

How to create an Entrepreneurial Mindset – Good Practice Examples in Entrepreneurship Education from Austria

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Objectives of this Session

- Description of the current situation on factors influencing the entrepreneurial ecosystem in Austria
- Highlighting measures on how to improve entrepreneurship education
- Discussion of Good Practice Examples and how to transfer them to other countries

Methodology

- 1) Data derived from the „Global Entrepreneurship Monitor“



- 2) Data derived from a study conducted for the Austrian government (not yet published)

Global Entrepreneurship Monitor: Data on entrepreneurial activities worldwide

- a) **„Adult Population Survey“ (APS)**: Representative survey of 4.000 individuals of each country – investigating on **if and why** someone becomes an entrepreneur

- a) **„National Expert Survey“ (NES)**: Expert interviews with about 40 national experts on various dimensions of entrepreneurship – investigating into **factors which have a positive or negative influence on the entrepreneurial ecosystem**

Status Quo of Entrepreneurship in Austria

- Entrepreneurial activities primarily **opportunity driven**
- Mindset: **Risk aversion** of Austrian society
- Big **Gender Gap**
- **Low mobility** of the citizens
- Most Start-ups **outside** the Technology /
Knowledge Intensive Business Service (KIBS) segment
- Financial support for Start-ups: Seed financing
provided by national and regional agencies; but
Venture Capital market is underdeveloped

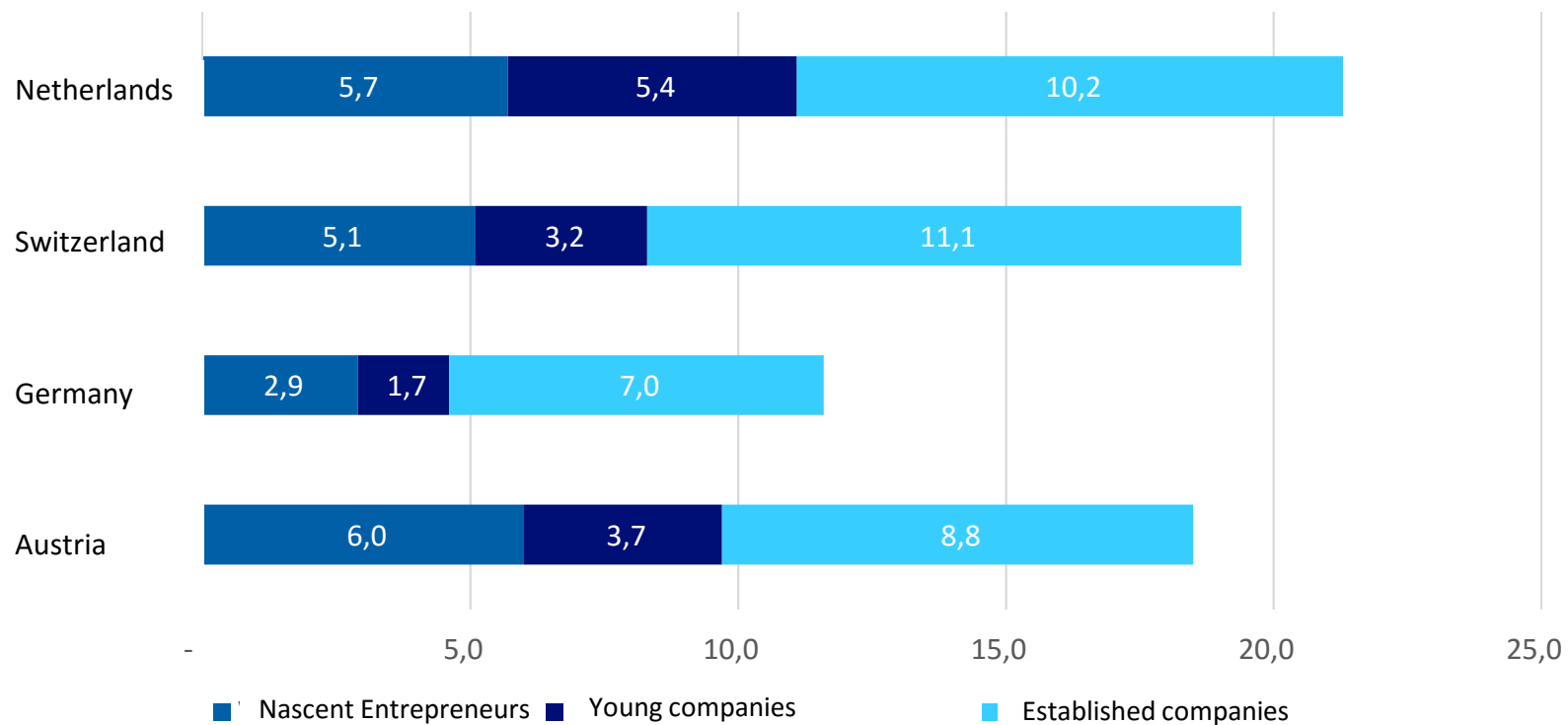


New trends in Entrepreneurship in Austria (since 2000.....)

- Positive Image of Entrepreneurship transported through the media (TV shows, many reports)
- Young people value independence – Being an Entrepreneur is “cool”
- Mobility of young Austrians is increasing
- Many initiatives have been established by the Chamber of Commerce, regional Start-up agencies, Universities and other institutions.....

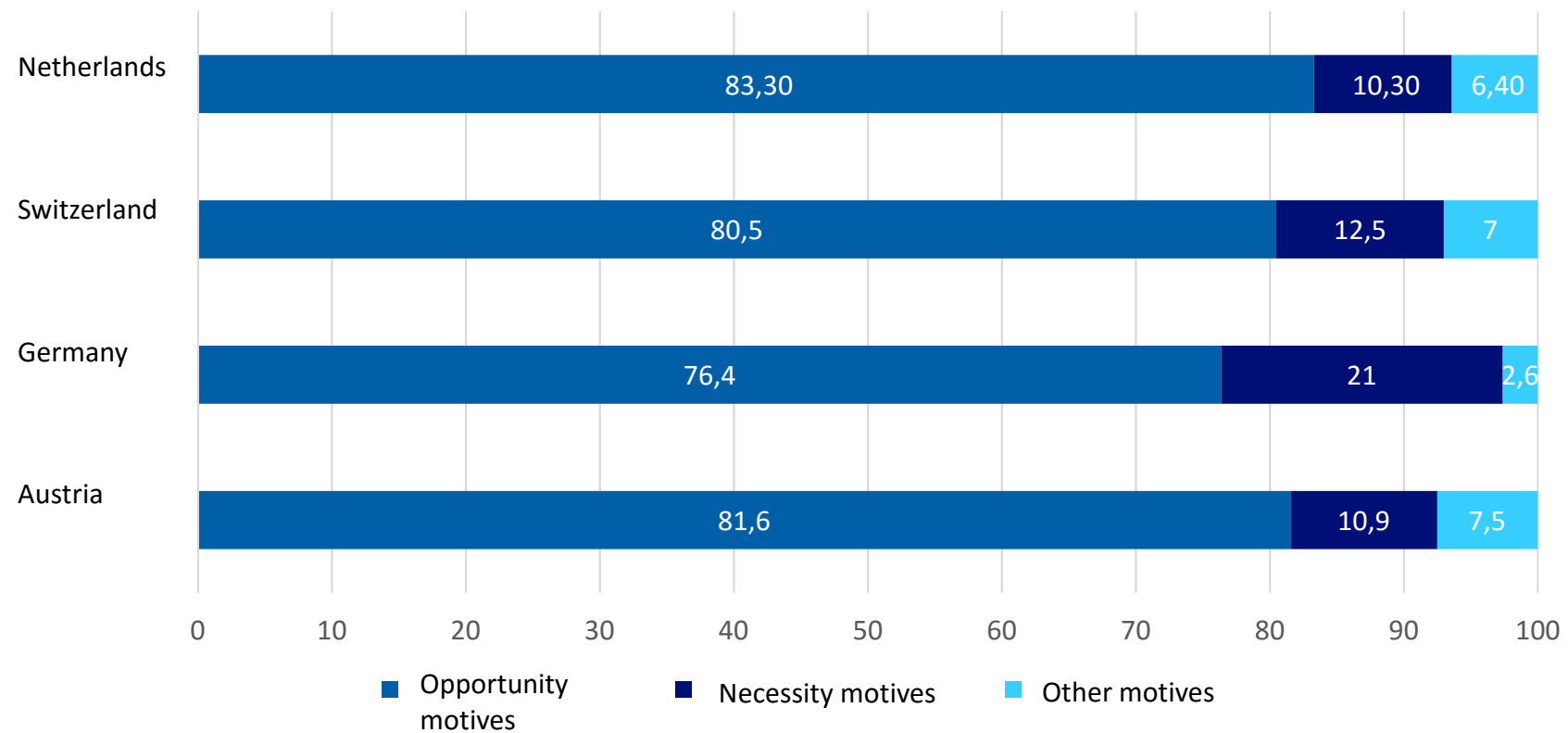


Entrepreneurial Acitivity in Austria and in Benchmark countries 2016 (in %)



Motives for entrepreneurial activity of young entrepreneurs

(in %)



5 Factors influencing the Entrepreneurial Ecosystem



- 1. Cultural and social standards - attitudes, competences**
Mindset
- 2. (Entrepreneurial) Education**
Primary, Secondary and Tertiary Education, Vocational training
- 3. Input factors**
Infrastructure, supplies
- 4. Financing**
Governmental support, Venture capital, Market potential
- 5. Government policy**
Procedures, Legal Framework, Strategic approach

Socio-cultural Norms – Attitudes towards entrepreneurship

Status Quo

The environment shapes young entrepreneurs strongly

- Entrepreneurial family history
- **Role models** and experiences
- **Generation Y** and their peculiar understanding of work life balance
- No culture of failure, stigmatization (even if successful)

What we need

- Creativity and curiosity
- Technical Skills
- Establishing networks
- **Creating an entrepreneurial mindset**
- **Overcoming the fear of failure**

Entrepreneurship Education

(Source: Lindner 2012)

Which skills are needed?

Entrepreneurship Education Model:

- **Level 1:** Learn to develop and implement your own ideas
- **Level 2:** Get inspiration and Encouragement
- **Level 3:** Entrepreneurship Education to plan business activities

1. **Social skills** (self-responsibility, initiative, creativity, designing processes)
2. **Science** ("strengthen technical education")
3. **Business knowledge** (practical knowledge, business planning, financial planning, accounting, accounting)

Entrepreneurship Education in Austria

Current Situation

Strengths

- Junior Companies in Commercial High Schools
- Competitions for Young Entrepreneurs
- Applied Projects in (Technical) Colleges
- Business Incubators at Universities
- Support from the Chamber of Commerce and others

Weaknesses

- No early entrepreneurship education (Kindergarden, Primary School)
- Lack of teachers with entrepreneurial education
- No entrepreneurship education in General Highschools
- Not enough passion for mathematics, science and technologies

A systemic Problem needs a systematic approach

- The **curricula on the education of teachers** in all levels of the educational system need to be reformed to include entrepreneurship education.
- **Expansion of Junior Company:**
 - Combining Entrepreneur's Skills Certificate and Junior Company
 - Youth Entrepreneurship Programm (YEP) of the European Commission
- **More flexibility in the educational system**
Lack of permeability of the education system (formal and experiential knowledge)

Opening the educational system

Cooperation between companies, students and teachers

- Media Initiatives to create awareness
- Talent Centers
- Wirtschaft macht Schule (WK, AK und Uni Graz)
- Role models and occupational profile (Frau in der Wirtschaft)
- SCHOOL@MUL („Talente regional“ FFG),
- Projects with MINT back ground: raspberry pi (FLEX lower secondary level), Kepler: Robotics (coding)

-> not more measures, but developing them further and implementing them in policies.

Tertiary Level (Higher Education)

Good practice Examples

- **„School @ MUL“**: A technical university teams up with local secondary schools and companies to create a regional entrepreneurial ecosystem
- **Dual tertiary education** (applied education at the university level)
- **„Gründungsgarage“**: A joint initiative of the University of Graz and the Technical University of Graz **to mentor students** who want to become entrepreneurs

Ecosystem and Input factors for entrepreneurial activity in Austria

- Good Infrastructure, especially in the urban centers
- Technical equipment of schools could be improved
- Fast Internet and powerful broadband networks are still a problem in the rural areas
 - Differences between regions in regards to infrastructure
- Biggest constraints regarding input factors: enough staff to be able to scale

Financing

- Enough subsidies available, complex funding landscape
- Expand established tools: seed money or other measures at AWS, equity guarantees
- A small, clear and well-separated portfolio of public funding that is less complex is needed
- **Unify the funding landscape to leverage private venture capital**
- **Creating confidence in the capital market**
- **Financing via banks is difficult (for loans sufficient securities have to be provided)**

Measures and funds

- **Reward for R&D**
- Funding programmes in technological branches
- **Crowd Funding** is a tool for a later phase of the company. It is in most cases not adequate for starting a business
- **Private Risk capital market is limited**

Governmental policy

Legal aspects, Bureaucracy and Strategic Approach

- **Bureaucracy when starting a business**
- Registration process in Austria is long and complicated
- The Austrian Business and trade code is a constraining factor
- Different rules apply for different industries
- **Digitalisation of business registration is still missing in Austria**
- The processes of getting permits is long, complicated and rather expensive

Governmental policy

Legal aspects, Bureaucracy and Strategic Approach

- **Labour laws** are relatively restrictive
- **Permits for facility sites** are often located in different authorities, which make the process quite complicated
- **High Potential stays unused**, Especially in future branches such as ICT

Necessary: A new, strategic approach

- Fact-based decision making, evidence based decision making
- a common understanding of who can ultimately contribute to these input factors

Basically high activity potential in the Startup sector - which is to be welcomed, however

what is urgently needed - is a better coordination of existing measures which can work fast and have an immediate effect.

Summary and Outlook.....

Entrepreneurship Education throughout the lives of the citizens may **create an entrepreneurial mindset.**

In Austria, a number of initiatives have been established, but more needs to be done.....

What is the situation in your country?

Which good practices can you share?

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