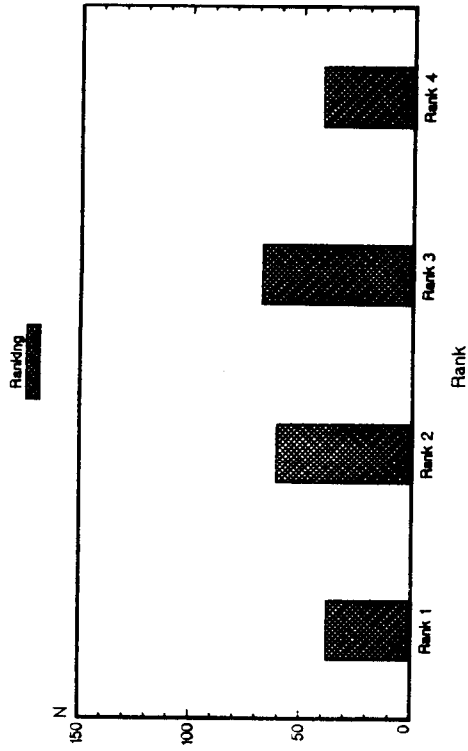
5. Rank in order of importance (1, most, to 6 least) what makes you want to start your own business.

		RANK							
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>N/A</u>
1	To make money	48 (22)	94 (44)	41 (19)	16 (7)	4 (2)	2 (1)	0 (0)	9 (4)
2	To create jobs for others	2 (1)	14 (7)	65 (30)	66 (31)	38 (18)	7 (3)	0 (0)	22 (10)
3	My friend has done it	1 (1)	0 (0)	7 (3)	11 (5)	43 (20)	99 (46)	0 (0)	53 (25)
4	To be independent	130 (61)	58 (27)	16 (7)	4 (2)	1 (1)	0 (0)	0 (0)	5 (2)
5	I can't help it, I have to	31 (14)	28 (13)	32 (15)	42 (20)	26 (12)	17 (8)	0 (0)	38 (18)
6	Poor job outlook	1 (1)	8 (4)	31 (14)	39 (18)	56 (26)	39 (18)	0 (0)	40 (19)
7	Other	1 (.5)	1 (.5)	0 (0)	1 (.5)	0 (0)	0 (0)	9 (4)	202 (94)

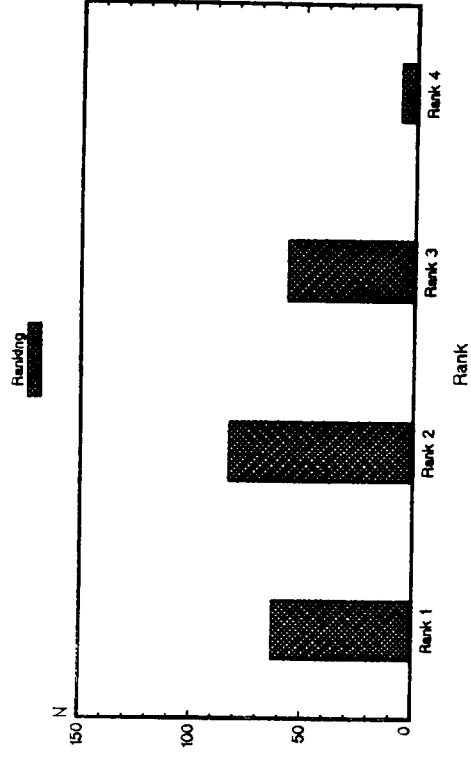
OTHERS MENTIONED

Live in area of high unemployment, self determination/self esteem/autonomy/it's easier to motivate oneself upon seeing results, it needs to be done, pleasure and satisfaction, challenge of succeeding, status/success image, wish to use my creativity, be successful using own ideas, I enjoy it, job satisfaction, I enjoy selling the service

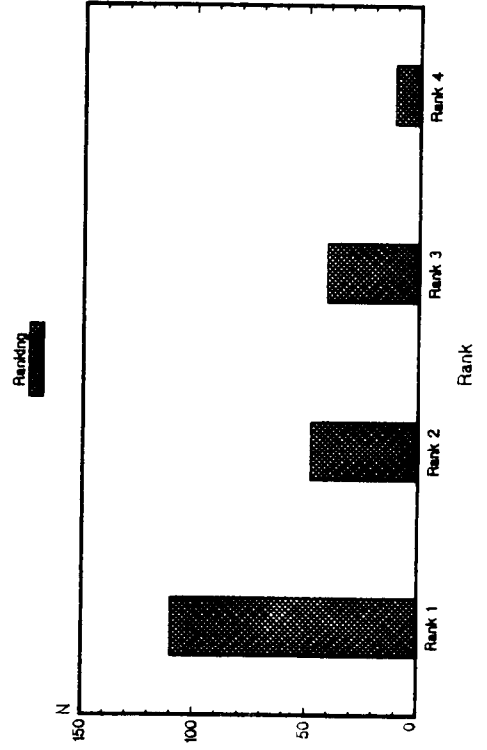
3. WHAT APPEALS MOST ABOUT THE GEP MONEY - FINANCIAL SUPPORT



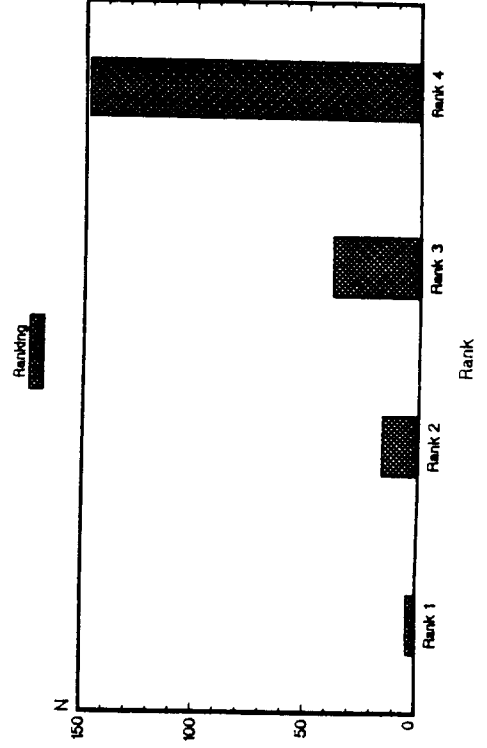
3. WHAT APPEALS MOST ABOUT THE GEP COUNSELLING



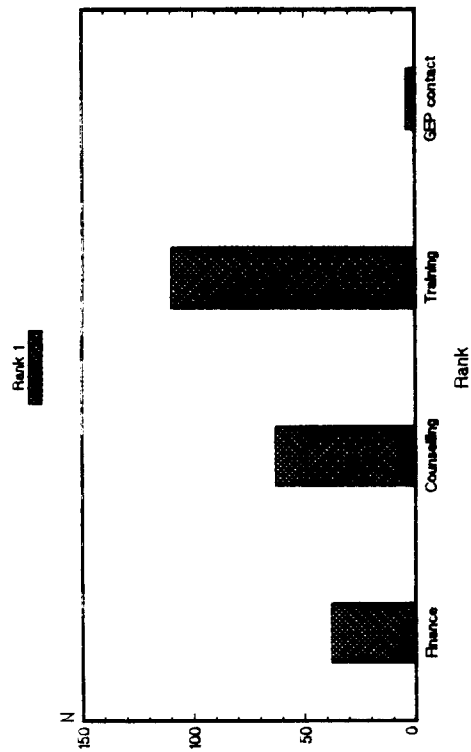
3. WHAT APPEALS MOST ABOUT THE GEP TRAINING



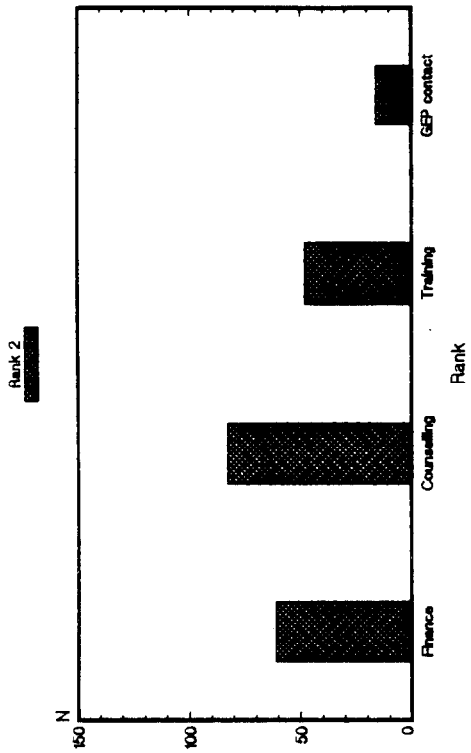
3. WHAT APPEALS MOST ABOUT THE GEP CONTACT WITH OTHER GEP STUDENTS



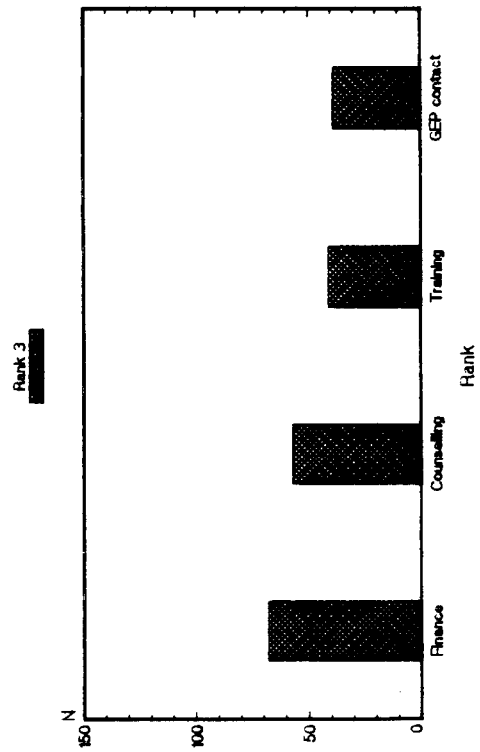
3. WHAT APPEALS MOST ABOUT THE GEP



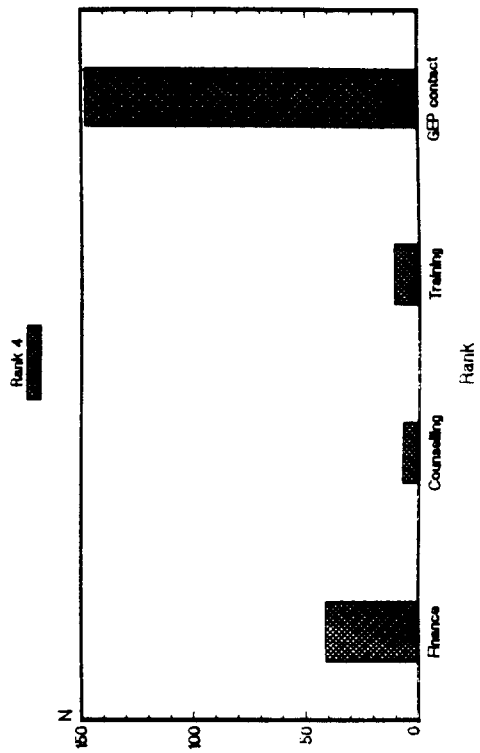
3. WHAT APPEALS MOST ABOUT THE GEP



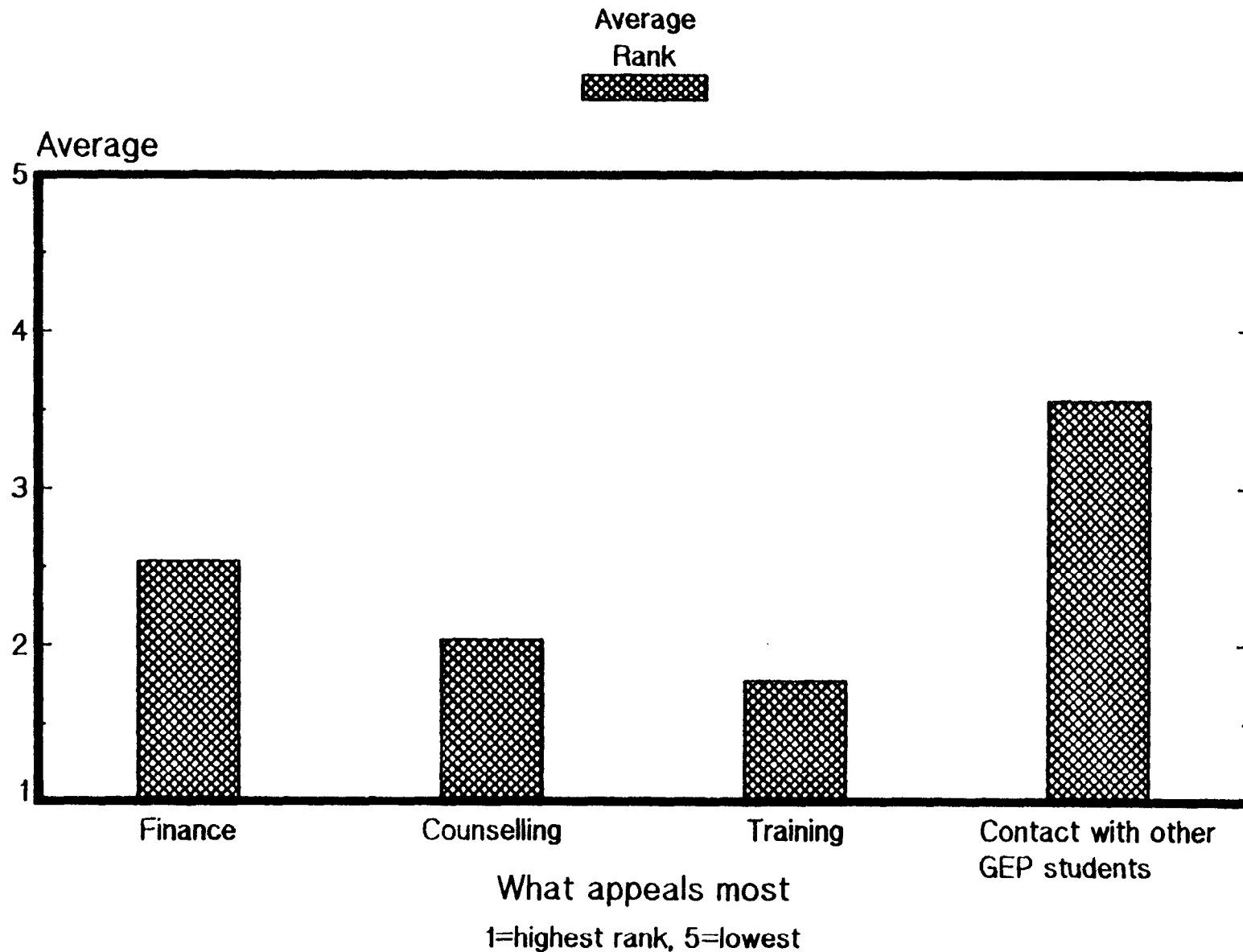
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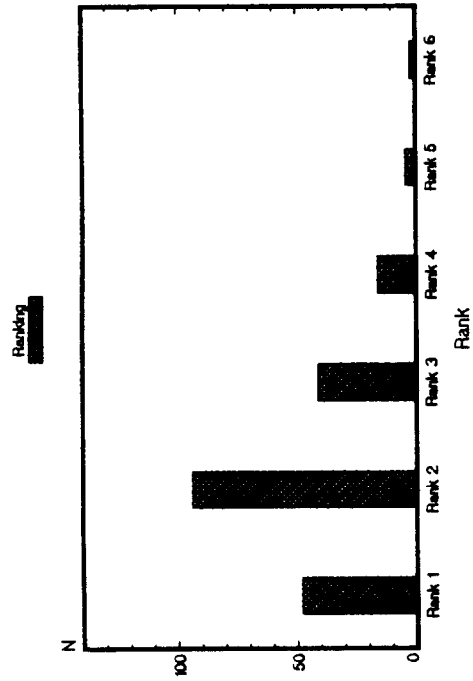
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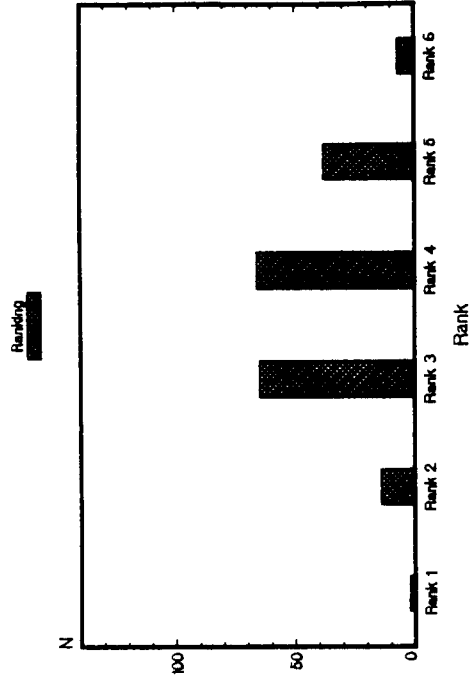
3. WHAT APPEALS MOST ABOUT THE GEP



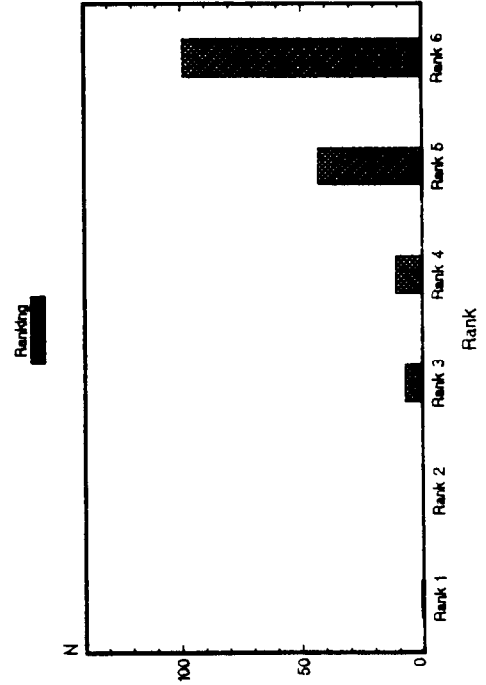
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
TO MAKE MONEY



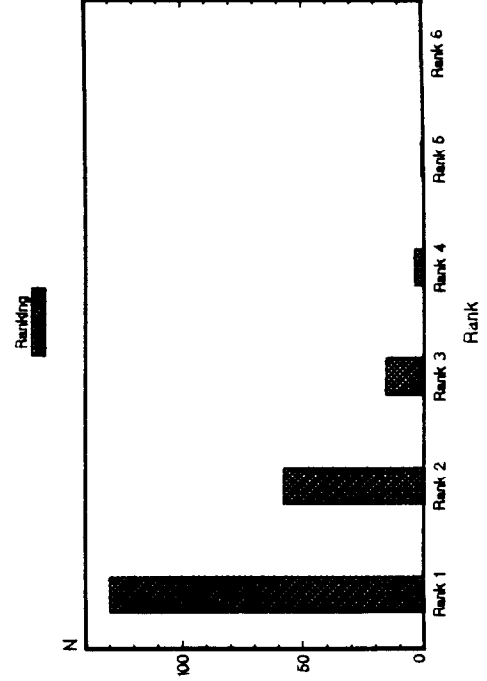
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
TO CREATE JOBS FOR OTHERS



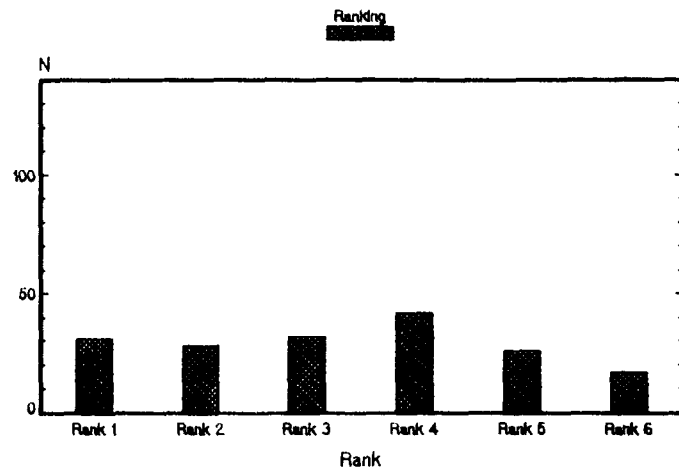
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
MY FRIEND HAS DONE IT



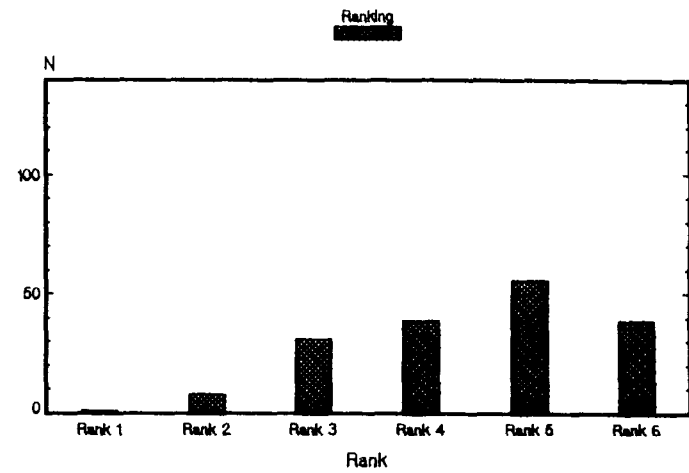
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
TO BE INDEPENDENT



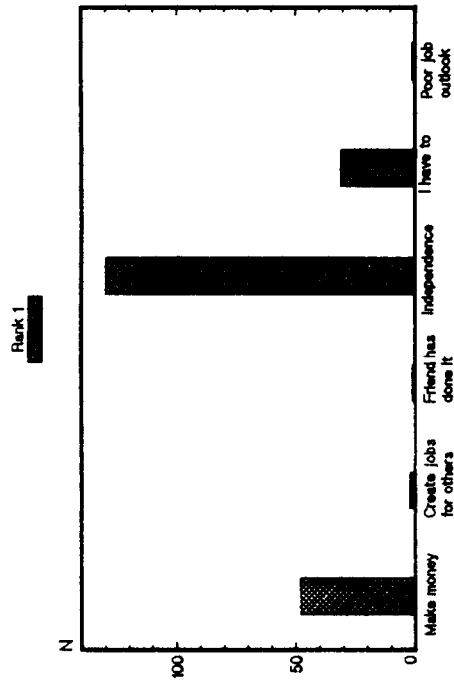
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
I CAN'T HELP IT, I HAVE TO



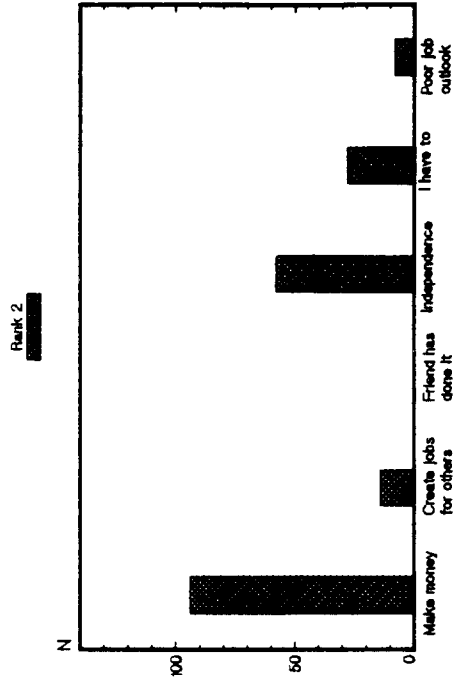
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?
POOR JOB OUTLOOK



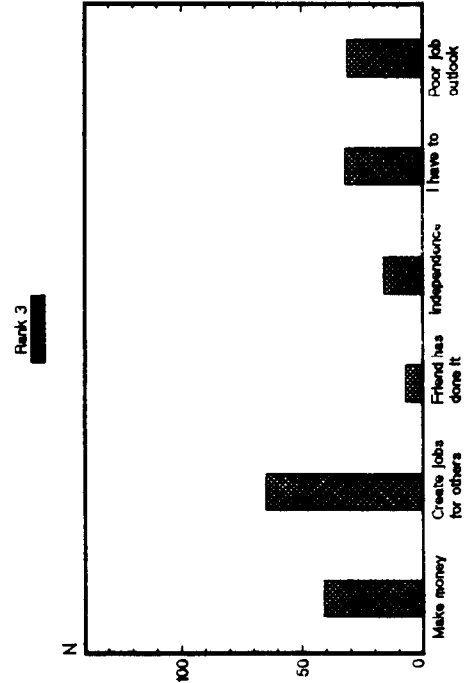
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?



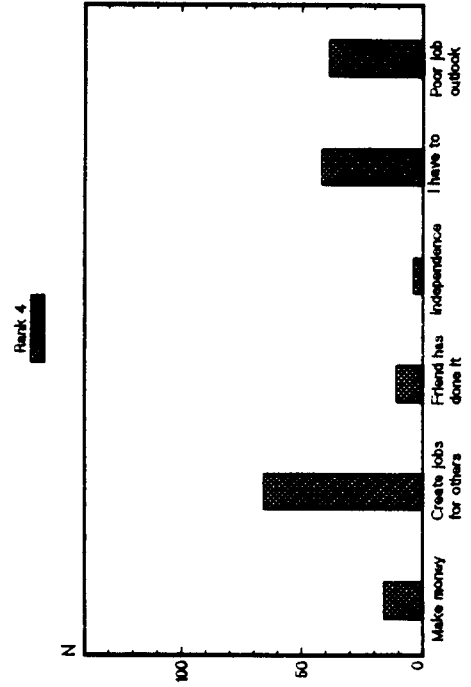
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?



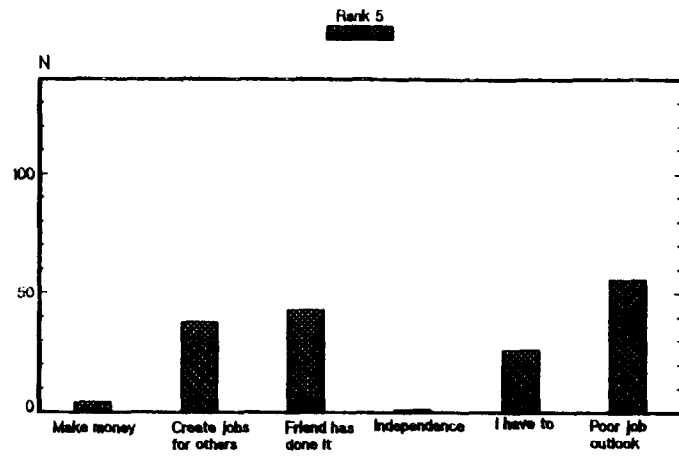
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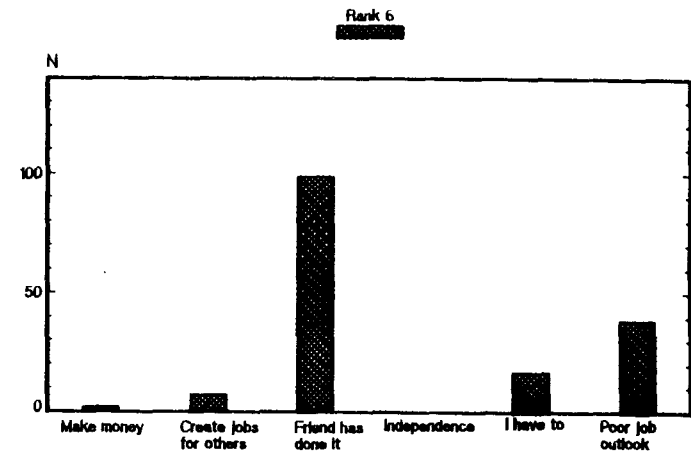
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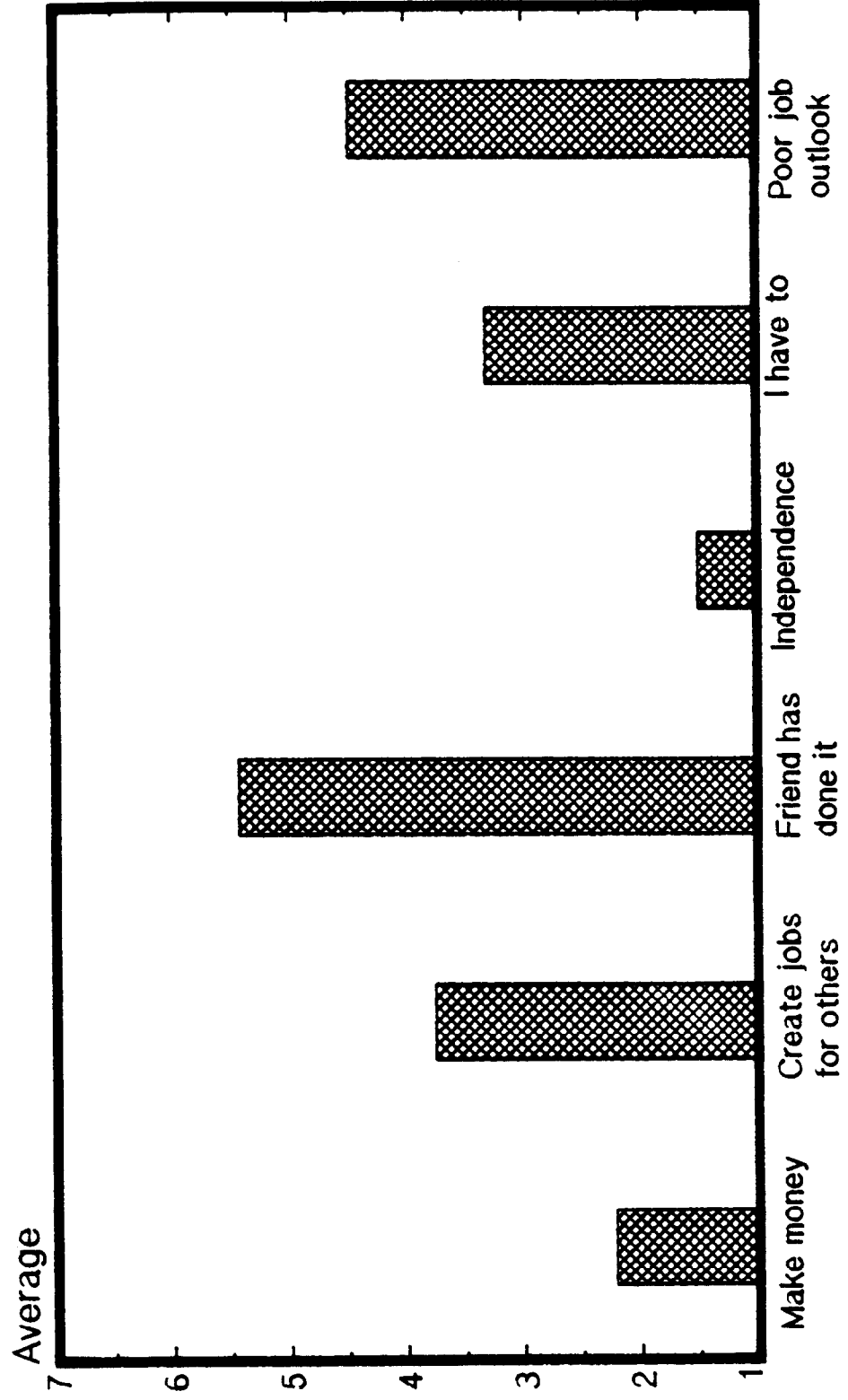
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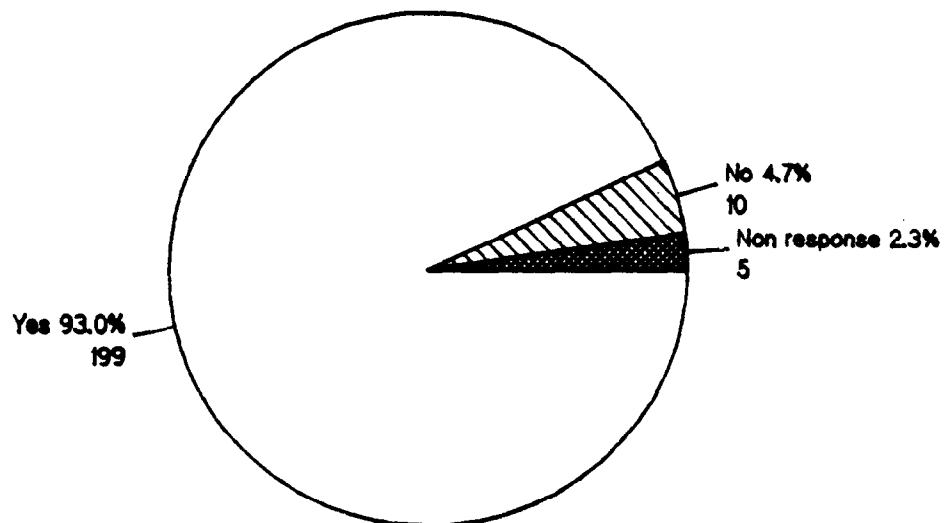
5. WHAT MAKES YOU WANT TO START YOUR BUSINESS?



6. Does your family support your idea to start your own business?

	N	%
Yes	199	93
No	10	5
Non response	5	2

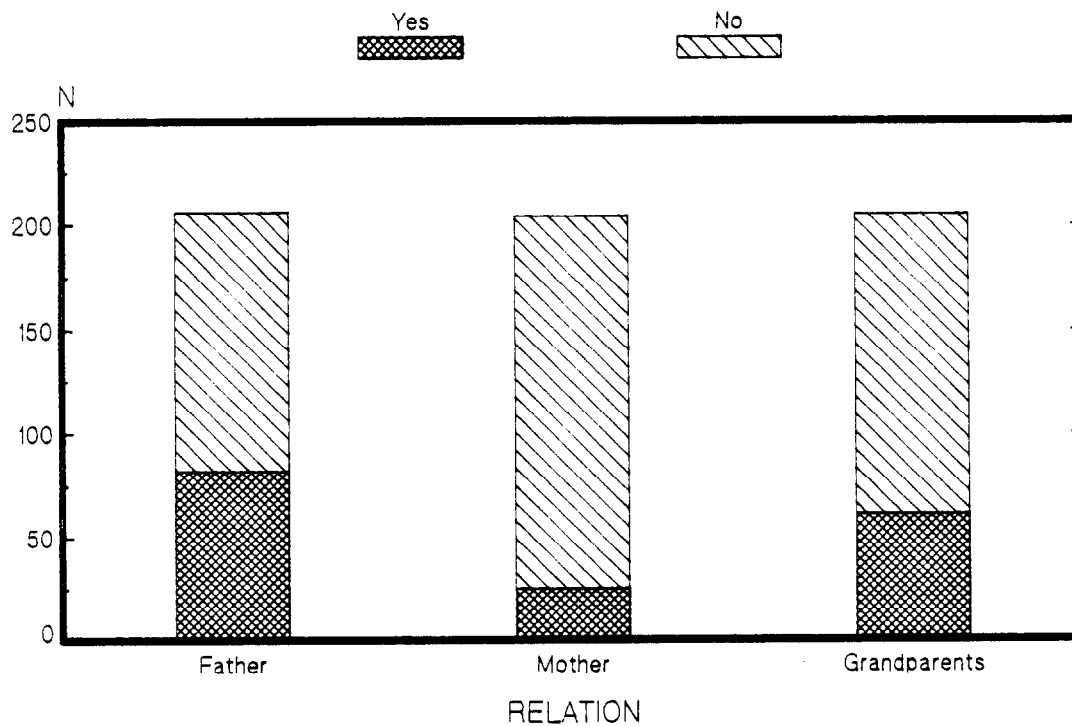
6. DOES YOUR FAMILY SUPPORT YOUR IDEA TO
START YOUR OWN BUSINESS?



6. Do the following relations own their own business?

	Yes	No	Non response
(a) Does your father own his own business	82 (38)	124 (58)	8 (4)
(b) Does your mother own her own business	25 (12)	179 (84)	10 (5)
(c) Did your grandparents own their own business	61 (28)	144 (67)	9 (4)

6. DO THE FOLLOWING RELATIONS OWN THEIR OWN BUSINESS?



6(d) How would you classify your parents main working background?

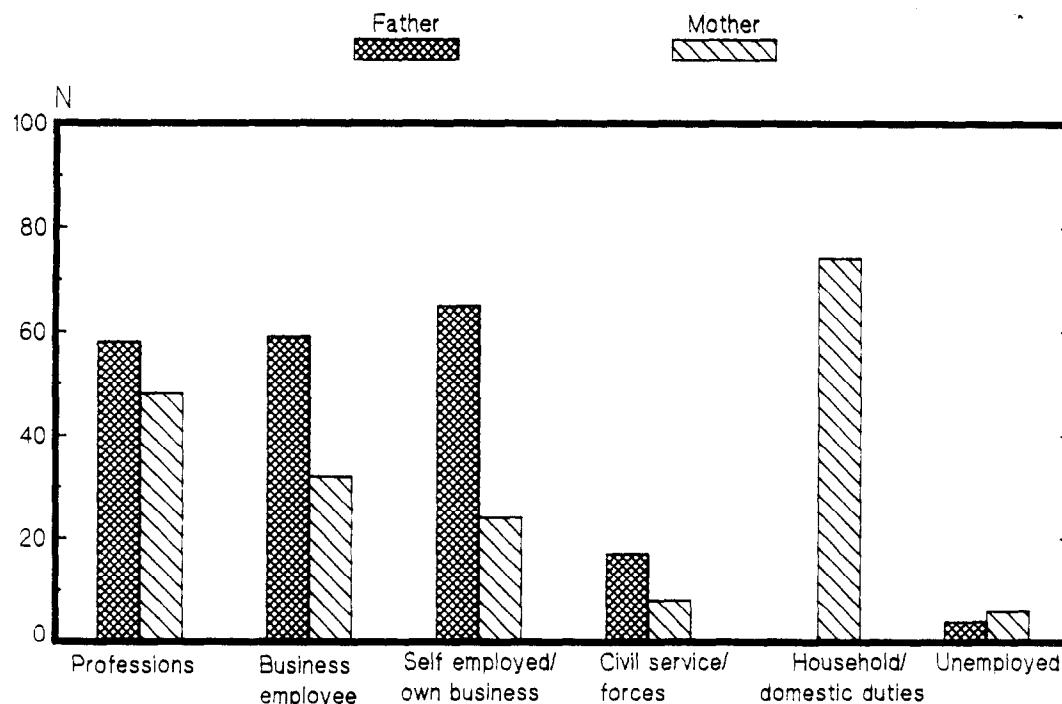
	Father	Mother
Professions (lawyer, teacher etc)	58 (27)	48 (22)
Business employee/manager	59 (28)	32 (15)
Self employed/own business	65 (30)	24 (11)
Civil service/forces	17 (8)	8 (4)
Household/domestic duties	0 (0)	74 (35)
Unemployed	4 (2)	6 (3)
Other	5 (2)	10 (5)
Non response	6 (3)	12 (6)

OTHERS MENTIONED

Mother: voluntary/charity, bus conductress, shop assistant, secretarial (5), just started her own business on retirement, vice chairman on board of magistrates, nurse

Father: factory worker, administrator/director/trainer

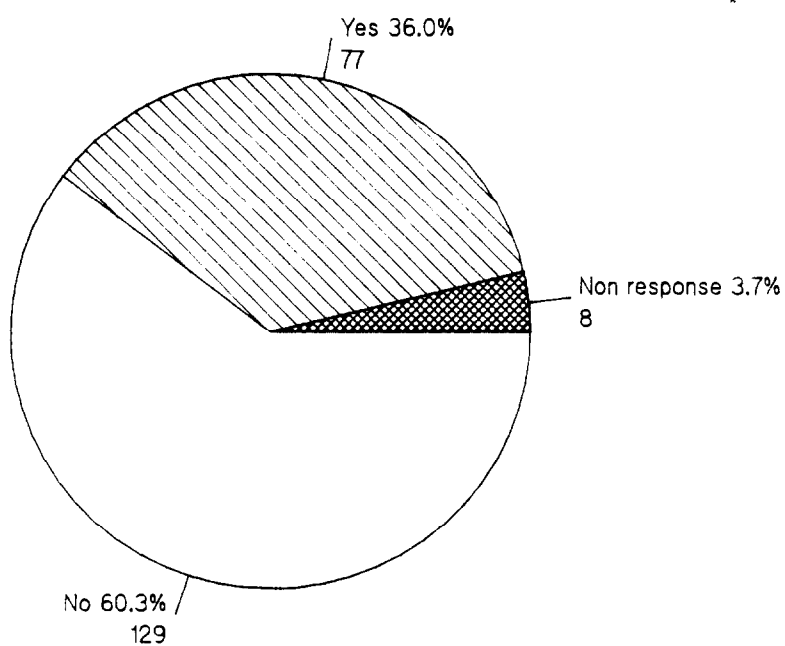
6. HOW WOULD YOU CLASSIFY YOUR PARENTS MAIN WORKING BACKGROUND?



7. Have you actually received the offer of a full-time job, to work for someone else, already?

	N	%
Yes	77	36
No	129	60
Non response	8	4

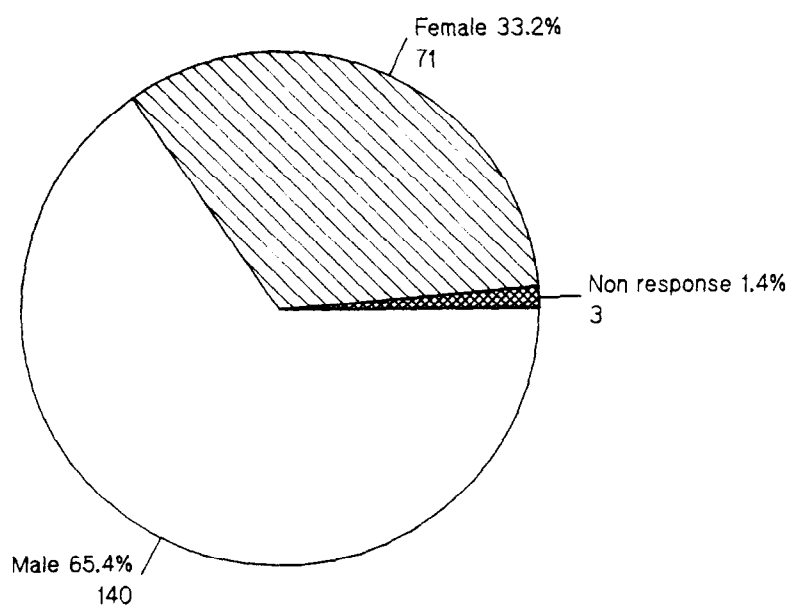
7. HAVE YOU ACTUALLY RECEIVED THE OFFER OF A FULL-TIME JOB, TO WORK FOR SOMEONE ELSE, ALREADY?



8. Sex

	N	%
(a) Male	140	65
Female	71	33
Non response	3	1

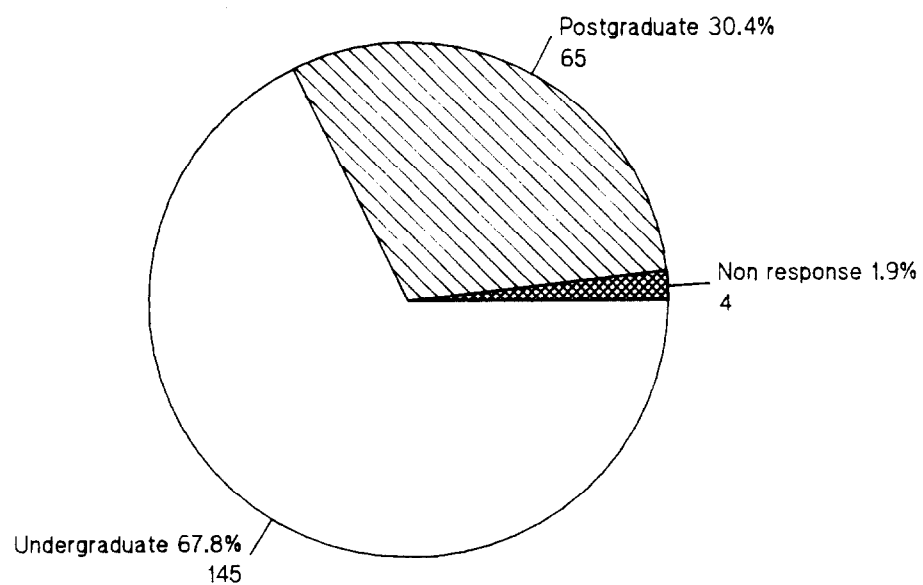
8. SEX



8. Level of Education

	N	%
(b) Undergraduate	145	68
Postgraduate	65	30
Non response	4	2

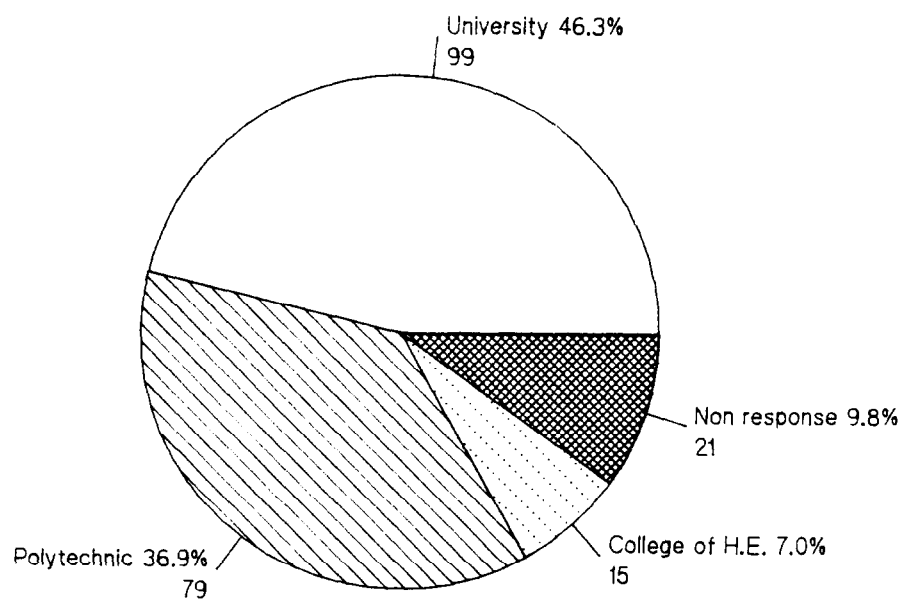
8. LEVEL OF EDUCATION



8. Educational institution

	N	%
(c) University	99	46
Polytechnic	79	37
College of H.E.	15	7
Non response	21	10

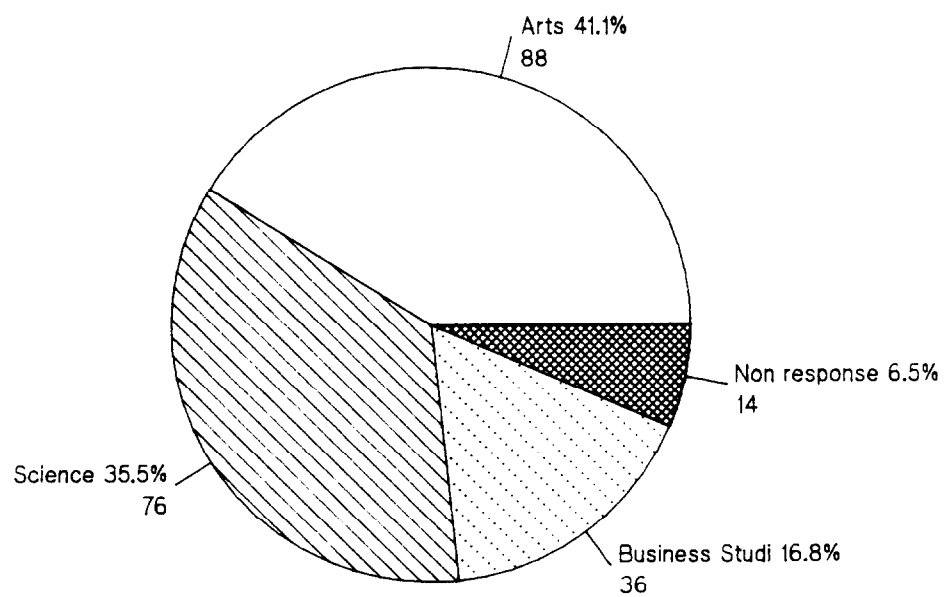
8. EDUCATIONAL INSTITUTION



8. Type of degree

	N	%
(d) Arts degree	88	41
Science degree	76	35
Business Studies	36	17
Non response	14	6

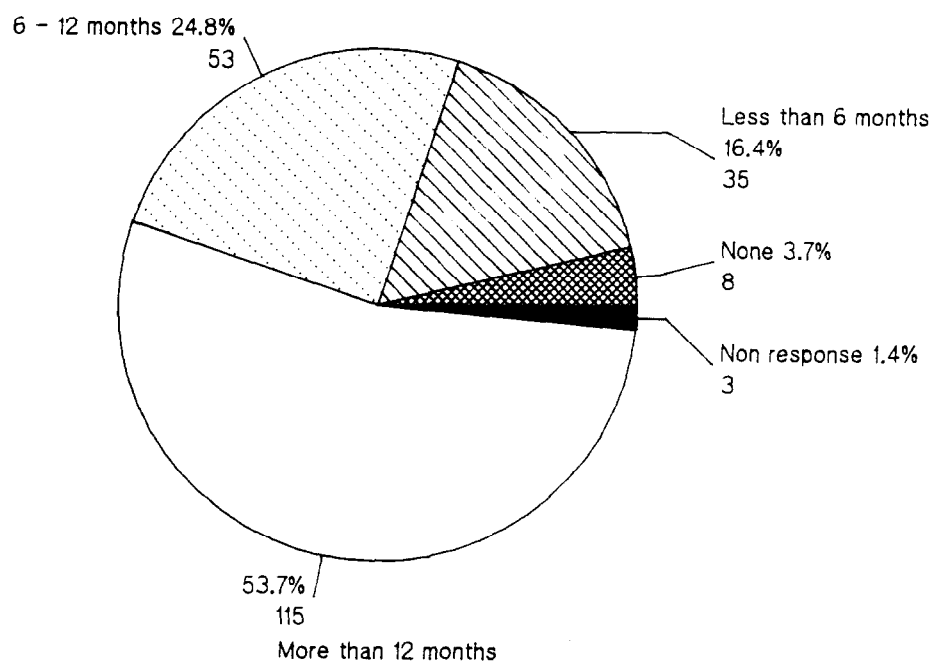
8. TYPE OF DEGREE



8. **Work experience**

	N	%
(e) <u>Work experience:</u>		
None	8	4
Less than 6 months	35	16
6 - 12 months	53	25
More than 12 months	115	54
Non response	3	1

8. WORK EXPERIENCE



MARKET RESEARCH QUESTIONNAIRE

1. Before you heard about the GEP were you going to set up your own business? Yes []1
No []2

If you answered "No", go to Question 2

- (i) If "Yes", did you intend to do this immediately after graduation or later?

<i>Immediately</i>	<i>Within five years</i>	<i>Within ten years</i>	<i>Later</i>
[]1	[]2	[]3	[]4

- (ii) Were you going to be helped to do so by any of the following?

<i>Enterprise Agency</i>	<i>Family</i>	<i>Friend</i>	<i>University</i>
[]1	[]2	[]3	[]4

Other, please specify _____

2. Did you intend after graduation to set up your own business regardless of whether or not you got on the GEP? Yes []1
No []2
3. Did you actually set up your own business after graduation? Yes []1
No []2

If you answered "No", go to Question 4

- (i) If "Yes", did you find another training course to help you to do so? Yes []1
No []2

- (ii) If "Yes", please specify the course _____

- (iii) Is your own business currently trading profitably or likely to become profitable? Yes []1
No []2

continued overleaf...

4. Did you think in retrospect that GEP selection was correct? Yes [] 1
No [] 2

If you answered "Yes", go to Question 5

- (i) If "No", was a one hour interview too short? Yes [] 1
No [] 2

- (ii) If "No", please specify improvements we could make

5. Did you find the teaching in the two day selection helpful? Yes [] 1
No [] 2

If "No", please specify how we could improve

Name: (optional)

THANK YOU VERY MUCH FOR YOUR HELP

**GEP MARKET RESEARCH QUESTIONNAIRE TO GEP I AND GEP II APPLICANTS
WHO FAILED TO GET ON PROGRAMME**

19 Respondents

1. **Before you heard about the GEP were you going to set up your own business?**

Yes - 17

No - 2

(i) **If 'yes' did you intend to do this immediately after graduation or later?**

Immediately - 5

Within 5 years - 10

Within 10 years - 3

Later - 0

(ii) **Were you going to be helped to do so by any of the following?**

Enterprise agency - 6

Family - 6

Friend - 3

No-one - 1

Venture capital - 1

Other - 1

2. **Did you intend after graduation to set up your own business regardless of whether or not you got on the GEP?**

Yes - 18

No - 1

3. **Did you actually set up your own business after graduation?**

Yes - 6

No - 13

(i) **If 'yes' did you find another training course to help you to do so?**

Yes - 2

No - 4

(ii) **If 'yes' specify the course:**

Teesside Poly 'Start Your Own Business' - 2

(iii) Is your own business currently trading profitably or likely to become profitable?

Yes - 5

No - 0

Do not know - 1

4. Did you think in retrospect that GEP selection was correct?

Yes - 11

No - 5

Undecided - 3

If 'no' please specify improvements we could make:

- More panel members (3+) of different backgrounds
- Better qualified interviewers
- Make them accountable
- Interviewers must have knowledge of market
- Interviews should be less formal
- Smaller peer groups
- Should offer same course, but grant only made available after business has started trading
- Assessors should give candidate room to express his ideas
- Lack of financial resources and marketing preparation should not be counted against the candidate at interview

5. Did you find the teaching in 2-day selection helpful?

Yes - 17

No - 2

If 'no' please specify how we could improve:

- Use successful entrepreneurs as lecturers
- Want early interview to ascertain whether it was worth staying for the 2-day course
- Too spread out
- Videos entertaining but were an inefficient use of time
- More peer group work to better formulate ideas
- Prefer mixed groups, rather than all in same type of work