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**SWP 57/89 THE CHALLENGE FOR EDUCATION & TRAINING -  
THE ROLE OF DISTANCE LEARNING IN IMPROVING  
ENTREPRENEURSHIP AND MANAGERIAL SKILLS OF SMEs**

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## 1. The Challenge for SME Training

Britain has a bad record for management training. Its 2.75M managers spend, on average, only one day a year on formal training (Constable and McCormick, 1987; Handy, 1987). This is far lower than most other industrial training. What is more the amount of training undertaken diminishes with the size of firm. Whilst around 80% of big companies (employing more than 5000) provide management training, this proportion shrinks to 25% for SME's (employing less than 1000) and 18% for the smallest companies (employing less than 10) (Mangham and Silver 1986; Handy, 1987; SBRT, No.1, 1989). Indeed a UK survey of self-employed people revealed that no more than 8% had received any form of training (Legal and General, 1985).

Whilst exaggerated in Britain, the lack of management training undertaken by SME's is a European problem. A survey of owner-managers in SME's in France, West Germany and the UK found that the highest proportion receiving any specialist management training in any of the countries was 25% (Watson, 1983).

Nevertheless the last decade has seen an expansion of training for start-ups across Europe. In Britain the Department of Employment Training Agency, who provide the vast majority of training courses for SME's in Britain, estimate that over 25% of start-ups receive some form of training from them, although this might be as little as half a day. However, they also estimate that less than 1% of established SME's receive similar training. So the problem of lack of training is particularly acute for established SME's. There are probably a number of reasons why SME's are resistant to training:

- i) Attitude: Most owner-managers are really seeking independence (Curran, 1988). They have little desire to expand, have only local horizons and a weak grasp of technological and business principles (Binks and Jennings, 1986; Storey, 1986). This makes them resistant to training. What is more, they have unpleasant memories of formal schooling and feel tutors on such courses have a poor grasp of the practicabilities of business (Keisner, 1985). These attitudes are reinforced by the lack of role

models emerging from training programmes. The image is still one of the relatively poorly educated but successful entrepreneur (Curran and Stanworth, 1989).

ii) Relevance and practicability: Owner-managers of SME's look for very practical, highly specific courses (Keisner, 1985; Sym and Lewis, 1987). They are seeking solutions to current, practical problems (Hodgson, 1985). They do not perceive traditional training as doing this. What is more there is some disagreement on the importance of topics that should go into such courses. Whilst the importance of the marketing, accounting and people management areas has been widely recognised firstly by Bolton, (1971) then by a range of subsequent studies (Curran, 1988), there is disagreement on their relative importance. A CBI survey (1986) provided some insight into the problem by showing that the interest in people management grew with firm size. This is consistent with theories of the changing problems facing the growing firm (Burns, 1989(a)) and the pre-occupation SME's have with the short term. A further survey revealed considerable variation in the perceived importance of different topics within these broad headings between different industries and regions. (Gray and Burns, 1988). Is it any wonder that research suggests that many of those taking courses directed such a diverse range of SME's find them over-general (Sym and Lewis, 1987).

iii) Time: The time pressures facing owner-managers is well know. These pressures are all the more acute for growing firms or those facing managerial problems. They are exaggerated by the lack of professionally qualified staff employed by SME's (Watkins, 1983). The end result is that the owner-manager finds it very difficult to take protracted periods away from the business to undertake training, even though that training might help them coipe with the very problems that cause the drain on their time.

## 2. A Framework for SME Training

Appropriate techniques and materials for entrepreneurship training can only be developed based upon a clear understanding of SME development needs. Generally these fall into three categories:

- i) Management skills development: As already discussed, these skills can be clearly identified although the various topics and their relative importance depends upon the stage of development of the business, the industry and region it is in as well as the base skills of the entrepreneur. The depth of coverage depends upon the length of course and characteristics of trainees. One of the keys to effective training seems to be the ability to teach sufficient of a skill to address current problems at the time the entrepreneur needs it. The more the trainees can identify with, and see the relevance of the training materials, the more effective they will be. Entrepreneurs are very demanding and very critical when they find a course is too general and does not meet their specific needs.
- ii) Entrepreneurial development: This is a vital factor in entrepreneurship courses designed to help SME's grow. It requires an emphasis on motivational and behavioural training that develops the self-confidence and initiative of the entrepreneur. It is now widely accepted that training can affect motivation and behaviour and this technique is used by a range of organisations (Kenney, Donnelly and Reid, 1985). However, the form of this training remains controversial. Many approaches involve behavioural and psychological inputs based upon the pioneering work of McClelland (1961). These involve self analysis and psychometric tests designed to enhance self awareness and positive thinking. Coupled with counselling they can help develop self confidence. However, group dynamics also seem to be an important element in achieving motivation

(Kenney, Donnelly and Reid 1986), as does close involvement with a counsellor or other individual (Chowdhury, 1981). Loucks (1988) in his study of successful entrepreneurship courses concluded that "the longest running entrepreneur development programmes with a substantial record of success include achievement motivation training as a significant feature". Nevertheless it is worth remembering that the drive, energy, commitment and enthusiasm of an individual teacher can often achieve better results than a more soundly based methodology, implemented in a lack-lustre way. Indeed, Harper (1984) in his study of successful entrepreneurship courses observed that many courses did not use these devices, instead relying upon "inspirational lectures and in particular presentations by experienced entrepreneurs" to achieve successful results.

- iii) Information: SME's need a whole range of information on law, taxation, premises, book-keeping, office procedures, sources of finance as well as market research information. They are constantly looking for what constitutes good management practice in their industry. Often information is a pre-requisite to finding resources.

Management skills give entrepreneurs a framework with which to tackle the business problems they face. Analysis of a problem normally requires information - about the firm and the business environment. However, the entrepreneur still needs the motivation to carry through the course of action that the analysis suggests. Without each of these three indispensable building blocks the problem will not be solved.

Therefore, unless SME training programmes address each of these needs they will fail to be effective, and fail to help SME's achieve the growth that is hoped for.

The teaching techniques that are appropriate for these different needs are set down in Table 1. Each technique has its advantages and disadvantages. For example, the ubiquitous lecture is suitable for giving information on the technical aspects of management training (e.g. accounting) to quite large audiences. However, it suffers from a lack of participation and variable quality of delivery which can result the loss

of interest by the audience. Indeed, since the target audience tends to have unpleasant memories of formal schooling (Keisner, 1985), it is arguable that lecturing is a particularly unsympathetic teaching technique for entrepreneurs. What is more, it normally has to be reinforced by exercises that allow techniques to be practiced.

**Table 1 here**

Of course, the appropriate combination of these different teaching techniques within an entrepreneurship course depends not only upon the entrepreneurs' needs, and hence their training requirements, but also upon the necessity to obtain a varied and balanced mix of techniques within a course. What is more, as can be seen from the list of techniques, some can be used for multiple training requirements.

In fact, if you study the list you will see a strong bias towards trainee centred techniques: participative, group activities with counselling support. These approaches have generally been found to be the most appropriate for both behavioural and management skills training with this target group.

For behavioural training focus on the individual is essential (Chowdhury, 1981).

This can take the form of psychological exercises, group work including case studies, counselling, role playing and games, experiential learning and the whole range of action learning techniques. The key is to gain the commitment of the entrepreneur to a set of clearly defined and achievable objectives centred on launching and growing their business. This can only be done by ensuring the entrepreneurs have a realistic confidence in their ability to meet these objectives. Once set, the entrepreneurs then need help to monitor their progress towards achieving these objectives.

For management skills training, trainee centred approaches are also more effective.

This is partly because of owner-managers' natural antipathy to "formal schooling" and teacher-centred techniques. It is also because only trainee-centred approaches can deliver training that can be tailored to the individual trainee's needs, at the time it is needed. This bias toward trainee-centred techniques is hardly surprising given that entrepreneurship courses aim to turn out independent, self reliant individuals. The

Table 1

Entrepreneurship Training: Needs & Teaching Techniques

NEED

TEACHING TECHNIQUES

1. Management skills training

- Lectures
- Exercises
- Seminars
- Workshops
- Cases
- Distance Learning
- Action Learning
- Demonstrations/  
Guided practice  
(inc. video  
games)
- Games

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2. Motivational training

- Psychological  
exercises
- Counselling
- Discussions
- Cases
- Role Playing
- Group activities
- Role modelling
- Experiential  
learning
- Games
- Action learning

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3. Information

- Lectures
  - Computer Learning
  - Distance Learning
  - Information packs
  - Networks
-

problem is that trainee-centred techniques tend to be far more resource intensive than the more traditional teacher-centred techniques.

The preceding analysis argues strongly that the most important source of teaching material on entrepreneurship courses should come from the entrepreneurs themselves. In other words the course should be centred on the problems facing the entrepreneur's own business. It should be action based, with the entrepreneurs constantly being pressed to apply skills to their own situation, to review this application with others, refine it and commit to it. What is more, it is generally recognised that any material will only be successful if it satisfies the entrepreneur's own perceived needs in providing solutions to current practical problems (Hodgson, 1985). Timing is crucial.

### 3. Distance Learning

Distance Learning offers trainees facilities (workbooks, videos, audios, computer programmes) that allow them to undertake the bulk of their learning at a place of their choosing, separate from the tutor. Properly designed, it can offer trainee-centred learning that overcomes some of the natural objections SME's have to training.

- i) Attitude: Distance learning materials can be non-traditional and help overcome attitude barriers to training. Videos can be lively and entertaining as well as instructional. Workbooks frequently have a magazine-type format that makes them attractive. Audio cassettes can have a programme style that allows them to be played in the car.
- ii) Relevance and practicability: Distance learning can demonstrate relevance and practicability in three ways. Firstly, by showing real "case-studies" of companies applying the management skills, particularly in the video context. Secondly, properly structured workbooks should constantly try to get the trainee to apply the skills to their business situation - that



is the nature of trainee-centred distance learning. Finally, if the distance learning material is modular, it allows the entrepreneur to dip into it, selecting programmes they themselves see as relevant to their particular needs.

- iii) Time: Distance learning is flexible. Trainees can study when, where, and at the pace they want. They may also be selective with the material.

The major problem with face-to-face trainee-centred teaching techniques is that they are resource intensive. Participative, group work with counselling support implies high unit training costs. Consequently the resources needed to expand traditional face-to-face training based on these principles is unlikely to be forthcoming from either Government or from the owner-managers themselves. On the other hand, distance learning offers very low unit training costs provided there is sufficient take up. However, the initial investment required to develop high quality distance learning material is very great. The Small Business Programme, discussed later, will have cost over £1.25M to develop.

Distance learning, on its own, can never replace the important dynamics of group and counsellor interaction that seems so important for motivational training, although there is no reason why it should not be combined with face-to-face teaching methods. However, what it can do, through the medium of video, is to offer role models that will serve as inspiration to the entrepreneurs. This technique was seen by Harper (op cit) to be as effective as more conventional motivation training activities and devices.

#### 4. The Elements of Distance Learning

Distance learning materials can comprise of four elements:

- Workbooks
- Videos
- Audios
- Business Games and Computer Programmes

These are frequently supplemented by workshops and tutor/counsellor contacts to provide the important socialisation element to the training.

i) Workbooks

Given the widely noted tendency of entrepreneurs to preserve their independence it is to be expected that workbooks have a valuable part to play in management skill training, possibly displacing the traditional lecture. Support for this comes from the recent growth in UK publishing of small business "how-to-do-it" books. Certainly, the publishers are seeking to make profit out of their publications but the extent to which the SME owner-manager benefits is unresearched, and the material has been described as largely "poor quality" (Curran and Stanworth, 1989). To be effective, workbooks must constantly apply relevant management skills to the trainees' situation, offering examples and using checklists, worksheets and other user friendly approaches to structured learning. Two examples from The Small Business Programme are given in Tables 2 and 3. Table 2 shows in simple, diagramatic form how delays in payment of a debt can build up. Table 3 shows how delaying tactics can further lengthen that payment period (Saunders, 1989). These non-traditional approaches have proved to be effective with the target training group. (Gray and Burns, 1988).

**Table 2 & 3 here**

Similarly checklists can act as effective stimuli to get the trainee to apply management skills and analysis to their business. Table 4 shows a checklist which forms part of a S.W.O.T. (Strengths, weaknesses, opportunities and threats) analysis in The Small Business Programme (Burns, 1989(c)).

**Table 4 here**

Table 2

	Action	Penalty
Step 1	Send invoice to customer in Bolton	Wait 2 working days
Step 2	Envelope opened in Bolton postroom, invoice sent by internal mail to Accounts Payable Dept at London HQ (the people who are responsible for arranging your cheque)	Wait 4 working days
Step 3	Invoice in ledger clerk's in-tray waiting to be entered in Ledger and VAT records (The ledger clerk is the one responsible for paying you.)	Wait 2 working days
Step 4	Invoice entered in books and sent by internal mail to Purchasing Dept to be married to purchase order	Wait 1 working day
Step 5	Invoice in purchasing clerk's in-tray (The purchasing clerk is the person who ordered the goods.)	Wait 4 working days
Step 6	Invoice sent to Bolton Stores to be married with Goods Inwards note (a record of receipt of the goods you sent)	Wait 2 working days
Step 7	Invoice in storekeeper's in-tray	Wait 4 working days
Step 8	Invoice sent to your customer for approval	Wait 1 working day
Step 9	Invoice in customer's in-tray	Wait 4 working days
Step 10	Customer sends approved invoice back to Accounts Payable Dept, London HQ	Wait 2 working days
Step 11	Invoice in ledger clerk's in-tray awaiting entry on to computerised cheque-drawing list (prepared only once each month)	Wait 4 working days
Step 12	Invoice entered on cheque listing	Wait 18 working days
Steps 13, 14, and 15	Cheque drawn, signed, and sent to you	Wait 2 working days each step

• (previous delays caused your cheque to miss this month's run)

Table 3

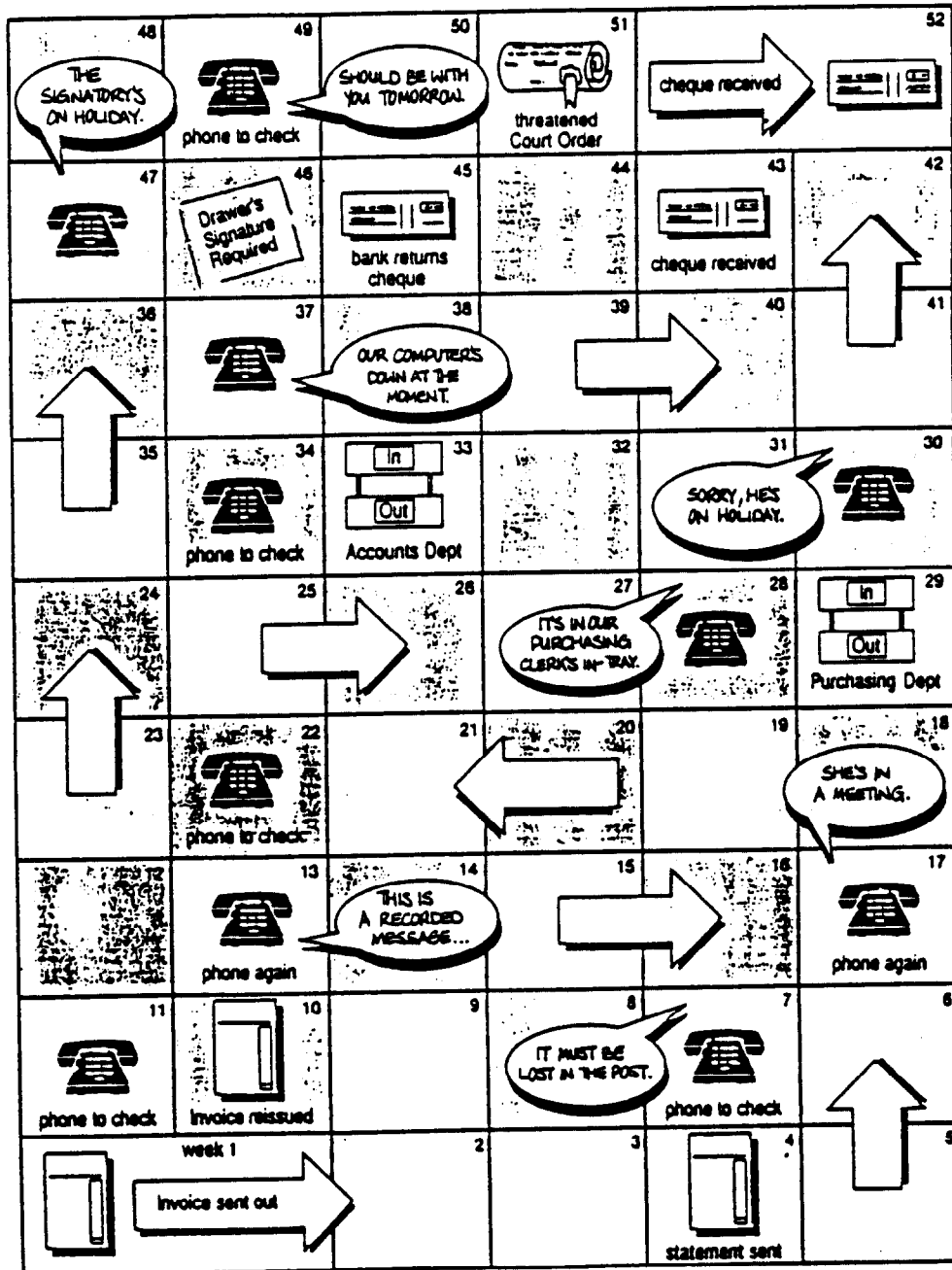


Table 4

Checklist 6

Competitors: Opportunities and Threats

Evaluate the opportunities and threats you face from your competitors by answering the following questions.

	YES	NO
1 Do you know your major competitors?	<input type="checkbox"/>	<input type="checkbox"/>
2 Do you have information on their size, profitability and operating methods?	<input type="checkbox"/>	<input type="checkbox"/>
3 Can you identify which competitors are successful?	<input type="checkbox"/>	<input type="checkbox"/>
4 Can you discern any patterns in the successful/unsuccessful firms?	<input type="checkbox"/>	<input type="checkbox"/>
5 Does your product or service compare well to the competition on:		
• price?	<input type="checkbox"/>	<input type="checkbox"/>
• performance?	<input type="checkbox"/>	<input type="checkbox"/>
• quality?	<input type="checkbox"/>	<input type="checkbox"/>
• finish?	<input type="checkbox"/>	<input type="checkbox"/>
• reliability?	<input type="checkbox"/>	<input type="checkbox"/>
• maintenance?	<input type="checkbox"/>	<input type="checkbox"/>
• delivery?	<input type="checkbox"/>	<input type="checkbox"/>
• service?	<input type="checkbox"/>	<input type="checkbox"/>
• number of purchase outlets?	<input type="checkbox"/>	<input type="checkbox"/>
6 Relative to your own actions, have competitors shown less flexibility over terms of trade-price, discount, payment dates etc?	<input type="checkbox"/>	<input type="checkbox"/>
7 Do there appear to be broad similarities between competitors in selling costs and delivery performance?	<input type="checkbox"/>	<input type="checkbox"/>
8 Do there appear to be broad similarities over promotion and advertising?	<input type="checkbox"/>	<input type="checkbox"/>
9 Do you have a strong market identity?	<input type="checkbox"/>	<input type="checkbox"/>
10 Is it difficult for a competitor to copy your product or service?	<input type="checkbox"/>	<input type="checkbox"/>
11 Are there any barriers to entry in your market?	<input type="checkbox"/>	<input type="checkbox"/>
12 Is product or service development fairly stable and predictable?	<input type="checkbox"/>	<input type="checkbox"/>
13 Are competitors' new product or service developments unlikely to pose a threat?	<input type="checkbox"/>	<input type="checkbox"/>
14 Are competitors' changes in their marketing mix unlikely to pose a threat?	<input type="checkbox"/>	<input type="checkbox"/>

Worksheets are frequently used to structure complicated exercises. Table 5 shows a structured exercise for calculating the breakeven of the business from The Small Business Programme (Burns, 1989(d)).

**Table 5 here**

Worksheets and exercises can help build up to a structured solution to a problem. For example the checklist in Table 4 is part of a series of exercises and activities that culminate in the production of a business plan by the trainee. These are shown in Table 6. These exercises pose questions about the trainee's own business - most of which can only be answered with the detailed knowledge of the area and may involve the study of supporting training material.

**Table 6 here**

The insatiable need entrepreneurs have for information is reflected in the high level of sales of small business information guide books such as Barrow (1989). The areas covered in such a book are shown in Table 7. Workbooks can also be used to deliver this information, although the wide availability and popularity of the guides means there is little need to do so.

**Table 7 here**

There is also a need for information on business administration. Sample control forms, invoices, purchase orders etc., ease the task of setting up a business. Once more, in the UK, books of forms are readily available (Pring, 1985). Distance learning workbooks also tend to include these aids. An example of some of the sales records a business needs to keep is reproduced in Table 8 this is taken from the appropriate part of the text on Selling from The Small Business Programme (McDonald, 1989).

**Table 8 here**

Trainers frequently also keep boxes of business cards, advertising brochures, newspaper advertisements etc. for the same purpose. These

**BREAKEVEN WORKSHEET**

1 Calculate your contribution:

Sales	£	(A)
less Variable costs;		
materials	£	
variable wages	£	
Other variable costs;		
_____	£	
_____	£	
_____	£	
_____	£	
less Total variable costs		
<b>CONTRIBUTION</b>	£	(B)

2 Calculate your contribution margin:

$$\frac{\text{Contribution (B) } \pounds \text{ _____}}{\text{Sales (A) } \pounds \text{ _____}} \times 100 = \text{CONTRIBUTION MARGIN } \text{ \_\_\_\_\_\% (C)}$$

3 Calculate your fixed costs:

Salaries	£	
Fixed wage costs	£	
Rent	£	
Rates	£	
Electricity	£	
Gas	£	
Water rates	£	
Telephone	£	
Postage	£	
Insurance	£	
Repairs	£	
Advertising	£	
Bank interest and charges	£	
HP or lease charges	£	
Depreciation	£	
Other fixed costs;		
_____	£	
_____	£	
_____	£	
_____	£	
_____	£	
_____	£	
<b>TOTAL FIXED COSTS</b>	£	(D)

4 Calculate your breakeven point:

$$\frac{\text{total fixed costs (D) } \pounds \text{ _____}}{\text{contribution margin (C) } \%} \times 100 = \text{BREAKEVEN SALES } \pounds \text{ _____ (E)}$$

5 Calculate your estimated profit:

Sales (A)	
less Breakeven sales (£) (E)	£ _____
= Sales above breakeven point	£ _____

**Table 6**

**Business Plan Exercises**

- **Business description**
- **Product/Service description**
- **Mission statement**
- **Objectives**
- **Staffing requirements**
- **Self analysis**
- **Market segmentation**
- **Customer analysis**
- **Features and benefits of product/service**
- **Competitor analysis**
- **Industry analysis**
- **Market research**
- **Pricing**
- **Advertising & promotion**
- **Place & distribution**
- **Sales forecasting**
- **Operations planning**
- **Cash flow**
- **Profitability**
- **Breakeven**
- **Balance sheets**
- **Financing requirements**
- **Business Controls**



**Table 7**

**Information Needs**

**Areas covered In The Small Business Guide**

**by: Colin Barrow**

- Sources of help and advice - enterprise agencies, Small Firms Service, Rural Development Commission, Enterprise Initiative etc.
- Business Opportunities - new products or businesses, cooperatives, franchising.
- Technology - science parks, financial support, research associations, computers, industrial organisations.
- Market information - markets, companies, industries, libraries and information services, data bases, marketing organisations, exporting and importing information.
- Raising money - banks and other financial institutions, grants and competitions.
- Controlling money - information or book-keeping systems.
- The Law - form of business, business name, protecting ideas, premises, trading laws, employing people, insurance, national insurance, PAYE, VAT, pensions, Data Protection Act.
- Training - courses, distance learning, National Training Index.
- Help for young entrepreneurs.
- Help in setting up business overseas.

Table 8

**Permanent Sales Record**

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Contact name \_\_\_\_\_

Key buying influences \_\_\_\_\_

Product or service \_\_\_\_\_

Other relevant information \_\_\_\_\_

---

**Weekly Sales Call Report**

Company name \_\_\_\_\_

Postcode \_\_\_\_\_

Date \_\_\_\_\_

Period \_\_\_\_\_

Name of salesperson \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

Address \_\_\_\_\_

Product line \_\_\_\_\_

Postcode \_\_\_\_\_

Area \_\_\_\_\_

Company name	Person contacted	Title	Result	£ Sale	Follow-up
Address Telephone					

TOTAL CALLS \_\_\_\_\_

TOTAL SALES \_\_\_\_\_

Signature \_\_\_\_\_

examples show how others have approached the task of advertising and promotion and stimulate the entrepreneurs' own imagination. Again workbooks can undertake this task very effectively.

ii) Videos

Videos should form an important part of any distance learning package for SME's. They can be used for a number of different purposes and offer significant advantages:

Purpose

Advantages

a) Management skill training:

They are non-traditional, can use animation and humour to make complex teaching points

b) Management skill application:

They can show how skills are applied, problem situations and best practice. This proves relevance and aids understanding

c) Behaviour training:

They can offer role models that trainees can identify with

d) Case-studies:

They can bring mixed media case studies to life particularly because the owner manager is such a vital element in the evaluation of any small business.

Examples of these different uses of video are available. The extracts are taken from various modules in The Small Business Programme.

The major disadvantage of videos is the depth of analysis they are able to achieve. Experience with distance learning material suggests video will never be able to completely replace written material.

iii)

### Audios

Audio tapes have been used in distance learning for some time. They offer similar advantages to videos. However, because the span of attention with them is longer than with videos, they can be used to go into greater detail on a topic than videos. Conversely, they are clearly not suitable when visual points need to be made. One important consideration is that they cost about 10% of the cost of a video to produce.

Unpublished research at the Open University indicates that students do not like audio tapes (or video tapes) that they have to "stop-and-start". They prefer stand alone material that is not tightly linked to relevant passages in a workbook. In fact, they prefer audio tapes that can be played in the car. This is an important training opportunity for the future since most cars now have tape players and whilst busy owner-managers have increasing pressure on their time they also face considerable "dead-time" whilst driving. In the UK, this training opportunity is mainly being exploited by companies like Berlitz for language-training.

iv)

### Business Games and Computer Programmes

Business games, frequently computer based, can prove to be an effective teaching resource and certainly one that absorbs participants. To be useful the game must embody substantive management training points. The best computer-based games allow participants to exit the game and undertake tuition on relevant management skills. They are therefore offering computer based management training facilities in a context which allow entrepreneurs to see its relevance and application. It also motivates them to continue with their "training" through the competitive instincts generated in the framework of the game. These games lend themselves to distance learning and will be increasingly used in this way as micro-computers become more and more accepted in small businesses and the price of programmes comes down.

Computers also have a valuable role to play in the preparation of the business plan. Pre-structured spread-sheet programmes can be used to help entrepreneurs generate cash-flow, profit and loss and balance sheet projections. Once budgets have been entered onto the programme the entrepreneur finds it relatively easy to alter the parameters of the plan. Entrepreneurs are tempted to explore the "what if" questions that will pose themselves during the course. They are encouraged not to treat the plan as inflexible but to realise that it's dynamic and often must be altered to suit changing circumstances. What is more they have yet another resource that will prove useful in developing their business. Computer based training is a rapidly developing field. At the moment the cost of hardware and software means that it is often undertaken within an educational institution. However, its future lies not in the classroom but in the workplace. It offers all the advantages of distance learning and adds a further dimension to that training because of the ability to interact with the programme. It also offers the prospect of delivering up to date information on all aspects of business to the entrepreneur's office, thus displacing the reference book.

##### 5. The Small Business Programme

The Small Business Programme is the result of £1.25M investment by the Department of Employment Training Agency. It was developed over three years jointly by Cranfield School of Management, the Open University and the BBC. It is the most comprehensive distance learning programme for SME's ever produced in Europe and will be launched in January 1990.

It is targeted at owner-managers and key staff managers of SME's (5 to 50 employees) which are expanding or capable of supporting growth. Its aim is to improve the entrepreneurial and management capability of these firms by providing training material that is attractive, easily accessible, practical and based around the problems that a growing SME will face. It comprises of some 25 separate, free-standing modules. These are shown in Table 9. Generally, each module comprises of workbook, audio tape and video tape. Workshops will be organised nationally to support these modules. In addition an information guide book will be published.

### Table 9 here

The production of this material has followed the principles outlined in this paper.

Workbooks are practical and trainee-centred. They constantly get trainees to apply the management skills to their business through exercises and activities. They make extensive use of examples, checklists and worksheets. Each module culminates in an activity that pulls these together and addresses an appropriate problem area. The workbooks have a lively, magazine format.

The videos and audios are also lively and entertaining as well as being informative. Both adopt "magazine" formats covering a number of topics, involving SME case studies, and presented by professional television/radio personalities. The videos make extensive use of graphics in a studio setting, as well as location-shot case studies to act as examples of application or role models. The audio tapes are designed to be played in the car and generally make extensive use of experiential case-studies of how SME's have coped with certain problems.

The distance learning material will be supported by workshops organised nationally, generally half a day per module. In this way the material is designed to meet the three principles of effective entrepreneurship training:

- Provide management skills
- Provide information to allow the skills to be applied and the problem analysed.
- Motivate the entrepreneur to implement the result of the analysis

The major problem facing the Programme is the question of awareness (Gray and Burns, 1989). SME owner-managers have a low awareness of distance learning.

Perhaps because it is relatively new, many do not know what it is. To counteract this a series of programmes based on the initiative will be broadcast on BBC national television early in 1990. However, effective marketing will clearly be a challenge.

Table 9

BROADCAST  
MODULES

- GROWTH
- CONTROL
- PERSONAL  
DEVELOPMENT

MAIN  
MODULES

M1 MARKETING

M2 DEVELOPING PRODUCTS & SERVICES

M3 USING DESIGN

M4 PRICING

M5 ADVERTISING AND PROMOTION

M6 SELLING

SUPPORT MODULES

APPLICATIONS MODULES

AP1 THE BUSINESS PLAN

AP2 FINANCING GROWTH

AP3 CONTROLLING THE BUSINESS

FACILITIES MODULES

F1 PREMISES

F2 OFFICE MANAGEMENT

F3 USING COMPUTERS

SECTOR MODULES

S1 RETAILING

S2 PRODUCTION

A1 ACCOUNTING

A2 FINANCIAL DECISIONS

A3 BUDGETING

A4 BOOK-KEEPING AND ACCOUNTING SYSTEMS

A5 TAXATION

A6 DEBTOR CONTROL

A7 STOCK CONTROL

P1 PEOPLE: Managing the organisation

P2 SELECTING EMPLOYEES

P3 TIME MANAGEMENT

P4 LEADERSHIP

## 6. Conclusion

This paper has defined the training needs of SME owner managers and categorised the teaching techniques that can be used to meet these needs. It has argued that, to be effective, there should be a bias towards trainee-centred teaching techniques. However, these techniques are not cost-effective and the resources needed to expand traditional face-to-face training based on these principles will probably not be forthcoming either from Government or from the owner-managers themselves. The challenge of the 1990's is to expand cost-effective training for owner-managers of SME's.

This paper has presented the case for distance learning meeting this challenge. Not only does distance learning overcome many of the traditional prejudices SME's have against training, it can also offer very low unit training costs, if take up is sufficient. What is more, professionally produced distance learning material can provide extremely effective trainee-centred training. It can deliver relevant training in management skills, together with information that allows it to be used immediately, as well as influencing the motivations of owner-managers. The challenge distance learning faces is in the market place, persuading the owner-managers of SME's to try it.



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