# GATE. Entrepreneurship Development in Gatchina District

**Evaluation Report** 

Kopoteva Inna, Gustafsson-Pesonen Anne





BUSINESS + ECONOMY

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Aalto University School of Business Small Business Center

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# Foreword

The role of education in promoting entrepreneurship and more entrepreneurial attitudes and behaviour is now widely recognised in the Finland and Russia. However in Russia competences of entrepreneurs in development their businesses are different in the region.

The project "GATE. Entrepreneurship Development in Gatchina District" contributes to the Gatchina District regional development and competitiveness through

- the development of the entrepreneurship training programmes for the interested ones, as well as for those who plan to open a business or already act as entrepreneur
- the promoting entrepreneurship in the social sector in the region
- the promoting cross-border cooperation between Finnish and Russian small and medium sized companies, especially in the social sector

This publication presents the results of the evaluation research, which was implemented as part of the GATE project addressing the above-mentioned issues. The project was funded by the Crossborder cooperation programme through the European Neighbourhood and Partnership Instrument (ENPI) during the programming period 2007-2013, The South-East Finland – Russia ENPI CBC Programme. The project was co-funded by European Union, the Russian Federation and the Republic of Finland. The lead partner of the project was the South Savo Vocational College (Finland) and the project partners are Aalto University School of Business Small Business Centre (Finland) and the Gatchina Municipal District Administration (Russia). The overall objective of the project was to develop small and medium sized entrepreneurship in the Gatchina Municipal District, Leningrad oblast, Russia. Among specific objectives there are increasing of interest and strengthening of know-how in business operation, identification and implementation of new innovations, privatisation, productisation and commecialisation in rehabilitative social care entrepreneurship.

The project partner responsible for this study was Aalto University School of Business Small Business Center, represented by Anne Gustafsson-Pesonen, Inna Kopoteva and Elena Mochnikova. The following individuals from the other partner organisations contributed to the study: Eija-Riitta Ikonen at the South Savo Vocational College and Lilia Drunina at the Gatchina Municipal District.

I thank the research team for its good work.

Mikkeli, February 28, 2014 Pentti Mustalampi, Director Aalto University School of Business Small Business Center



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### 1. Introduction

The report presents the results of the evaluation research made in the framework of the "GATE. Entrepreneurship Development in Gatchina District" project.

# **1.1 GATE in brief**

The project was implemented on the territory of the Gatchina Municipal District, Leningrad oblast, Russia. Project started on the 1<sup>st</sup> of January 2012 and it was completed by the 31 of March 2014. The overall objective of the project was to develop small and medium sized entrepreneurship in the Gatchina Municipal District. Among specific objectives there were increasing of interest and strengthening of know-how in business operation, identification and implementation of new innovations, privatisation, productisation and commecialisation in rehabilitative social care entrepreneurship. Three partners participated in this project. The Lead Partner was the South-Savo Vocational College. The partners were Aalto University School of Business Small Business Centre and the Gatchina Municipal District Administration. Target groups of this project were those who were interested in business and entrepreneurship and those, who worked in social care field in the Gatchina Municipal District. Final beneficiaries were inhabitants of the Gatchina Municipal District, who use social care services, and the Gatchina Municipal District Administration bodies dealing with social care services and entrepreneurship.

Among the main activities of the project there were development and trainings programmes, which are described below, and programme workshops, the main aim of which was to help programmes' participants in their development projects. Besides, there were activities directed on the development of partnership among the partners to aggregate, strengthen and assure that the training programmes and the gained skills were used and disseminated to strengthen entrepreneurship in the Gatchina Municipal District.

The project was funded by South-East Finland – Russia ENPI CBC 2007-2013 Programme. The joint project was relevant to the programme's priority "Social Development and Civil Society", because it was related to the development and the improvement of entrepreneurship especially in the social care field.

#### **1.2 Development and training programmes**

Several training programmes were organised in the framework of the GATE project. The Gatchina Municipal District Administration arranged the *Basic Start-up Entrepreneurship Programme*. Aalto University Small Business Center arranged three further entrepreneurship development and training programmes: *New Venture Creation, Business Development Programme for SMEs,* and *Entrepreneurship in the Social Sector*. The Social Services and Health Sector department of South Savo Vocational College arranged two development and training programmes: *Preventive and Rehabilitative Methods for Social Care Staff* and *Preventive Methods for Social Care Staff and Other Actors*. The training programmes were held both in Gatchina (Russia) and in Mikkeli (Finland). There are shot descriptions of these programmes below.

#### 1.2.1 Basic Start-up Entrepreneurship Programme

The main subjects of the training were entrepreneurship as a kind of activity; forms of support of entrepreneurship in Leningrad region; organisational and legal forms of entrepreneurship; labour protection in small business; setting objectives, the evaluation of the initial state, strategy; fundamentals of marketing; finance for entrepreneurship; purpose and structure of a business plan; the taxation system in entrepreneurship. All together 32 persons participated in 72-hour training. Start-up programme was organised by the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District. All the participants successfully passed the qualification examinations in the training programme and received certificates.

#### **1.2.2 New Venture Creation (NVC)**

The programme was implemented after the Basic Start-Up programme. The main aim of this NVCprogramme was to give new start uppers deeper know-how of the development of their business. The target group consisted of persons who were interested in entrepreneurship and there were 15 participants in total. The programme included three modules within two years. Two modules were implemented in Mikkeli (Finland) and one was in Gatchina (Russia). Each module included contact study and development tasks. The main topics of this programme were from business idea to business, joint service design and product development, sales & customer care for start up's. Additionally, during the programme two workshops where organised in Gatchina (June 2012 and January 2013). The main aim of the workshops was to help the programme participants in their development projects.

#### 1.2.3 Business Development Program for SMEs (BDP)

The target group of the BDP programme was entrepreneurs who already started their businesses and who needed deeper information about development and management of their business or entrepreneurs, who were interested in internationalisation. There were ten participants. This programme also included three modules for two years. Two modules were in Mikkeli (Finland) and one was in Gatchina (Russia); each module included contact study and development tasks. The main topics of this programme were efficient means of customer marketing and business development, marketing and sales management, further and deeper development of business plan using coaching methods, and leadership and management.

#### 1.2.4 Entrepreneurship in the Social Sector

The target group of the programme was people whose working experience was linked with the social sector. The participants were social care staff who were interested in establishing their businesses in the future. The programme was developed in cooperation with the Social Services and Health Sector department of South Savo Vocational College taking into account specific needs of the group. The programme had three modules, which took place in Gatchina, and coaching workshops/clinics with experts. Total of 20 persons participated in this programme. The main topics were starting points for social and health sector entrepreneurship and entrepreneurship development and marketing basics, joint service design and product development, and budgeting and financial planning in SMEs.

#### 1.2.5 Preventive and Rehabilitative Methods for Social Care Staff (programme A)

The target groups of these development and training programmes were those who work in social care in the Gatchina Municipal District. The participants represented different occupations. The main goal was to gain rehabilitative skills and techniques required to be able to use modern, innovative technical aids and methods while taking care of customers in social care institutions and at home. As a result of the trainings the customers are supported to cope with everyday life better. During the training programme the participants gained the skills to plan the services as entrepreneurs. The programme comprised four course modules in Mikkeli and four in Gatchina,

totaling 19 working days. One module (two working days) was planned and executed by the Gatchina Municipal District Administration experts and all the other by the South Savo Vocational College. This programme was integrated with the Entrepreneurship in Social Sector – programme. So, the participants also gained some skills in productisation of the services.

#### **1.2.6 Preventive Methods for Social Care Staff and Other Actors (programme B)**

The propose of this development and training programme was to share good experiences and best practices of elderly care preventive services which aim to promote and maintain people's functional capacity. The target group of the trainings was employees and administrative staff of the social sphere working with clients of the third age (pension age).

#### **1.3 Evaluation research**

There were two main goals of the evaluation research. One of them was to indicate if the real improvements both in participants thinking and in action for entrepreneurship have sustained. The second one concerned an evaluation of the development and training programmes, implemented during the project period, and implementation of the GATE project in general. The core issues of the evaluation were the relevance, effectiveness, efficiency and consistency. Besides, we wanted to clarify the long term changes on organisational and regional levels. This part of work could be done on the base of ex post evaluation only after the project completed. So, we leave this part of evaluation outside the project framework.

The authors' contribution to the study was as follows: Gustafsson-Pesonen has been written and created the framework of the study and questionnaires. She has also been as supervisor of the evaluation study. Kopoteva was responsible for creation of the interviews and focus-group framework, conducting field works, collecting and analysing all the data. She has been written and analysed both the quantitative and qualitative results presented in the report.

The report consists of the six following chapters. In the chapter two evaluation research framework and the reasons why it is important to evaluate projects is opened. It also illustrates the situation of nowadays entrepreneurship education research and the methodology used.

Procedure of the project participants' selection and their background characteristics are discussed in the third chapter. The chapters four-six are focused on the key results of the study. At the end of report there is summary and recommendation chapter.

# 2. Theoretical background, methodology and data

The theoretical background includes two parts. It starts with discussion about functions of evaluation, importance of evaluation in the project work and EU directives concern evaluation research. The second part concerns entrepreneurship education, which is the modern way to support and create the new entrepreneurship.

#### 2.1 Evaluation is an important part of the project work

At Commission level the briefing for the evaluation of EU projects states the following: "The function of evaluation is to analyse how well the project answers the need it is carried out for, in other words to evaluate the results and effects of the project. The execution of the evaluation depends, among other things, at which stage evaluation is done, and who does the evaluating. The aim of evaluation is also to yield information for the planning of the project, to assist in the efficient distribution of resources and to improve the quality of the project (European Commission 2004, 9). M. Q. Patton (1982, 1997, 2002, 2004) said, *if evaluation is not done, success cannot be distinguished from failure. If success or failure is not pointed out, we cannot learn from them, either. If the results are not evaluated and monitored accurately, it is difficult to achieve more wide-ranging support for the measures.* 

It has been said that the purpose of evaluation is to define the value of the object or activity under examination, through evaluative and interpretative analysis. The aims, demands and criteria which the issue under evaluation is compared to, are in a central position. The purpose of evaluation is to yield diverse information about the value, strengths and areas of improvement of the activity, and its aim is the development of the activity under evaluation (New Directions in Educational Evaluation 2004-2007, p. 52-53).

Generally evaluation means defining the value of phenomena and activities based on publicly expressed criteria and proportioning it to the grounds of the evaluation (for example House 1993, 4; House & Howe 1999). As Raivola (2000a, 65-66) states, "the task of evaluation is to yield systematic information, into which value- and benefit conclusions are attached so that the information can be used to direct a social activity so that it can even better and more efficiently reach the goals set for it." Utilisation of the evaluation information is a part of the effectiveness of

the evaluation of a project and education. In education, effectiveness usually means the positive success of the training and the fulfilment of the objectives and tasks which are pursued by the activity (Raivola 2000b, 12).

Evaluation research means the systematic use of scientific research processes for the conceptualisation of the research subject, the evaluation of planning, realisation and usefulness. More extensively defined, information for decision-making is obtained through evaluation research. The first definition outlines the success of the evaluation research interventions to the evaluation and is at its most typical related to separate experiment- and development projects. The latter definition allows for more space to examine what happens in the project and its parts. As a distinction to the general concept of research, ranking on grounds of something is a part of evaluation research (New Directions in Educational Evaluation 2004-2007, p. 52-53).

Evaluation and its effects can be examined on different time ranges, according to whether it concentrates on the ex nunc, ex ante or ex post evaluation (Evaluating EU Expenditure Programmes 1997). It could be said that project evaluation is mainly analysed based on Ex post evaluation and it is usually done some time after the project has ended. Ex post evaluation examines the project as a whole and concentrates especially on the results, effectiveness and efficiency of the project (European Commission 2004, 13). This project evaluation is based on the so-called ongoing evaluation. The term 'ongoing evaluation' is new in 2007-2013 programme period and stands for a new evaluation culture. The whole approach to evaluation has become more strategic and flexible. The European Council Regulation 1083/2006 requires ongoing evaluation to be carried out. When an evaluation is being performed, the core issues to evaluate are the relevance, effectiveness, efficiency and consistency.

Evaluation can also be directed at effectiveness in an attempt to find out what kinds of effects the evaluations have had on decision-making and the continuing development process. According to Raivola (2000a, 93), four main areas of evaluation are often considered in connection with evaluation: 1) usefulness, 2) feasibility and applicability, 3) poetic justice and 4) accuracy standards. Evaluation information can also be utilized in relation to future needs or to compare the benefits gained from the results in relation to the amount of resources used. According to Mark, Henry & Julnes (2000, 47), instead of utilisation, the examination should primarily concentrate on the following viewpoints:

- How well has the evaluator been able to define what information best supports social welfare and development?
- How high is the quality of the information obtained?
- How successfully have the results been spread to the relevant quarters, organisations, those involved in the evaluation and to the public?

In this project the evaluation research has two main goals. The first one was to indicate if the real improvements both in participant thinking and in action for entrepreneurship have sustained. The second goal concerned an evaluation of the development and training programmes implemented during the project period. The core issues of the evaluation were the relevance, effectiveness, efficiency, and consistency of the development and training programmes.

# 2.2 Entrepreneurship education – the modern way to support and create the new entrepreneurship

The attitudes of teachers are often seen as the biggest obstacle to the successful teaching of entrepreneurship and the realisation of entrepreneurship education. On the other hand, it has also been noted that the teaching of entrepreneurship seems to require the use of a concept of learning that is congruent with the phenomenon of entrepreneurship as the learning methodology of the teaching of the subject matter (Gustafsson-Pesonen, A & Remes, A 2012a).

Entrepreneurship is a widely recognised concept. Entrepreneurship is the ability to live and act with uncertainty and complexity trustfully and confidently (Gibb, 2005 a,b). Gibb continues, "it is way to do, see, feel and identify things, way to communicate independently and with others and way of organizing and learning things". Entrepreneurship covers the mindset, action and attitude towards to work and life in general (Peltonen, 1986). Entrepreneurship is alertness to observe and create opportunities, to grab and utilise them (Shane & Venkataram, 2000).

Evaluating development and training programmes we referred to the concepts of entrepreneurship education and entrepreneurial pedagogy. Gibb (1993) said entrepreneurship education and the whole term entrepreneurship should not be in schools' business studies, but it should be seen as the ability to operate confidently in situations of uncertainty. Very often

entrepreneurial pedagogy is still seen as a part of business studies and teaching entrepreneurship is often done by using business terminology and methods. The term entrepreneurial pedagogy began to emerge in entrepreneurship education research in the 1990s (Young & Sexton 1997; Deakins & Freel 1998). After that several researchers of entrepreneurship education have studied entrepreneurial pedagogy and its expression (Rae & Carswell 2001; Rae 2000; Rae 2004a, Rae 2004b, Politis 2005; Harrison & Leitch 2005; Diensberg 2008; Gibb 2005a, Fayolle 2007, Kyrö & Carrier 2005). For example Rae and Carswell (2001) said that the human being is the most important instrument when talking about entrepreneurship. Diensberg (2008) argues that the growth of individualism is the best way of entrepreneurial pedagogy. He has also said that it is important to forget classroom teaching. Gibb (2005a) said that entrepreneurial pedagogy grows from the essence of entrepreneurship. He argues (2005b) that entrepreneurial pedagogy is more action learning than only listening. It is experimental learning, team work and learning by doing. Fayolle (2007, 60) agrees with Gibb, learning by doing is the best practice of entrepreneurship. Kyrö and Carrier (2005, 25) argue that teachers should be able to offer students an environment where they can try to feel, see, communicate and learn how to organise things. In the framework of the GATE project the methods of entrepreneurship education were widely use. The action learning, learning by doing, and team were the main components during development and training programmes.

#### 2.3 Methodology and data

It has assumed that the GATE project will improve the real changes both in participants thinking and action for entrepreneurship and project could also influence on the long term changes on organisational and regional level. To evaluate this possible changes and the effectiveness of the GATE project the Kirkpatrick's four-level evaluation model was used (Kirkpatrick & Kirkpatrick 2006). During the project the evaluation data was collected in three different levels (Kirkpatrick & Kirkpatrick 2006, Gustafsson-Pesonen & Remes 2012) and fourth level could be evaluated later.

1. Level of reaction: In the evaluation of the level of reactions the satisfaction of the trainees in the education in relation to their earlier opinions and experiences was ascertained. Some researchers refer to Level 1 as "happiness rating" or "smile sheets". The feedbacks sheets measure

the reaction of the participants to the programme, which means the customer satisfaction with training organised. According to Kirkpatrick (2006, 6) positive reaction increases the chances of learning; participants are more involved and interested; positive reaction keep people in business. On the other hand, even positive satisfactory results do not necessarily guarantee the learning of the participants in general or changes in their thinking and actions on entrepreneurship. During the project period after each training modules the respondents' feedback were collected in order to evaluate the level of reaction.

2. Level of learning: With the evaluation of the level of learning the tacit knowledge, skills and attitudes learnt by the trainees were ascertained. Learning can be measured in different ways, such as written feedback, tests, skills assessments, portfolios and different preliminary and final level measures/enquiries, learning diaries and reflection discussions. To evaluate level of learning survey studies (pre- and post-tests) and semi-structural interviews were done.

3. Level of behaviour: The evaluation of the level of behaviour tries to generate information on the application of the things learnt in the education/on the course into the individual's own work and /or functional behavior. Functional and behavior related changes are often connected to the participants' prior knowledge, know-how, attitudes and motivation and the ability to apply the new, learnt things for that reason is important collect pre-evaluation data (see before). In order to evaluate this level semi-structural interviews with selected participants and focus-group study were done.

4. Effects of the change of behaviour on the organisation: On the organisational level we are often interested in what effects education has had on the activity of the whole organization. In organisations, education is often seen as an investment, for which some return is expected, that is, benefit for the whole organisation in addition to the individual. The level four "effectiveness" is possible to measure 3-5 years after the whole project. For that reason analysing data for level 4 is not possible collect during the GATE project.

The study utilised a combination of research methods, qualitative and quantitative and was made in several steps. At the beginning of the project a small **survey study** (pre-test, see annex 1) was done. Survey research is one of the most important areas of measurement in applied social research. The broad area of survey research encompasses any measurement procedures that involve asking questions of respondents (Trochim, Donnely, 2008). The main goal of this survey was to study perception of entrepreneurship among project participants. In total 36 questionnaires were filled in.

The questionnaire for the study (see annex 1) has been built up according to Gibbs' (2005b) Entrepreneurial Behaviours, Attributes and Skills frame (see fig. 1).

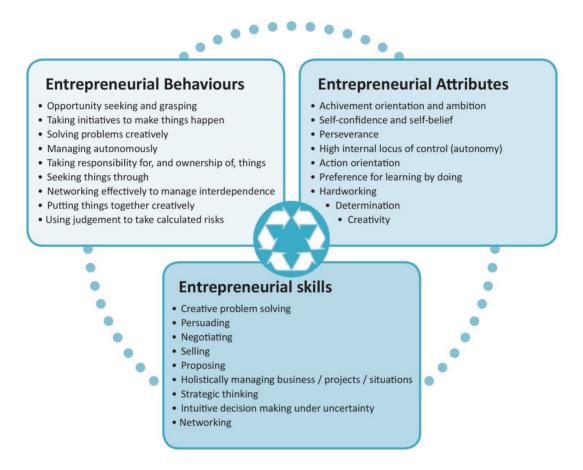


Figure 1: Entrepreneurial Behaviours, Attributes and Skills by Alain Gibb, 2005b, picture drawn by Gustafsson-Pesonen, A 2012b.

The next step was a **real-time evaluation**. It was based on the feedback on the trainings. It was collected in written form immediately after each training day. The feedback forms were different in the participating training organisations, which rules out the comparison between trainings and

united analyses. In the feedback the participants evaluated the success of the educational programme from the perspective of the content, applicability of knowledge, and the methods used. Besides, the proficiency of the instructor, visits to Finnish companies, and general satisfaction with training were evaluated. In one feedback form there was a question about the activity of participants during the training. Participants gave feedback in numeral and written forms. In numeral feedback participants gave evaluation in a Likert-scale from one to five, where 1 is completely disagree, 5 is completely agree. In written feedback the participants were asked to express their reasons for numeral feedbacks, to give additional comments, to note own wishes, and to make suggestions for improvement and development of the trainings. One feedback was only in written form.

**Subsequent evaluation** has included a focus group study, two rounds of semi-structured interviews, and repeated survey (post-test). On the base of these methods Kirkpartick learning and behaviour levels were evaluated. In the selection of methods research language issues were taken into consideration. The interviews and the survey were done in the mother tongue of the respondents. The focus group study was done separately for the Finnish and the Russian participants.

Focus group is a research method where the data is collected through group interaction on a topic determined by the researcher (Morgan, 1996). In focus group the interviewer aims at evoking conversation between the participants. A conversation forces participants both to query each other and to explain themselves to each other, which means that a focus group is more than the sum of separate individual interviews (Morgan, 1996; Valtonen, 2005).

The focus group study was planned for Advisory and Project groups' members (see appendix 2). As was mentioned above, it was divided into two parts. Focus group for Finnish members of Advisory and Project group took place in June 2013. For Russian participants of Advisory and Project group it was planned for September 2013. In practice occurred that it was difficult to find an appropriate time for all Russian participants. In addition, the difference in the positions could affect the results of the study. Strong administrative hierarchy did not allow to participate equally in the discussion. So, it was decided to have individual interviews instead of a focus group for Russian members of the Advisory and the Project groups.

The first round of interviews took place in Spring 2013. Sixteen interviews were done during this round of research (see annex 3). Interviews were done in different places, which were defined by respondents (NVC and BDP groups) or local administration (social sector group). So, there were Saint-Petersburg, Gatchina, Pushkin, Kommunar, Pudost'. One interview was in the car, travelling across villages of the Gatchina district and visiting places, where entrepreneur has own business. One more interview was done before the field trip via Skype, because the respondent was planning to be on holiday during the research period.

The selection of the respondents for interviews was based on the defined criteria: participation in trainings and gender. There were three groups during the project: social sector group, NVC and BDP. Some participants from the social group have participated in NVC group too. So, for the selection of respondents, we have divided all participants into four groups: social sector participants, double group participants (social sector group plus NVC), NVC participants and BDP participants. The share of the selected respondents from each group was equal to the share of the members of the group in total amount of project participants. So, for the first round we had representatives of all four groups: five persons were form the social sector group, two persons were from SDP group. Another selection criterion was gender. No age criterion was used, because there was no access to such data. There was one group, which was left outside the research. It is a group of people, who participated in the Start-up course, but were not selected for the future stages of the project. On the request to share contact information of these participants, the local administration answered, that such information cannot be shared (as per the Russian legislation).

The second round of interviews took place in Autumn 2013. According to Kirkpatrick (2006, 8), it is important to give time for behaviour change to take place. It is difficult to define needed time, because changes in behaviour could occur immediately after training, or not until three-six months after it, or may be never. Kirkpatrick sees three month after programme as the best compromise (Kirkpatrick, 2006, 7). So, the second round of interviews took place tree month after the last training. The selection of the respondents was based on the previous round of field work, existing gaps in the data and new tasks of research. For this turn several groups of respondents were defined.

The first group of respondents was represented by persons, who registered as entrepreneur during spring-summer 2013 and started to work and people, who started their business without registration. Except the social sphere majority of startups perform seasonal work (landscape design, floristic, excursions on city parks, construction), and that's why it was important to see how the new business started, what was done during the summer, and how successful/unsuccessful it was, what kind of problems respondents had, etc. The second group of respondents was Advisory and Project group members. The third group of respondents included subordinates (employees) of the project participants from the BDP group. According to Kirkpatrick (2006, 7) it is very useful to include into the list of respondents not only project participants, but others who would know the participants' behaviour and could evaluate possible changes in it. Besides, there were several interviews of those participants, who could not participate in research in the spring. Fourteen interviews were done during this round of research.

Repeated **survey study** (post-test, see annex 1) was done together with the second round of interviews in order to study possible changes in perception of entrepreneurship during the project.

# 3. Project participants

# **3.1 Selection of Project Participants**

Selection of participants for this project was organised by the Gatchina Municipal District Administration. The majority of participants from BDP and NVC groups received information about the project from the official web site of the Gatchina Municipal District or from Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District. For a selection of participants for BDP and NVC groups a list of criteria was developed. In addition, participants prepared applications, where they explained why they wanted to participate in the projects and described their business ideas. Based on these criteria and the received applications the participants were selected.

Table 1. Criteria for selection of participants for the "GATE" project in the Gatchina Municipal District

	Variant "A" 3 points	Variant "B" 2 points	Variant "C" 1 point
Age	>30 years	30 > 50 years	> 50 years
Education	high	professional secondary education	secondary education
English language skills	knowledge at a high level	initial skills	no skills
The planned place of realisation of business ideas	Gatchina and Gatchina district	Saint-Petersburg	other region
Sphere of enterprise activity	social sector	production sphere	trade
Are you registered in the employment Center?	Yes	No	
Do you have training in the basics of entrepreneurial activity?	Yes	No	
Do you have a valid international passport?	Yes	is being issued	No
Computer competence	confident user of PC	beginner PC user	no skills of work on PC

The first group was the general criteria like age, education, language skills. The second group of criteria was related to the entrepreneurship activities and trainings. Additional (technical) criteria are availability of international passport and computer literacy. For Russian circumstances computer literacy is one of the important criteria for the project participation. For the Russian youth generation computer literacy is common, but for older generation this new knowledge and skills must be studied. Participation in the project involves active communication, but without computer technology communication between remote places is impossible. Besides, preparation of presentations during the project is an important aspect. Without computer literacy this could be difficult.

For the social group another method of participants' selection was used. Several social organisations were selected for the projects:

- Gatchina Municipal District's Centers for Social Service in Gatchina and Kobrino,
- Temporary Residence Centre for Elderly and Disabled in Drushnaja Gorka,
- Rehabilitation Center Darina for Children and Teenagers,
- Day Services for Elderly in Gatchina and Sivertsky filial,
- "Kind heart", Private Home Help Service, Entrepreneur Anton Pak.

Staff of these ogranisations were informed about the project and its activities and inside each of these organisations project participants were selected/nominated. "*I was invited*" (respondents 11, 14, 15, May 2013), "*I was sent*" (respondent 4, May 2013), "*We have got an invitation*" (respondent 6, May 2013). The project participants from the social group were represented by different positions: from care professionals with different background education to the higher management staff of the organisations.

# 3.2 Project Participants and their Relationship to Entrepreneurship

The description of the project participants<sup>1</sup> begins with general characteristics of the respondents summarised in Table 2. Data is based on the small survey study, which was done at the beginning of the project (pre-test).

Gender	Ν	%	Age	N	%	Education	N	%
			groups					
Male	4	11,1	- 34	17	47,2	Higher	27	75,0
Female	32	88,9	35 - 54/59	14	38,9	Incomplete higher	4	11,1
			55/60 -	4	11,1	Secondary professional	5	13,9
			missing	1	2,8			
Total	36	100		36	100		36	100

Table 2. General characteristics of the respondents, total number of participants and their share

As shown in the table, the majority of the survey participants were women. Almost half of the respondents were young people (up to 35 years old), although there were several pensioners, who participated in the trainings. In Russia the pension age for women is 55 years and for men it is 60 years. The youngest participant was 21 years old; the oldest one was 70 years old. Pensioners were accepted to the project, because pension age is relatively low in Russia and pensioners are usually active people. The oldest participant was a very active woman, who did not only participate in the trainings during the project, but also distributed received knowledge and skills to the other people. "She gathers people around, reproduce knowledge. She is more active than many others and even those who are much younger than she" (respondent 13, September 2013).

According to the representative of the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District (respondent 14, September 2013) an average entrepreneur of the Gatchina district can be either a man or a woman. Earlier mainly men were involved into private business. *"Nowadays in general women are very active in Russia; she is* 

<sup>&</sup>lt;sup>1</sup> In this report the term "project participants" means the participants of the different training programmes.

forced to do business instead of her husband, to earn money to feed her family" (ibid). Age was an important characteristic. It is middle age men or women. But during the last years small business has become younger as recent graduates came to business. The young generation seeks self-realisation, financial independence and creative work.

An average entrepreneur in the Gatchina district is a person with secondary professional education. Those, who have higher education usually come to entrepreneurship in order to change their sphere of work activities. In the GATE project 75 % of respondents had higher education. In the project there were only some cases, when respondents wanted to change their sphere of activity. For the majority it is a possibility of for additional earnings and usually in the sphere of their own profession. So, the project participants' characteristics were not responding with the so-called average entrepreneur in the Gatchina district and in Russia as a whole. Mainly this is connected to the selection criteria set up by the GATE project. For example, applicants with higher education were a priority in the selection procedure (see table 2).

Table 3 shows the participants' work experience. The majority of the young participants already had work experience up to ten years (12 out of 17 respondents). In the middle aged group work experience was much higher and the majority of them had more than 20 years of experience (11 out of 14 respondents) and three more respondents from this age group had more than 30 years of work experience, the same as the respondents from the pension group. Only one respondent did not have work experience. During the interviews several respondents pointed out that the biggest part of their work experience was in the field of entrepreneurship.

Table 3. Work experience, total number of participants and their share

Work experience	N	%
No work experience	1	2,8
less than 5 years	6	16,6
5 – 9 years	7	19,5
10-19 years	6	16,7
20-29 years	10	27,7
more than 30 years	6	16,7

Total	36	100

In addition to this basic information the participants answered questions concerning their relations to entrepreneurship. This part of the questionnaire was difficult for the respondents, as there was a lot of missing data or for all questions was put the answer "No". The difficulties referred to the questions with double negations. For example, the statement "I have no brother/sister" had two possible answers "yes" or "not". The participants tried to answer it in two ways: "no, I do not have" or "yes, I do not have". If they cannot choose among these two versions, they answered "No" or left it without answer. Table 4 shows the general results.

Table 4. Relations to entrepreneurship, valid %

	no	yes
My father is currently or was an entrepreneur	82,9	17,1
My mother is currently or was an entrepreneur	88,6	11,4
My brother/sister is currently or was an entrepreneur	73,5	26,5
I have no brothers/sisters	67,7	32,3
My spouse/boyfriend/girlfriend/wife or husband is currently an entrepreneur	52,9	47,1
I have no spouse/boyfriend/girlfriend/wife or husband	89,3	10,7
Some of my friends are or have been entrepreneurs	30,6	69,4
None of my friends have been entrepreneurs	77,8	22,2

The Russian history can explain part of the results represented in this table. For the majority of the respondents fathers and mothers are/were not entrepreneurs (82,9 and 88,6 % of negative answers) and they even could not be, because during the Soviet time there was no concepts of private property and entrepreneurship. Private business was curtailed in the Soviet Union; there was a full nationalisation of economy. The state did not create economic and legal conditions for private business, but also extinguished it by economic, administrative and criminal methods. The respondents have also commented during filling of questionnaires that any activity similar to private business was forbidden and even punishable.

# 4. Evaluation of Development and Training Programmes by participants

In the introductory chapter general characteristics of the development and training programmes were described. In this chapter we concentrate on the realisation of these programmes and evaluation of these programmes by the project participants.

### 4.1 Basic Start-up Entrepreneurship Programme

According to feedbacks the Basic Start up programme was interesting, a wide range of subjects were studied, and topics were clearly disclosed. The quality of education was highly evaluated, it had 4,7 points (see table 5).

[The course was] certainly useful, because understanding of entrepreneurship by person, who was never engaged in this, may be quite different. And we have explained everything. The questions that arise on were already on the subject, not our fantasies of entrepreneurship (respondent 5, May 2013).

The utility of received knowledge was highly appreciated (see table 5). Applicability of received knowledge was rated a bit lower. During the interviews the training participant noticed that this course was mainly theoretical, "how it must be", "utopian", "in real life received knowledge is difficult to use" (respondents 4, 5, 7, 11, May 2013). They applied the Russian legislation, which is unstable, often changing, and unclear, so not all received knowledge is applicable in Russian conditions. The arrangements of this training were also highly evaluated, but many participants noticed that on the technical side the training was poorly equipped; no handouts were given to the participants and technical problems occurred during training hours. With a high volume of information and such arrangements it was difficult to follow the lectures.

Table 5. Basic Start-up Entrepreneurship Programme, feedback of the training module, mean values

Questions	Average rank
The quality of education	4,7
The arrangement (breaks, catering, materials)	4,6
The utility of the received knowledge	4,7

The applicability of received knowledge	4,3
The general assessment of the education module	4,6

Among topics, on which participants would like to have more lectures were both general and specific subjects. Among general topics there were taxation and marketing. Several participants pointed out the necessity of practical seminars on writing of business plan. Later on during the project such seminars and consultations were organised by the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District and by Aalto University School of Business Small Business Centre. Special attention in the feedbacks was also paid to the cooperation with Finnish companies. There were needs to see how Finnish companies work especially in the social sphere and wish to establish joint businesses with Finnish entrepreneurs and companies. Later on visits to Finnish companies were organised and special attention was paid to the professional interest of the project participants.

Among wishes for specific topics for future trainings were adolescent rehabilitation for drug addicts, rehabilitation of people with HIV, entrepreneurship in the sphere of educational services, how to get subsidies, how to interact with different structures. The general assessment of the educational module was 4,6 (see table 5).

#### 4.2 New Venture Creation Programme

According to a project group member, this group was the most challenging during the trainings, because it consisted of people from different spheres. There were people from the social sphere, accounting and finance, construction, landscape design, etc. It can be said that there were two diverse groups: the social group and all others. Those, who wanted to start a business in other than the social sphere *"were more prepared. Those people come already with a real wish and they were just lucky that at that time the project began, and they were able to gain additional knowledge in accordance with international trends* (respondent 14, September 2013). For those, who planned to start a business in the social sphere, entrepreneurship was as "a *dark forest*" (ibid). Many consultations were organised for this group participants both by the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District and Aalto University School of Business Small Business Centre.

Questions were very different: how to be registered, what it gives, how to work in the correct way in this [social] field. Several people were managers of different levels; they understand the concept of economic management, but how to properly choose the needed services and to identify the cost of them, and then how to determine the amount of profit? It was very difficult for them. They asked how to write a business plan, why is it needed, how to work with a business plan, where to get space/rooms for their company or organisation. The questions were very diverse (ibid).

Besides, this group was joined by an entrepreneur with almost 20 years of entrepreneurship experience. So, there were a great mixture of different interests, experiences and needs. "It was difficult to find common interests between them. Each of them has a direction of their own" (respondent 13, September 2013). Heterogeneity of the group had some negative effect on the result of the training. For one respondent the training was "useless", it gave "only new acquaintances", he regretted "for the time spent" (respondent 10, May 2013). This could be avoided by changing a group (move from NVC to BDP).

Heterogeneity also influenced the results of Finnish companies' visits. In general the quality of the visits was highly evaluated, it had 4,8 points. But because of the differentiated interests many respondents could not see examples of business, which could be close to their own. They commented in questionnaires that "I would like to get training and visits for my type of entrepreneurship activity", "We would like to visit more institutions, including children ones".

For people from the non-social spheres, who before the project was already thinking about entrepreneurship, the training helped to make "systematisation of knowledge", "to build an idea more realistically, more correctly" (respondent 5, May 2013), "evaluate what is real and what is not" (respondent 7, May 2013). People came to the trainings with different ideas and during the project their ideas were clarified and finalised or were changed.

My business idea was changed. Originally I went to the "GATE" with one idea, and during the trainings I realised that currently it is impossible [to implement]. My idea seemed to me very nice and clear, but I thought so before calculations. Then when I made calculations, I have realised that it was a complete utopia (respondent 7, May 2013). The respondents used the received training handouts in their business. For example marketing lectures, which have got excellent evaluation, brought real results. Entrepreneur-beginners used received knowledge in the creation of the set of marketing tools which were harmoniously linked with each other in achieving the maximum impact on the market. One part of marketing is promotion and advertising of own products and services. There was a line of different types of instruments, which new entrepreneurs from NVC group used: websites, business cards, car stickers, banners, information on forums, social networks, and internet boards. Some of the project participants worked out marketing plans, which were parts of their business plans. They found interesting and cheap solutions for advertising own products and services. One example is below.

There is a shop that sells meat. We made flyers. I came and I asked, "Could you distribute my flyers?" They say, "Yes, we can, but could we write our information on the back side" – "No problem". Two days later I brought new flyers. On one side we are advertising our installations of biological wastewater treatment, on the other side there is shop advertising. The shop distributes these flyers, because very large flow of people going through this store. There are those people, who go to summer cottages, and who are our potential customers (respondent 11, September 2013).

In general, the New Venture Creation group is characterised by a narrow view on entrepreneurship as a whole. They very sharply divided theory and practice. Hence, there were such statements as *"it's funny that we are taught to entrepreneurship by Finns"*, *"there is no sense to ask them some specific questions"*, *"realities are different* [in Finland and Russia], we have to adapt", *"knowledge is applicable up to 50 percent, then realities of our legislation, our local conditions are starting, and they are naturally differ from the Finnish"* (respondents 5, 7, 10, May 2013). According to the participants of this group theoretical lectures were good, but it is difficult to adapt them to Russian conditions. The visits to Finnish companies could be more directed on the participants' fields of activities. So, a more or less homogeneous group could bring better results. Besides, the majority of the participants of this group have other than financial background education. Accounting, taxation and other financial issues seemed to be very difficult for them. The statement *"everyone has their own personal perception of accounting"* (respondent 5, May 2013) emphasises the problem.

According to the project participants the trainings were good and got high scores. The general assessment of the NVC programme is really high (4,9). In comments, written in the questionnaires, the respondents expressed their own feelings about the trainings.

"The seminar was held in the same breath, did not even notice the time. Thank you!"

"Rich program, visits to interesting companies. Super-positive course! Thank you!"

"An excellent organisation of seminars and visits to Finnish companies. Time passed very quickly in useful dialogues and commentaries."

Table 6. New Venture Creation programme, feedback of three training modules, mean values

Questions	Average rank
Educational programme meets my needs in education	4,6
My expectations were met by the programme	4,7
The programme has inspired me to futher education	4,8
Organisation/conducting of the training programme	5,0
The general assessment of the education modules	4,9

One more positive point, which these trainings gave to participants, was business communication skills. Communication inside the group with other entrepreneurs, with Finnish project group members, with people from Finnish companies helped the participants to learn one more subject.

Thank you very much! Educational programme, in which I was lucky to take part, was very concise and at the same time extensive on the information received. I'm very surprised by the visibility of the information received in the form of presentations. Thank you very much for teaching methods and visibility (comment from questionnaire).

The result of this programme is eight registered entrepreneurs. All of them started their businesses during spring-summer 2013. In autumn 2013 we had second round of interviews in order to see how the new businesses were started, how they work, and what kind of challenges they had. The entrepreneurs, who started their business in the social sphere, pointed out that

"psychologically it was difficult for people to move from free services to paid ones" (respondent 15, May 2013). People are not ready yet to pay for additional services or their salaries/pensions are so small, that they cannot afford such services. After registration searching for clients took time and the entrepreneurs' spirits declined. "I'm not regretful, of course, but... I do not know .... a little bit fallen mood to do this business" (respondent 9, September 2013). But after the first clients were found, work was started, the good mood and wish to continue returned again. Depending on services, amount of clients per one entrepreneur in the social sphere was from two to twenty. New entrepreneurs tried to find different ways to overcome the shortage of clients, among them are "geographic expansion of services and increasing variety of services" (respondent 2, September 2013). Family support is very important for starting entrepreneurs; many of the respondents have pointed the importance of this factor in the interviews.

In the non-social spheres several entrepreneurs started to work. During the summer they had from two to seven clients. All of them very positively evaluated the start of their business. For the majority of them business is seasonal and already in autumn they started to plan activities for spring-summer of the next year. These plans include marketing steps, searching for new clients and retaining old customers, and thinking about new types of products and services.

So, among the participants of the NVC group we could see waves in attitudes to entrepreneurship. At some stage the project participants were very optimistic, while in others were more or less pessimistic. Anyway, there was no question about cessation of activity of the new enterprises. The more important questions were how to find the right direction and one's own nice. All the business startups had it as additional work and source of earnings, and entrepreneurs will continue to work in the same way. Paid work brings stability, which is very important especially for the oldest participants. Completion of the paid work could be possible, when the "business will provide sufficient means of livelihood" (respondents 5, 11, September 2013).

#### 4.3 Business Development Programme

According to a member of the project group (respondent 13, September 2013) the project was very useful for this group. Knowledge, which was given during the trainings, was demanded and really beneficial. This group was more prepared for the given training. The majority of the

participants had financial or economic background education and a long experience in entrepreneurship. Among the participants of this group there was a deep understanding of the training materials, they raised specific questions, and actively participated in constructive debates and discussions with the teacher as well as within the group.

It is an excellent course. Initially, I had a little bit skeptical mood. I was convinced that my business is unique, but it appeared that everything is very well integrated into the general scheme (comment from questionnaire).

This course has pushed us to look at our businesses with a new, fresh look, to see how the same issues are addressed by the Finnish legislation (comment from questionnaire).

The project participants had different strategies for their businesses. Some of them had chosen specialisation in products and services as the main strategy, while the majority had chosen diversification. According to the representative of the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District diversification is the main strategy for many businessmen nowadays.

Those who stand firmly on their own feet understand that they "cannot store eggs in one basket", and begin to multiply their interests. They understand that having one type of business is risky and begin to look for others. And it is not profitable, because the competition is very high and people see that, despite the fact that you're doing this business for a long time, there is mass of new suppliers of your products and services. You must be able to maneuver. It is why people become involved in other businesses. So, there is a differentiation of businesses (respondent 14, September 2013).

There were entrepreneurs who had already for a long time diversified their businesses, while some of the project participants started to think about it only during trainings. *"Thanks to the project I have already learned a lot and I realised that it is necessary to live not only one type of business, it is necessary to expand services"* (respondent 1, May 2013).

The respondents pointed out other positive effect of the trainings. They began to communicate with other people more, while earlier they worked mainly alone. They tried to help each other. There were examples of the creation of a new image of a firm from zero. Besides, they pointed out the increased interest to entrepreneurship.

Despite the fact that the majority of the respondents from this group had a long experience in entrepreneurship, and background education in economics and finance, there is still room for development.

I have started a cashbook, although I never had it before. We never did take into account the finances. Now I fix all costs and revenues. I think it is a big step forward. I learned how to count money, count and spend them wisely. At least, always fix the income and expenditure. Earlier, as a rule, we rejoiced profit and had little wonder, what is the outflow of money. And now I think. That's what I have learned from your programme (respondent 8, September 2013).

During the project the participants had lectures on financial issues and accounting; they even got some computer programmes for these tasks (for example, Simulo). But still a part of them prefers to keep accounting in a paper version.

Well, the calculations we are still doing on the old manner... Everything goes through scripture on notebooks, accounting books. Probably we are not able to change (respondent 2, May 2013).

We made 55 notebooks with her [for accounting] (respondent 1, May 2013).

This is referring to the question of computer literacy, which was discussed in the chapter 3.1. For middle aged and older generations computer is not yet a real working instrument.

Very positive evaluation was given to the organised visits to Finnish companies. In comparison with the NVC group the project participants of this group looked at these visits more widely. They tried to pick up all available information. For example, the visit to a greenhouse was not in the sphere of interest of several entrepreneurs, but the reaction was very positive. "*I'm not interested in flowers, but they have such an interesting heating system! I asked everything about it*" (respondent 8, May 2013).

The general evaluation of the project trainings was high (see table below).

Table 7. Business Development Programme, feedback of the three training modules, mean values

Average rank
A

Educational programme meets my needs in education	4,6
My expectations were met by the programme	4,7
The programme has inspired me to futher education	4,9
Organisation/conducting of the training programme	4,9
The general assessment of the education modules	4,8

The most important result for this group was the change in attitude toward business development and entrepreneurship in general. Project helped to open one's mind and to look at problems from another side to find solutions.

"Everything has changed in her mind! Now she does not say "I have a very high rent". Now she says, "Where can I get more children?" (respondent 2, May 2013).

The project is very valuable. It cannot be viewed narrowly, "what did you use [from the trainings] for a company". Such projects form a new entrepreneurial way of thinking. It is not necessarily that you taught, and then a businessman implement it, for example posted a new sign. It is good that it was posted. But more important is what has changed in a head, what will be in 5 years. S/he can change the sign today, and after 5 years s/he will be closed. And if after 5 years he is doing well, so the project was not for nothing (respondent 12, May 2013).

According to a member of the project group "It could be good to save this group and continue to work with these people. This group has deserved to be continued" (respondent 13, September 2013).

#### 4.4 Entrepreneurship in the Social Sector

One of the goals of the GATE project was the development of entrepreneurship in the social sector. As a result, more than half of the project participants were people, who were working in the social sphere. For these people two different types of programmes were organised. In the sphere of their professional interest there were "Preventive and rehabilitative method for social care staff" and "Preventive method for social care staff and other actors" (see paragraph 4.5). The

second type of programme address issues of entrepreneurship development. The programme "Entrepreneurship in the social sphere" was integrated with programmes organised by the Social Services and Health Sector Department of South Savo Vocational College. There was a unique combination of two separate training programmes, which complete each other. Besides, five participants from the social group have participated in the New Venture Creation training (see paragraph 4.2) with a goal not only to get basic knowledge about entrepreneurship, but to develop one's own ideas and to register own business.

The programme "Entrepreneurship in the social sphere" aimed to achieve several goals: to learn more about entrepreneurship in general and understand the possibility of entrepreneurship in the social sphere especially.

The training modules were highly evaluated (see table below). Average point is 4.9.

Everything was clear and simple. It was done in a different way compared to how we learned in the university, it was very vital (respondent 14, May 2013).

Table 8. Entrepreneurship in the Social Sector Programme, feedback of the three training modules, mean values

Questions	Average rank
Educational programme meets my needs in education	4,9
My expectations were met by the programme	4,9
The programme has inspired me to further education	4,8
Organisation/conducting of the training programme	5,0
The general assessment of the education modules	4,9

The participants of this group took part in the Basic Start up Entrepreneurship training, in which they received basic knowledge about entrepreneurship. During the Entrepreneurship in the Social Sector Programme they developed business ideas, worked out a business plan and planned a whole business process (pricing, clients, competitors, risk management, etc.) directed to the social sector entrepreneurship.

I did not have a clear idea at the beginning. It was born during the trainings. It was interesting to watch, to calculate, to dream, to look at things objectively (respondents 13, May 2013).

I have written not only one business plan! Many ideas came to my mind! (respondents 14, May 2013).

We ideate, considered different ideas, rethink them ten times, change them ten times before we chose one (respondents 11, May 2013).

Entrepreneurship in the social sphere was new in Russian context and new for the project participants. During the trainings they worked in groups. They evaluated different business ideas together and performed group tasks. For example, there was a task to work out a business idea for home help services. The participants had a list of topics for discussion. Who are the clients? What kind of products and services are you planning to develop? What is the image of your company (why the client will choose you)? What are your working methods, etc.? Group work encouraged interaction between the participants through which they voiced ideas and learned through the listening and speaking processes. All participants of this programme belonged to the social sphere, but they had different positions and different tasks. Through group work they might learn from one another's individual backgrounds and work experience. Visiting Finnish companies, working in the social sphere, increased general interest toward entrepreneurship.

The most memorable were the lectures on marketing and management. Many respondents liked the theme of creation of business cards. Despite the fact that lectures aroused great interest, the majority of the participants of this group were not yet ready to apply received knowledge. "*Did you make business cards*"? – "Not yet. We do not need them yet" (respondent 4, May 2013).

# 4.5 Preventive and Rehabilitative Methods for Social Care Staff (programme A) and Preventive Methods for Social Care Staff and Other Actors (programme B)

All participants of these programmes were working in the social sphere. They came to the project with different interests and goals. Those, who participated in the project, but did not plan to become an entrepreneur, came to the project with goals to get *"the sake of knowledge and experience"*, *"for yourself"*, *"may be something will be useful"* (respondents 3, 4, 6, 11, 14 May

2013, comments in feedbacks). During the interviews the respondents pointed out that they got practical experience in different types of gymnastics, use of equipment, nursing, etc. "We expanded knowledge in this area. Now I feel more confident, because in the social sphere there is not enough trainings. In principle we are self-taught" (respondent 14, May 2013). "We did not expect such a wide range of topics" (feedback comments). Besides, project participants wanted to know, how this sphere is working in Finland. "It was interesting to see, how well developed the network of services in Finland in order to understand what we can do on our territory" (respondent 4, May 2013). Other participants came to the project not only to get knowledge about preventive and rehabilitation methods, some of them saw entrepreneurship as a possible future activity, or they were already planning to become an entrepreneur. They came to the project to get knowledge both in the sphere of professional education and entrepreneurship.

As in all other programmes, feedback was collected after trainings in programmes A and B. Some of these trainings had only qualitative feedbacks, where participants answered questions in the written form, while others had mainly quantitative data. According to the quantitative data both programmes were highly evaluated by project participants. The general assessments were 4,8 and 4,9 points (see table 9).

Questions	A programme	B programme
This course gives new ideas and thoughts for my activities	4,6	5,0
I have actively participated in the course	4,6	4,6
Content of the course was useful and interesting	4,9	5,0
The arrangement (breaks, catering, materials) were well done	4,9	4,9
Studying period was long enough	4,8	-
The general assessment of the education module	4,8	4,9

Table 9. A and B programme, feedback of the four training modules, mean values

The question about the activity of the participants was included into the questionnaire. The majority of the respondents evaluated their activity by marks 4 or 5, while several respondents did not actively participate in the trainings and have evaluated her/himself with mark 2 or 3. At the beginning of the programme it was probably connected with the fact that the programme did not feet the interests of some participants (see replies from written feedbacks below).

- Currently this project has no relation to my official duties.
- It does not fit my expectations.
- The project is interesting, but at the moment my job is not to treat this field.

In spite of the fact that all participants were from the social sphere, they had different fields of activities and different educational and work background. It was difficult to find common topics of interests for all of them. The reason for this might be the fact that at the beginning of the project we had to outline that the training programme consisted rehabilitative methods and services mostly for elderly. In spite of that some persons from children's rehabilitative services were selected into the trainee group. Anyway, feedback comments were taken into account during the preparation of the next trainings and new topics were added to the programme.

In written feedbacks an interesting question was raise: *please, write the three most important things studied during the training.* There were two types of answers to this question; both of them had high value. Participants answered what they had really learned – preventive and rehabilitation methods. Thus they described the real knowledge and practical experience they got. Already during the project the participants started to share their knowledge and experience at working places with other people, who could not participate in the GATE projects. For some of the participants the trainings had even deeper influence. They got knowledge and experience, and furthermore, the trainings raised interest of the participants to education in general, to self-learning, understanding of the necessity of additional professional trainings, wish to study foreign languages and hope for future cooperation. These people had a strong wish for changes, for development, both self-development and development of organisations where they are working.

## 5. Entrepreneurial Motivation of Respondents

To evaluate entrepreneurial motivation and changes in motivation several research methods were used. Quantitative analysis is based on the survey results (pre- and post-tests); qualitative data represented by two rounds of individual interviews with the project participants.

#### **5.1 General Attractiveness of Entrepreneurship**

At the beginning the respondents were asked to assess their general attraction for entrepreneurship using a five-point scale ranging from "not at all" (1) to "very attractive"(5) (see figure 2).

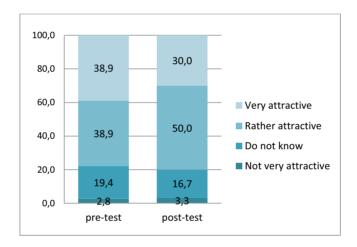


Figure 2. General attractiveness of entrepreneurship, valid %

General attractiveness of entrepreneurship (figure 2) was high: 77,8 % of the respondents had found entrepreneurship as a rather or a very attractive at the beginning of the project and 80 % at the end of the project. The small increase in share is mainly connected to the reduction of "do not know" answers. There were no participants, who were not interested in entrepreneurship at all. The project participants showed a strong entrepreneurship orientation. Coming deeply into this question, we analysed this topic against background variables like gender, age and presence of entrepreneurs among family members and friends. Gender analysis shows that both the male and female participants had a very positive attitude to entrepreneurship in general (76 – 100 % of positive answers).

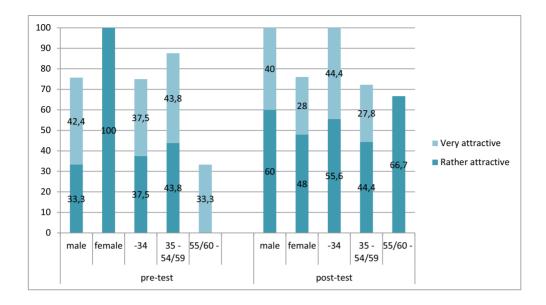
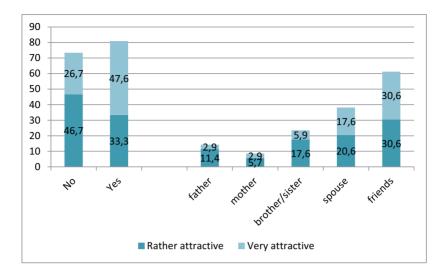
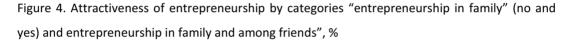


Figure 3. Attractiveness of entrepreneurship, % within age and gender groups

At the beginning of the project the majority of young and middle-aged participants evaluated the attractiveness of entrepreneurship as very or rather attractive (75 and 87,6 % accordingly), while among the pension age group only 33,3 % saw entrepreneurship as very attractive. There were changes in attitudes, which took place during the project time. The attractiveness of entrepreneurship has increased among young and the oldest participants (100 and 66,7 % accordingly).

Presence of entrepreneurs in the respondent's family and among friends had some impact on the attractiveness of entrepreneurship. Between those who had at least one entrepreneur in the family and those who did not, the difference was not so high, but it existed (see figure 4). More than 80 % of the respondents with entrepreneurs in the family had found entrepreneurship as rather or very attractive. Among those, who did not have entrepreneurs in the family, 73 % shared the opinion about the attractiveness of entrepreneurship.





Among relatives the most important role in the formation of positive attitude to entrepreneurship was played by spouses (38,2% among positive answers). Often one of the spouses was registered as an entrepreneur, but in reality it was a family business. Several project participants had helped their spouses to become an entrepreneur. A woman, who participated in the GATE project entrepreneurship trainings, mentioned that she was *"helping her husband to register a private business"* (respondent 14, May 2013). Another woman told about her husband that he is an *"anti-entrepreneur. He is a creative person who knows everything, he is doing wonderful things, but he cannot make money of it"* (respondent 7, May 2013). She was helping him in marketing, selling, etc. In the next example the husband was again registered as an entrepreneur, but the husband and the wife are both doing their own businesses and the wife took care of accounting (respondent 16, May 2013).

Figure 4 shows that the role of parents in attractiveness of entrepreneurship was really low: only 14,3 % of respondents perceiving entrepreneurial activity as rather or very attractive had a fatherentrepreneur and 8,6 % had a mother-entrepreneur. As was mentioned above, history of the Russian economic development has a strong influence on the distribution of the answers given by the respondents. For the majority of the respondents, fathers and mothers are/were not entrepreneurs (table 4) and they even could not have been, because during the Soviet time entrepreneurship did not exist and any attempt to carry on business was forbidden. Brothers/sisters did not have so much influence either (8,6% and 23,5% accordingly). More than 60 % of the respondents perceiving entrepreneurial activity as rather or very attractive had entrepreneurs among friends.

*Problems can be solved by myself and with the help of friends"* (respondent 8, September 2013).

It is really good when there are friends who already plunged into this sphere. There are many issues that the legal framework does not resolve; you will not find the answers in the codes, but in terms of experience and practice friends will help you" (respondent 16, May 2013).

Many respondents had turned to their friends when they needed some help or advice. So, spouses and friends had the most active influence on the respondents' attitude to entrepreneurship.

## **5.2 Motivational Factors for Entrepreneurship**

Fourteen different motivational factors were given to the respondents in order to evaluate motivation for starting and doing business. They evaluated their motives at the beginning of the project and at the end. As we can see in Table 10, the first four motivational factors were the same at the beginning and at the end of the project. The first position was given to the opportunity to meet interesting people. During the interviews the respondents pointed out that it was very important to have contacts with other local/non-local entrepreneurs even from different fields of activity. The project gave a possibility to meet other entrepreneurs, to make new contacts and to use these contacts for business development. The project participants wanted to continue communication among entrepreneurs outside the framework of the project.

	PR	E-TEST	PO	ST-TEST
	Position	Average	Position	Average
		rank		rank
Opportunities to meet interesting people	1	4,61	1	4,73

Table 10. Motivational factors for entrepreneurship, mean values

Interesting tasks and duties and their variety	2	4,58	2	4,57
The liberty in choosing one's tasks and duties	3	4,43	3	4,47
Achieving an appropriate target in life in accordance with ones abilities	4	4,26	4	4,43
Result-based income	5	4,19	6	4,23
How attractive do you find entrepreneurship	6	4,14	10	4,07
The liberty of being one's own boss	7	4,09	5	4,43
General appreciation of entrepreneurship	8	4,00	7	4,20
The liberty of choosing ones working hours	9	3,97	8	4,20
The opportunity to get rich	10	3,92	11	4,03
Entrepreneurship unifies the entire family	11	3,89	13	3,67
Entrepreneurship suits my character	12	3,78	14	3,97
The opportunity to work as a superior	13	3,78	12	3,60
My skills and capabilities point to entrepreneurship	14	3,50	9	4,10

Interesting tasks and duties, the liberty to choose them and the opportunity to use one's potential and abilities were among the most important factors too. The opportunity to get rich took only 10<sup>th</sup> and 11<sup>th</sup> positions. Even if the majority of the respondents noted the importance of the financial side of the business during the interviews, this factor did not receive a high score among the motivational factors of entrepreneurship. People were not simply interested to be rich, more important for them was to have result-based income (5<sup>th</sup> and 6<sup>th</sup> positions).

The liberty of being one's own boss took 7<sup>th</sup> and 5<sup>th</sup> positions. The respondents remarked that there is a "freedom of action, because you are no longer under the command, you are your own boss" (respondent 1, May 2013). An entrepreneur had "the freedom of movement, he is independent, he does not have a boss" (respondent 16, May 2013).

"The liberty of choosing one's working hours" took 9th and 8th positions. It was not very important motivational factor. Many respondents pointed out that you could have liberty in

choosing your working hours, but usually entrepreneurship was work "from dawn to dusk" (respondent 4, May 2013).

The factor "opportunity to work as a superior" had almost the last position (13<sup>th</sup> and 12<sup>th</sup>), but we would like to pay attention to it nonetheless. In the previous paragraph a respondent pointed out the importance to be one's own boss, to not be a subordinate. Almost all respondents from the NVC group and some of the respondents from the BDP group had permanent salary work and entrepreneurship was an additional job. At their salary work they were usually subordinates. Entrepreneurship gave them the possibility to act as a superior.

The work in my organisation is work from the position of subordinate. We can see a very interesting metamorphosis, when at your own enterprise you start to work as a director and look at many things differently. You open many interesting sides for yourself. Entrepreneurship needs a little bit different type of thinking and changes in consciousness. It is difficult to move from a position of subordinate to a position of director of an enterprise" (respondent 8, September 2013).

In addition to the closed statements there was an opportunity to name other motivational factors, which the project participants considered as important. 27 responses were given. According to the existing literature on entrepreneurial motivations (see, e.g. Moy et al., 2003), the answers can be broadly divided into three groups: intrinsic rewards, financial factors and social factors. Usually the first category is clearly dominating (see for example, Karhunen et. al., 2008, p.15). We have the same result. Almost all respondents mentioned factors, which could be identified as intrinsic rewards. Surprisingly there were no comments, which referred to the financial factors. Several respondents saw social factors important too.

Category	N	%
Intrinsic rewards	24	88,9
Financial factors	0	0
Social factors	3	11,1
Total	27	100

Table 11. Additional motivational factors given by respondents

The respondents' comments regarding intrinsic factors were mainly characterised by the opportunity of personal growth and the freedom of decision-making. The most frequently mentioned individual motivational factor was "*self-realisation*". Entrepreneurship was viewed as a provider of the opportunity to realise one's innovative ideas and life goals, as well as one's creativity. Besides, entrepreneurship was viewed as an instrument "to satisfy one's megalomania", "mania of perfectionism". Entrepreneurship gave a possibility "to learn how to endure the blows of fate", and even "to change the picture of the world".

Three respondents mentioned social factors as important motivational factors for entrepreneurship. All of them addressed the role of entrepreneurs in contributing to social welfare. They saw entrepreneurship as an instrument which allowed "to improve existing services" and "to promote access to quality services".

#### 5.3 Barriers for Entrepreneurship

In the previous paragraph the factors which motivate to become an entrepreneur were described. Now we will focus on the barriers for entrepreneurship. According to Moy et al. (2003) they can be divided into two groups: endogenous and exogenous factors. The former include personal characteristics and skills, i.e. factors, which a person can influence and control. The latter are factors related to entrepreneurship environment. Such factors are more or less taken as given (ibid.).

Sixteen statements, related to endogenous factors, were given to the project participants. They were asked to define to which degree these factors were preventing their decision to become an entrepreneur. A five-point scale ranging from "completely not" (1) to "very strongly" (5) was used. After receiving responses from all respondents and ranging their answers, we divided the endogenous barriers into two groups (see tables 12 and 13). The first table shows the eight most important barriers. As we can see, the respondents had perceived the same barriers as the strong ones at the beginning of the project and at the end of it. The ranks of barriers changed inside this group, but not much. During the interviews the same factors were mentioned as the most

important: fear of debts, fear of losing one's property, insecure incomes, and time-consuming. So, financial risks were viewed as the biggest endogenous obstacles for entrepreneurship.

PRE-	TEST		POST		
Position	Average rank	Endogenous barriers	Position	Average rank	
1	3,56	fear of debt	2	3,47	
2	3,46	fear of losing one's property	4	3,13	
3	3,26	insecure income	3	3,30	
4	3,08	entrepreneurs are excessively at the mercy of their investors	7	2,97	
5	3,06	entrepreneurship is excessively binding and time-consuming	1	3,57	
6	3,00	lack of professional skills and competence	8	2,61	
7	2,94	my current life situation	6	3,03	
8	2,89	fear of tough competition	5	3,10	

Table 12. Eight Most Important Endogenous Barriers for Entrepreneurship, mean values

Among other endogenous barriers the loss of free time and irregular working hours were mentioned by the project participants both in questionnaires and in individual interviews.

Table 13. Other Endogenous Barriers for Entrepreneurship, mean values

PRE-	TEST		POST	-TEST
Position	Average rank	Endogenous barriers	Position	Average rank
9	2,83	lack of a business idea	12	2,26
10	2,71	loss of free time	9	2,48
11	2,49	my professional skills are difficult to commercialise	13	2,23
12	2,11	does not suit my character	16	1,97

13	2,06	excessively irregular working hours	10	2,48
14	1,94	unwillingness or incompetence to market ones professional skills and competence	14	2,19
15	1,82	adverse effect on social relations	11	2,45
16	1,79	general negative opinion on entrepreneurship	15	2,03

Moreover, we analysed endogenous barriers across subsamples (gender, age). Regarding gender, we found a number of differences. The male respondents had much higher share of "do not know" answers. The number of such responses varied from 20 to 42 % of all the men's answers. As a result, the shares within gender background were different among men and women. 100 % of women selected answers "rather strongly" or "very strongly" defining as the biggest barriers fear of debt, fear of losing one's property, entrepreneurs were excessively at the mercy of their investors, and fear of tough competition. Less than 50 % of men saw the same factors as the biggest barriers. So, for the female respondents the financial risk and tough competitions were seen as the more severe obstacles than for the male ones. In addition, the female respondents were considerably more concerned about the lack of business ideas and evaluated their entrepreneurial skills as weaker than their male counterparts.

Regarding age, there were differences between three age groups. The financial barriers like fear of debt, fear of losing property and insecure incomes were the most important barriers for the oldest group; 100 % of the respondents of the group saw these financial barriers as "rather strongly" or "very strongly". Besides, the loss of free time is seen as one of the biggest barriers for this age group. At the same time the oldest participants did not see the lack of professional skills and competence as a serious barrier for entrepreneurship for themselves. Usually these people had strong skills and competence based on education and long work experience.

For the young generation financial barriers did not play such an important role as for the previous group. Fear of debt was chosen by 19 % of respondents of this age group, insecure incomes by 25 % of respondents. Only fear of losing one's property got more than 50 % (56 % of this age group). In addition to the mentioned fear of losing one's property the most important barriers for youth were the lack of professional skills and competence (44 %) and the lack of a business idea (44 %).

The middle aged group combined the barriers of the two previous groups. They saw financial aspects (44 - 62 % of respondents of this age group) and lack of professional skills and competence (44 %) as barriers for entrepreneurship. Besides, 56 % of the respondents agreed with a statement that entrepreneurship is excessively binding and time-consuming. The participants of this age group did not have problems with inventing business ideas.

The respondents were also asked to assess factors of local business environment (e.g. exogenous factors), which could negatively influence their decision to become an entrepreneur. The same five-point scale was used. The results of the assessment are presented in table 14.

PRE-TEST POST-TEST **Exogenous barriers** Position Position Average Average rank rank 1 4,09 difficulties in getting external financing 5 3,58 2 lack of own financial resources 2 4,06 3,94 3 4,06 bureaucracy (e.g. difficulties to obtain 3 3,90 licenses and certificates) 4 3,85 corruption 6 3,45 5 3,80 frequently changing or unclear legislation 1 4,03 local infrastructure (e.g. availability of 10 6 3,60 3,10 business premises) 7 3,29 Russian taxation 4 3,90 7 8 3,18 society provides no safety net for 3,40 entrepreneurs 9 3,09 tough competition 9 3,13 10 3,06 crime 12 2,90 difficulties in hiring labour 11 11 3,03 3,10 12 2,89 difficulties in finding customers 8 3,19 13 2,88 procedure of registration of the company 13 2,35

Table 14. Exogenous Barriers for Entrepreneurship, mean values

As we can see, financial factors were important barriers (both endo- and exogenous) for entrepreneurship development. The most important exogenous barriers could be united into a group of so-called institutional barriers, among which access to financing, bureaucracy, corruption and unclear and unstable legislation. Crime, which was one of the most important barriers during the 1990s, was not valid anymore. Factors, which related to work environment (hiring labour, finding customers, registration of company) were perceived as less challenging. Anyway, during the interviews many respondents pointed out the problem of hiring labour, especially professionals, and finding customers. It was difficult to find new customers only by "word of mouth". Registration of a company was not a difficult procedure. There was a lot of information on the official web-site of state structures like tax inspection and others. Besides, the Municipal Fund of Support of Small and Medium Sized Enterprises of the Gatchina Municipal District helped new entrepreneurs to register a company.

Comparing gender difference regarding exogenous barriers for entrepreneurship it was possible to say that in general the male respondents perceived the feature of business environment as a more serious obstacle than their female counterparts. Anyway, financial issues as a barrier were emphasised by the both groups. For the female respondents the biggest barrier was to get external financing (100 % of female respondents saw it as "rather strongly" or "very strongly"). For the male respondents the availability of own resources was seen as a big obstacle (72 % of male respondents saw it as "rather strongly"). For the male respondents local infrastructure was the biggest limiting exogenous factor (100 % of male respondents), while only 56 % of the female respondents saw it as a barrier. Also, the difference was notable in the views concerning tough competition, which the female respondents viewed as a more serious obstacle.

Regarding age there were no big differences between the three age groups. For all groups financial issues were the most actual barriers. Moreover, bureaucracy, corruption and local infrastructure were the biggest exogenous obstacles for entrepreneurship development for all age groups. The main difference between the groups was that the oldest group saw the above mentioned barriers more acute than the two other age groups. 100 % of the oldest group participants saw financial barriers, corruption and local infrastructure as obstacles "rather strongly" or "very strongly". Moreover, 67 % of them preferred to choose the "very strong" answer. From 60 to 87 % of the two other groups respondents saw the same factors as "rather strongly" or "very strongly".

Finally, the results considering the role of having entrepreneurs in one's own family confirmed that it reflected in more positive views of entrepreneurship. Those respondents who had at least one entrepreneur in the family assigned less negative importance to all presented statements, except the factor "Russian taxation" for which the mean values of the groups were almost equal. The difference was at its largest for statements regarding the difficulties in finding customers and the procedure of registration of the company. This difference can be interpreted in such a way that the respondents may have seen personal experience of family members with these two aspects of entrepreneurship development and considered them as less important exogenous barriers.

In addition to the pre-defined statements considering obstacles for entrepreneurship, there was an opportunity to select the option "other" (both for endo- and exogenous barriers) and to define it in more detail. 22 respondents gave additional opinions on the issue, half of them were related to the endogenous barriers, other half was to exogenous.

Category	N
Endogenous barriers	11
Financial	1
Personal	6
Lack of experience and competence	2
Stress, fear of responsibility	2
Exogenous barriers	11
Financial	5
Competition, markets	2
Administrative barriers, state policy	4

Table 15. Additional Barriers Mentioned by Respondents

As the table shows, financial aspects and personal characteristics dominated among the answers. Among the financial aspects, the respondents pointed out fear of losing property and lack of own financial resources for starting a business. According to the Russian Public Opinion Research Centre (RPORC)<sup>2</sup> 82 % of respondents believe that without initial capital it is impossible to start a business. Among personal characteristics there are health problems, age, current family situation, lack of right/important contacts and the soviet mentality. According to the RPORC for 44 % of respondents it was important to have the right contacts. The last barrier (the soviet mentality) was mentioned only by one respondent, but it is a huge obstacle for all those generations, which grew up during the Soviet time. It is really difficult to change the type of thinking and attitudes which were forcibly put into the heads of the Soviet people. Nowadays the mentality is changing step by step and we could see it during the project time. All the above mentioned barriers (both exo- and endogenous), in varying degrees, affect the decision of a person to become or not to become an entrepreneur. Personal experience of family members and friends, entrepreneurship consultations and trainings helped to reduce the barriers and to take the first step on the way from an idea to a business.

#### 5.4 Attitude towards Entrepreneurs and Entrepreneurship

In this part of the report we concentrate on the respondents' attitude towards entrepreneurship. The respondents were asked to what degree they agreed or disagreed with different statements using a five-point scale ranging from disagree completely (1) to agree completely (5). So, 1 and 2 reflected negative attitude, 4 and 5 reflected positive attitude. Besides, 3, which was neutral attitude (do not know), was taken into account. This part was divided into five blocks, which were analysed separately. The first topic was the value of entrepreneurship.

Regarding the value of entrepreneurship there was very high percentage of positive answers both at the beginning of the project and even higher at the end of it. Respondents were unanimous that entrepreneurship brings more benefits than disadvantages. There was a small doubt about the role of entrepreneurs in the labour markets. The share of "do not know" answers showed uncertainty regarding the statement that entrepreneurship is the future form of employment and entrepreneurs provide work to other people.

Table 16. Value of Entrepreneurship, %

<sup>&</sup>lt;sup>2</sup> <u>http://www.wciom.com/</u> the Russian Public Opinion Research Centre

	P	RE-TEST		POST-TEST		
	Negative	Positive	Do not know	Negative	Positive	Do not know
Entrepreneurs must be appreciated because they provide work for other people	2,8	88,9	8,3	0	90,4	9,7
Entrepreneurial activities provide society with more benefits than disadvantages	5,7	91,5	2,9	0	96,8	3,2
Entrepreneurship is the future form of employment	5,6	80,5	13,9	3,2	87,1	9,7

Regarding the state support for entrepreneurs, the respondents were almost fully unanimous that the state must support entrepreneurs, but did not provide extensive support for them. The share of "do not know" answers is higher among respondents who do not have entrepreneurs in the family. There were 33,3 % of such respondents, while among those who have relative-entrepreneurs the share of such answers was 9,5 %. Moreover, 85,7 % of the respondents with relative-entrepreneurs disagree with the statement "state provides adequate support for entrepreneurs".

Table 17. State Support for Entrepreneurs, %	Table 17.	State	Support	for	Entrep	reneurs,	%
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	PRE-TEST			P	POST-TEST		
	Negative	Positive	Do not	Negative	Positive	Do not	
			know			know	
State must support young, beginning entrepreneurs	3,2	96,8	0	2,8	97,2	0	
State provides excessive support for entrepreneurs	80	0	20	75	5,6	19,4	

This data corresponds with other studies of entrepreneurship development in Russia. According to the vice-president of the Russian National Institute for System Studies of Entrepreneurship V. Buev (2014), existing mechanisms of state support are not used to the fullest; most entrepreneurs do not receive any form of support. According to the results of the study made by the above mentioned Institute, Russian entrepreneurs expressed an opinion on the need to improve the state policy in support of small business related to taxation and availability of credits. The survey respondents called tax benefits as the most important type of state support for small business (76

% of respondents strongly need the benefits). At the second place there was support in the form of simplification of taxation and accounting (67 % of responses). At the third position on the significance there were aspects such as provision of premises for rent at reduced rates (52%), facilitating the registration, licensing, certification, and other licensing procedures (52 %), providing targeted loans at reduced interest rates for investment projects (51 %). At the same time small businesses show the least skepticism about getting support measures such as advices, information support and staff support, which, according to the survey, were less of a priority for them. On the other hand, according to the expert opinion, there is relatively high passivity of entrepreneurs in getting benefits and support; as a result their evaluation of the quality of state and local authorities in this field is really low.

Table 18 shows the general evaluation of entrepreneurship. As this table illustrates, the statements could be broadly classified into two groups on the basis of the distribution of answers. The first group was the group where the respondents more or less agreed with the given statement. As with the evaluation of the value of entrepreneurship, the share of positive answers had increased during the project time. The project participants agreed that they could use their professional skills and competence more effectively in private business than in salaried work. It corresponded with the discussion on the motivational factors for entrepreneurship. During the interviews the project participants noticed that they had strong competence and professional skills, which allowed starting a private business. In turn private business could allow using and developing skills and competence more effectively. The participants pointed out the importance of achieving success in professional work, personal growth, professional competitiveness, strengthening personal competitive advantage and overcoming personal competitive disadvantages.

Table 18. Entrepreneurship in General, %

	PRE-TEST			POST-TEST		
	Negative	Positive	Do not	Negative	Positive	Do not
			know			know
Entrepreneurs can exploit their professional skills and competences more effectively in their own business than in salaried employment	11,1	75	13,9	0	90,3	9,7

Entrepreneurship is for people who have courage and ideas	8,3	83,4	8,3	6,5	87,1	6,5
Entrepreneurs take excessive risks	11,1	72,2	16,7	9,7	77,4	12,9
Entrepreneurship requires more intellectual than financial capital	25	47,2	27,8	13	45,2	41,9
People who cannot adapt to conventional jobs end up as entrepreneurs	52,8	19,5	27,8	58,1	19,4	22,6

The majority of the project participants supported the idea that entrepreneurship is for people who have courage and ideas. Not only those project participants, who already had a business, understood that entrepreneurship is hard work and a huge responsibility, it demands constant learning new things and developing new ideas. The majority of the respondents pointed out that they had a lot of ideas for new businesses. The main problem was how to take the step from an idea to business. In addition, more than 70 % of the respondents considered that entrepreneurship includes excessive risk-taking. In the Russian environment entrepreneurs are working in a challenging situation, and they are usually more inclined to take moderate risks, and they probably weigh the risks and take action to reduce or control its results.

In the second group of statements the respondents clearly had difficulties in commenting. There was a relatively large share of them falling in the "do not know" category. Less than 50 % of the respondents saw relations between intellectual work and entrepreneurship, while another part of the respondents did not have a clear opinion about such relations. Approximately the same share of answers was given to another question. A little bit more than half of the respondents did not agree with the statement that "people who cannot adapt to conventional jobs end up as entrepreneurs", while approximately a quarter of the respondents did not have a clear opinion about it.

Regarding entrepreneurial moral, the respondents had again difficulties in commenting. The result can be interpreted on the basis of historical background. During the 1990s, when liberal reforms began in Russia, crime rate strongly increased. Among the factors which lead to the growth of the crime rate, were the impoverishment of the population, weakening of the police and the judicial system as a result of underfunding and the weakening of moral standards. All these factors had influence on entrepreneurs. So, in the 1990s an active process of criminalisation of business began (Avoliv, Shergunova, 2011). As a result, negative attitude toward entrepreneurship and entrepreneurs was formed. Nowadays the situation has changed dramatically. Entrepreneurial ethics and moral are important components of entrepreneurship development. Business is continuous contacts, relations, negotiations and contracts with a variety of people. Entrepreneurs have a great variety of partners, other entrepreneurs, employees, suppliers and consumers of goods and services. With all of them the entrepreneurs have to build relationships based not only on legal documents, but on mutual trust too. In Russia personal relations in business plays a special role. The project participants noticed that it is important to create a positive image of one's own company by providing high quality goods and services; it is important not only to find clients, but to keep them and to make them regular customers. Achieving these goals is possible only with entrepreneurial ethics. Anyway, some negative attitude of the 1990s still exists.

There was a relatively large scale of "do not know" answers especially in the post-test (25-35 %). The respondents were not sure about the consciences of entrepreneurs and environmental issues. The Russian legislation has defined the responsibility of business for environment. The federal Law of 10.01.2002, N 7 "On Environmental Protection" defined that "legal entities and individual entrepreneurs engaged in economic and other activities, which have a negative impact on the environment, should plan, develop and implement measures to protect environment in the manner prescribed by the law" (article 15, paragraph 4). The respondents commented that they did not see how they could take care about environmental issues in their businesses; or they had such a challenging situation that they do not have time to think about environment. Besides, the question with double negations, as it was in the question concerning environmental issues, caused difficulty in answering questions. The participants tried to answer it in two ways: "no, they do not care"; "yes, they do not care". If they cannot choose among these two versions, they answer "do not know"<sup>3</sup>.

Table 19. Moral of Entrepreneurs, %

		PRE-TEST		Р	OST-TEST	
	Negative	Positive	Do not know	Negative	Positive	Do not know
Entrepreneurs often stretch their	37,2	20	42,9	38,7	25,8	35,5

<sup>3</sup> The same problem concern all questions with double negation.

consciences						
Entrepreneurs do not care about environmental issues to a sufficient extend	44,2	38,2	17,6	25,8	41,9	32,3
Entrepreneurs are unscrupulous and pursue their own self-interests	54,3	31,4	14,3	54,8	12,9	32,3
Entrepreneurs get rich on others people work	54,3	11,4	34,3	51,7	22,6	25,8

There were different attitudes to the entrepreneurial ethics and moral. For some respondents it was the most important characteristic of entrepreneur, while for others it was not.

Decency, honesty. For me it is very important. I can say, it will take the first place if to give a rank (respondent 2, May 2013).

Preferably s/he is honest (respondent 8, May 2013)

More than 50 % of the respondents did not agree with the statements that entrepreneurs are unscrupulous and pursue their own self-interests and get rich on others people work. But by achieving personal interests, the entrepreneur contributes to the achievement of public interest too. As Adam Smith wrote "every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society" (Smith, 2009, 269).

Regarding small enterprises as employers there was no clear opinion. Unanimous opinion was only about the role of small enterprises in creation of new jobs (83 % of respondents at the beginning of the project and 90 % at the end of it agreed with this statement).

Table 20. Small Enterprises as Employers, %

Р	PRE-TEST	РС	POST-TEST			
Negative	legative Positive	Do not	Negative	Positive	Do not	
		know			know	

Small enterprises are good employers	5,8	64,6	29,4	19,3	48,4	32,3
Small enterprises exploit their employees to the maximum	51,4	25,7	22,9	29	32,3	38,7
Small enterprises do not provide adequate opportunities for genuine professionals	52,9	17,7	29,4	38,8	35,5	25,8
Small enterprises create new jobs	2,9	82,9	14,3	3,2	90,4	6,5

#### 6. Entrepreneurial Skills

While entrepreneurs have in common certain characteristics, there is a wide range of individuality among them. Some of them have studied in schools of business, where they got needed knowledge and skills; others have a natural flair of entrepreneurship. While there is not recipe for becoming a successful entrepreneur, certain characteristics are associated with entrepreneurial success. The project respondents were asked three questions related to the entrepreneurial skills. The first question was more general: the most important skills of a successful entrepreneur. Two other questions were related to the personal characteristics of the respondents: their strengths and weaknesses as entrepreneurs.

#### 6.1 The Most Important Skills

A wide range of competences were mentioned by the respondents as the most important for entrepreneurship. These included knowledge, practical skills, critical and creative thinking skills, personal characteristics, and interpersonal skills.

According to our research, one of the most important qualities associated with successful entrepreneurship was an availability of a clear idea and deep understandings of WHAT are you doing. When people understand what they are doing and when they care deeply about it, they stand the best chance of being successful at it.

At the very beginning you have to have an idea; it must be very deeply in you mind, you need to understand what you're going to do (respondent 4, May 2013).

An entrepreneur has to have ideas (respondent 5, May 2013).

It is necessary to understand what to do (respondent 7, May 2013).

The project participants pointed out that they need **knowledge** in several areas when starting or running a business. There is business knowledge, which means good general knowledge of the main functional areas of a business (sales, marketing, finance, and operations). Secondly, there is an opportunity-specific knowledge, which means understanding of market, which one is attempting to enter, and understanding of what must be done in order to bring products and

services to market. Another important characteristic was willing to learn. Entrepreneurs are information seekers. They may already know a great deal, yet they recognise that on one know everything, and that they can learn valuable information from others. As Thornhill (2012) has pointed "We can learn from success. We can learn from failure. We can learn from our own experiences and from what happens to others. We can learn from what we see and hear today as well as from history". The project respondents agree with this statement.

Self-education is needed. Never say you know everything. In fact, everything is invented, there is no need to invent, and you need to learn (respondent 2, May 2013).

Entrepreneur has to know how to find information (respondent 7, May 2013).

Entrepreneur must be very competent (respondent 11, May 2013).

Entrepreneur must be professional in sphere of own business, he has to have education in the relevant field (respondent 12, May 2013).

Entrepreneurs have to have **practical skills** needed to produce goods or services effectively, and run a business. Often studying of entrepreneurship is seen as action learning, experimental learning and learning by doing. In Russian business environment often entrepreneurs do not have any special entrepreneurial education, but all knowledge and skills they have, they got as a work experience.

*Some practical skills have to be already acquired, maybe on the previous work* (respondent 12, May 2013).

There must be some experience (respondent 5, May 2013).

Besides practical skills in the sphere of business, there were other skills needed for a successful business. Among them there were goal setting and ability to plan. Entrepreneurs have to be able to set goals regularly, to create plan to achieve them and to carry out such plan. The ability to plan is one of the key skills for entrepreneurs. They have to be able to develop plan to meet goals in different areas, including finance, marketing, production, sales and personnel.

Achievement of goals is the most important (respondent 6, May 2013).

Entrepreneur is able to set goals (respondent 8, May 2013).

It is interesting that ability for decision making was not mentioned by the project respondents as an important skill.

**Critical and creative thinking skills** were seen as important characteristics of a successful entrepreneur. As an entrepreneur, one also needs to come up with fresh ideas, and make good decisions about opportunities and potential projects. If one was not born as a creative person, it does not mean that s/he cannot develop interesting ideas. Creativity is a skill that can be developed if person ready to invest time and effort for it. Creativity is not only production of good ideas. It is also ability to see situation from a variety of perspectives; it is ability to find innovative ways to problem solve, and it is ability to recognise opportunities.

First, entrepreneur must be a creative person (respondent 14, May 2013).

The project participants named many **personal characteristics**, which are important for a success in their businesses. One of the key qualities of the successful entrepreneur is self-confidence. Entrepreneur has to have confidence in own ability to success. Every entrepreneur encounters problems, and s/he has to believe s/he can overcome them. Self-confidence is often associated with other characteristics like strong-willed, purposeful.

You have to be strong-willed and purposeful. Achievement of goals is important; it is the most important thing. If you want to do, you must have a lot of desire (respondent 6, May 2013).

Entrepreneur must be purposeful (respondent 8, May 2013).

It is necessary as one says "take the bull by the horns." It means do not sit, do not wait. You cannot. You must revolve and again revolve in order to get results. That is, I think. There is no other ways (respondent 11, May 2013)

Resilience is ability to whether the ups and downs of any business since it never goes exactly the way the business plan described it. The skill enables the entrepreneur to keep going when the outlook is bleak. It is important not only to have resilience skill, but learn and grow from own mistakes and failures. The Russian respondents named resilience skill as persistence.

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Some persistence must be, because there cannot be perfectly straight lines in the business. There are ups and downs. Sometimes protracted crises happened. You must be able to go out of it, to realise that it might happened. You must not be discouraged, do not make tragedy from it. You just find a way to go out from such situation (respondent 12, May 2013).

To accomplish their goals successful entrepreneurs must be willing to and able for hard work. Without ability for hard work it is difficult to have successful business. Efficiency was seen as an important characteristic by the project respondents (respondents 2, 5, May 2013). But some project respondents noticed that very few businesses succeed on the strength of a single person's efforts. Giving 100% to every aspect of a business (including sales, market research, accounting and more) isn't humanly possible. So, ability to delegate work to employees or outsourced workers was seen as important characteristic of a successful entrepreneur (respondents 10, 11, May 2013).

As was discussed above, entrepreneurs were willing to take a risk. They understood that risk is a natural part of trying to achieve goals. The self-confidence helps them to accept the challenges of the risk taken.

**Interpersonal skills** were pointed by the respondents as important ones too. Entrepreneurs constantly interact with people, including customers, clients, employees, financial lenders, investors, lawyers, accountants, etc. The ability to establish and maintain positive relationship is crucial to the success of the entrepreneur's business venture. Different types of interpersonal skills were mentioned by respondents during the interviews. Leadership and motivation were mentioned as important characteristics. Entrepreneur has to be able to motivate others to follow her/him. Ability to delegate work, which was discussed above, can be seen as ability for leadership. Communication skills are important in order to sell your vision of the future to investors, potential clients, and team members. Entrepreneur has to hear what others are telling to her/him, s/he must be skilled at active and empathetic listening.

The respondents pointed other personal characteristics too. Among them there were adventurism, good health, energy, rigidity, passion, and willpower. In the Russian circumstances "right contacts" were seen as important aspect of entrepreneurship development.

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Right contacts... it is important to have them, everything can be solved quickly. If you go on instances .... Without such contacts you can do things for a long time. And when you have right contacts, you can do everything faster. For example, to find place for office, to register it, to make all necessary approvals with fire, sanitary and other inspections. It takes a lot of time and effort (respondent 4, May 2013).

#### 6.2 Strengths and Weaknesses

Among their strengths many project participants mentioned knowledge and practical skills and ability for self-education.

The strong point is, of course, my education as well as life experience. I tried my hand at several professions; it also helps me (respondent 5, May 2013).

I have long term experience (respondent 7, May 2013).

My strength is professionalism (respondents 8, 12 May 2013).

I know my work; I know market on which I'm working (respondent 14, May 2013).

Accounting and analytics are important for entrepreneurs. I know almost everything about it. Then it is easy to work (respondent 2, May 2013).

I have ability for self-education (respondent 12, May 2013).

Communication skills were also pointed by the project participants: "ability to work with people" (respondent 1, May 2013), "ability to listen when you are working with people" (respondent 9, May 2013).

Creativity thinking and generation of new ideas were seen as strengths of the project participants.

I have never had a lack of ideas (respondent 5, May 2013).

Strength is my ideas, which in a certain sense, know-how. I can, I am able to come up with something new (respondent 7, May 2013).

Ability to take a risk was seen as strength for some respondents.

Ability to take risks. If I had not risked, then nothing would happen (respondent 1, May 2013).

I'm not afraid of risks. I'm not afraid to lose. I do not fear them. As one could say, the worst thing that can happen is our death. All the rest is nonsense (respondent 10, May 2013).

Among other strengths, which were mentioned by the respondents, there were diligence, ambitions, and courage. Comparing the answers it could be noticed that the respondents mentioned as the most important skills those they called as their own strengths.

Among the main weaknesses there were work with personal (mainly how to fire an employee), shortage of time, time management, and in some cases, financial issues. These aspects of entrepreneurship development need to be taken into account during the next trainings.

## 7. Conclusions and Recommendations for the Training Programmes' Development

The report presents the results of the evaluation research made in the framework of the "GATE. Entrepreneurship Development in Gatchina District" project. This project was implemented on the territory of the Gatchina Municipal District, Leningrad oblast, Russia. Project started on the 1<sup>st</sup> of January 2012 and it was completed by the 31 of March 2014. The overall objective of the project was to develop small and medium sized entrepreneurship in the Gatchina Municipal District. Among specific objectives there were increasing of interest and strengthening of know-how in business operation, identification and implementation of new innovations, privatisation, productisation and commecialisation in rehabilitative social care entrepreneurship. Three partners participated in this project. The Lead Partner was the South-Savo Vocational College. The partners were Aalto University Small Business Centre and the Gatchina Municipal District Administration. Target groups of this project were those who were interested in business and entrepreneurship and those, who worked in social care field in the Gatchina Municipal District. Final beneficiaries were inhabitants of the Gatchina Municipal District, who use social care services, and the Gatchina Municipal District Administration bodies dealing with social care services and entrepreneurship.

There were two main goals of the evaluation research. One of them was to indicate if the real improvements both in participants thinking and in action for entrepreneurship have sustained. The second one concerned an evaluation of the development and training programmes, implemented during the project period. The core issues of such evaluation were the relevance, effectiveness, efficiency and consistency. On the base of the evaluation research recommendations for the training programmes' development and suggestions for future trainings are given. Besides, we wanted to clarify the long term changes on organisational and regional levels. This part of work could be done on the base of ex post evaluation after the project completed. So, we leave this part of evaluation outside the project framework.

Several research methods were used during the evaluation research. Quantitative analysis was based on the survey results (pre- and post-tests) and numeral feedbacks; qualitative data was represented by two rounds of individual interviews with the project participants, focus group with Advisory and Project group members, and written feedbacks.

According to statistical data the share of entrepreneurs in Russia is 2,7 %. The number of those who would like to start their own business is 36,6 % (Swarts, 2008, Oleinikov, 2007). Comparison of these two figures indicates a positive shift in the minds of Russians; the shift is reflected in the change of attitude towards entrepreneurship, and changing attitudes to wealth in general. It is important to distinguish the main result of this stage of the development of entrepreneurship in Russia: people began to come out of the anemic conditions caused by a sharp transition to a market economy during the 1990s. A period of limp apathy has ended. The desire to try doing business can rightfully be considered as a form of socialisation, a return to active social and economic life. Analysing entrepreneurship development in Russia it is necessary to take into account that it has just come out of the cradle and there are huge hidden reserves for entrepreneurship (Swarts, 2008).

#### 7.1 Training satisfaction

The GATE project was highly evaluated by its participants. The general evaluation of the Development and Trainings Programmes was between 4,6 and 4,9 points.

In the Basic Start-up Entrepreneurship Programme the utility of knowledge was highly appreciated. Applicability of knowledge had smaller scores; the participants saw this course as theoretical, detached from a real life. People, who just started to think about entrepreneurship as possible carrier, wanted to get straight answers to their questions, to have more practical information. But without knowledge about legislation, principles of accounting, marketing etc it is impossible to start own business. New Venture Creation Programme was as a continuation of the Basic programme. The NVC programme helped to make systematisation of knowledge, to build business ideas and to evaluate viability of the ideas. People came to the trainings with different ideas and during the project their ideas were clarified and finalised or were changed. Lecture materials, handouts were actively used in business life of the project participants. For example marketing lectures, which have got excellent evaluation, brought real results. Entrepreneurbeginners used received knowledge in the creation of the set of marketing tools which were harmoniously linked with each other in achieving the maximum impact on the market. The Business Development Programme was one of the most successful programmes. Knowledge, which was given during the trainings, was demanded and really beneficial. This group was more prepared for the given training. Among the participants of this group there was a deep understanding of the training materials, they raised specific questions and actively participated in a constructive debate and discussion with the teacher as well as within the group. The participant pointed out that the project formed a new entrepreneurial way of thinking. Entrepreneurs worked out new strategies for own business, changed and developed marketing instruments. Project helped to open one's mind and to look at problems form another side in order to find new solutions.

The project participants, who were working in the social sphere, participated in several trainings. In the sphere of their professional interest there were "Preventive and rehabilitative methods for social care staff" and "Preventive methods for social care staff and other actors". Besides, they participated in the programme "Entrepreneurship in social sphere", which addressed issues of entrepreneurship development. They got practical experience in different types of gymnastics, use of equipment, nursing, etc. The respondents pointed out that they do not have enough professional trainings in Russia, and this project expanded their knowledge, competence and practical experience; they felt now more confident. Already during the project time the participants started to share their knowledge and experience at working places with other people, who could not participate in the GATE project. Besides, project participants became acquainted with Finnish social sphere. They wanted to see how it works in Finland in order to understand what could be done in Russia, in own organisations.

For some of the participants the trainings had deeper influence. They got knowledge and experience, and furthermore, the trainings raised interest of the participants to education in general, to self-learning, understanding of the necessity of additional professional trainings, wish to study foreign languages and hope for future cooperation with different partners, including Finnish ones. These people had a strong wish for changes, for development, both self-development and development of organisations where they are working.

One more positive point, which all these trainings gave to participants, was business communication skills. Communication inside the groups with other participants, with Finnish

project group memebers, with people from Finnish companies helped the participants to learn one more subject.

Many people would like to continue studying, but most of them do not have the possibility to pay for the future trainings. According to our data 90 % of project participants are ready to continue and only 20 % of them were ready to pay for the trainings.

#### 7.2 Improvement in Thinking and in Action for Entrepreneurship

The key results of the GATE project could be summarised as follow. The entrepreneurship is opened for all age groups. Nowadays young people are the most interested in business. Almost half of the GATE project participants were young people (up to 35 years old). There were also several pensioners in the project. The youngest participant was 21 years old; the oldest one was 70 years old. In the 1990s, when entrepreneurship started to develop in Russia, average age of entrepreneurs was about 40 years. During the last years, small businesses have become younger as recent graduates have come to business. During the project time we saw that older generations and pensioners were interested in entrepreneurship too. Each age group came to business with their own motives. For youth there was independence, both psychological and financial. For the middle-aged group it was the change of sphere of activity that drives them. These people usually have good education or/and big work experience. Usually they start a new business on the basis of existing skills and competence. People of pre-retirement and retirement age wanted to have additional earnings and stirred up their lives. Pension age is relatively low in Russia (55 years for women and 60 years for man). Early retirement gives a lot of free time; retirees typically are active people who cannot sit idle. So, all age groups can be involved in entrepreneurship. The project allowed the participants from different age groups to take part in the entrepreneurship trainings during the project.

General attractiveness of entrepreneurship was high among the project participants: 77,8 % of the respondents have found entrepreneurship as a rather or a very attractive perspective at the beginning of the project and 80 % at the end of the project. The small increase in share was mainly connected to a reduction of "do not know" answers. There were no participants who were not

interested in entrepreneurship at all. So, those who came to the project had strong interest in entrepreneurship and this interest did not reduced during project time.

Among relatives the most important role in the formation of positive attitude to entrepreneurship was played by spouses (38,2% among positive answers). Often one of the spouses was registered as an entrepreneur, but in reality it was a family business. The role of parents in attractiveness of entrepreneurship was really low: only 14,3 % of respondents perceiving entrepreneurial activity as rather or very attractive had a father-entrepreneur and 8,6 % had a mother-entrepreneur. History of the Russian economic development has a strong influence on the distribution of the answers given by the respondents. For the majority of the respondents, fathers and mothers are/were not entrepreneurs and they even could not have been, because during the Soviet time entrepreneurship did not exist and any attempt to carry on business was forbidden. Even if the respondents did not have relatives-entrepreneurs, family support was seen as a very important aspect for them.

Among the main motivational factors for entrepreneurship the first position was given to the opportunity to meet interesting people. During the interviews the respondents pointed out that it was very important to have contacts with other local/non-local entrepreneurs even from different fields of activity. The project gave a possibility to meet other entrepreneurs, to make new contacts and to use these contacts for business development. The project participants wanted to continue communication among entrepreneurs outside the framework of the project. Selection of this motivational factor as the most important probably refers to the Russian culture. Social networks, availability of right contracts play important role not only in business but in everyday life of many Russians. Among other important motivational factors there were an opportunity to meet interesting people, interesting tasks and duties, liberty to choose them and opportunity to use one's potential and abilities. The opportunity to get rich was not on the first lines. Even if the majority of the respondents mentioned importance of the financial side of the business, this factor did not take a high score among the motivational factors of entrepreneurship. People were not simply interesting to be rich, more important for them was to have a result-based income.

The analysis of the barriers for entrepreneurship showed that financial factors were seen as the most important barriers (both endo- and exogenous) for entrepreneurship development. There were fear of debts, fear of losing one's property, insecure incomes, difficulties in getting external

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financing, and lack of own financial resources. The second group of barriers referred to time. There were such endogenous factors like time consuming, loss of free time, and irregular working hours. The most important exogenous barriers could be united into a group of so-called institutional barriers, among which bureaucracy, corruption and unclear and unstable legislation. Besides, the respondents mentioned other barriers, which have strong Russian specific. The first one was an importance to have right contacts. According to the respondents without them doing business is more complicated in Russia. Another important barrier was the soviet mentality. It is a big obstacle for all those generations, which grew up during the Soviet time. It is difficult to change the type of thinking and attitudes which were forcibly put into the heads of the Soviet people. Nowadays the mentality is changing step by step and we could see it during the project time. This is especially evident among "the third age" group project participants, who became more open to entrepreneurship and distribute received knowledge among those, who could not participate in the GATE project.

Regarding attitudes towards entrepreneurs and entrepreneurship several concluding remarks could be given. The respondents were almost unanimous that entrepreneurship brings more benefits than disadvantages, that they could use their professional skills and competence more effectively in private business than I salaried work. In turn, the respondents pointed out that they have strong competence and professional skills, which allowed starting a private business.

Regarding the state support of entrepreneurs, the respondents were almost fully unanimous that the state must support entrepreneurs, but do not provide extensive support for them. This opinion could be explained by two different factors. On one hand, there is real need to improve the state policy in support of small business related to taxation and availability of credits. On the other hand, there is relatively high passivity of entrepreneurs in getting benefits and support, as a result, their evaluation of the quality of the state and local authorities in this field is low.

The overall objective of the projects was to develop small and medium sized enterprises in the Gatchina Municipal District. The result of the project was eight registered entrepreneurs. All of them more or less positively evaluated the start of their businesses. Some of them had waves in attitudes to entrepreneurship. At some stage the new entrepreneurs were very optimistic, while in others stages were pessimistic. Anyway, there was no question about cessation of activity of the new

enterprises. The more important questions were how to find the right direction and one's own nice.

The result of the project cannot be evaluated only by amount of registered entrepreneurs. The most important result was changes in the way of thinking. For many it seemed to be very difficult to be an entrepreneur; there was a strong fear to be out of business, losing of property, etc. After the trainings, people understood that it is possible to become an entrepreneur. Besides, the idea that entrepreneurship in the social sphere is possible occurred to people. Even those, who did not plan to start entrepreneurship activity, understood that entrepreneurship in the social sphere is possible. It is important that not only youth were interesting in entrepreneurship. The generations which grew up during the Soviet time see entrepreneurship as a possible carrier too. Activities which were forbidden and punishable during that time are now seen with a positive sign. It is a great transformation in the way of thinking and attitude toward entrepreneurship. So, there are changes both in the participants' thinking and in action for entrepreneurship.

#### 7.3 Recommendations

Some recommendations on the realisation of the study programmes could be given. For the Basic Start-Up Entrepreneurship programme the main critical point concerns the technical side of the training, which was poorly equipped; no hand-outs were given to participants and technical problems occurred during training hours. With a high volume of information and such arrangements it was difficult to follow the lectures.

The main problem with the New Venture Creation programme was the composition of the study group. It united people from different spheres. There were people from the social sphere, accounting and finance, construction, landscape design, etc. It can be said that there were two diverse groups: the social group and all others. This group presented a great mixture of different interests, experiences and needs. Heterogeneity of the group has some negative effect on the results of the training (see paragraph 4.2). So, a more or less homogeneous group could bring better results.

For the Business Development Programme one recommendation could be given. Selection of the participants to the group was based on the entrepreneurial experience (more than five years in own business). In our opinion additional criteria could be used: basic education in economics or finances. Those who have such education and those who do not were speaking as in different languages. Economic or financial education gave an advantage and a better understanding of the study material and allowed to more purposefully participate in the discussions. So, for the two groups (NVC and BDR) more clear criteria for selection of participants and division of them into groups could be worked out.

Participants from BDP have expressed a wish to have more practical work and homework. They could prepare some information in advance which could be discussed later. A round table with Finnish businessmen could be very useful for business development and internationalisation of business.

Several programmes were organised for the participants working in the social sphere. There were "Preventive and rehabilitative methods..." and "Entrepreneurship in the social sphere". Besides, several participants from the social group have participated in New Venture Creation programme. So, the participants who were working in the social sphere could participate in several programmes (from one to four programmes). The project could involve more participants by a more clear division between the groups.

As one could see, the same problem refers to all groups: there are selection of the participants and division them into study groups. This problem referred to the fact, that defining of criteria and selection of the participants was made by the Russian partner. Other partners did not participate in this process. It could be better, if all project partners participated in the selection procedure or at least an analysis of the selected participants could be made before training programmes started. It could be done in the form of a small questionnaire or entry-interview, where expectations, wishes, interests of the trainees could be heard and later taken into account.

**Suggestion for future trainings** could be given on the base of an analysis of respondents' answers. One of the important topics for the analysis is barriers for entrepreneurship. They were analysed by dividing them into two groups - endogenous and exogenous factors. The former include personal characteristics and skills, i.e. factors which a person can influence and control. The latter are factors related to the entrepreneurship environment. Such factors are more or less taken as given (Moy et al., 2003). While analysing exo- and endogenous barriers, we defined important topics to which more attention could be paid during future trainings. As the financial factors were seen as the most important barriers (both endo- and exogenous), more attention could be paid to the financial aspects for entrepreneurship development. During the Basic start-up programme there were lectures such as "Finances in entrepreneurship" and "Forms of support of small and medium sized enterprises in Leningrad oblast". Financial topics were also discussed in the New Venture Creation and Business Development Programmes. The theoretical lectures, organised during the project, where highly evaluated by the project participants. But in addition to the theory, more attention could be paid to the practical side of finances. For example, external financing is a big problem for starting entrepreneurs. They do not know where they can apply and how they can do it. Even if there were lectures at the Basic start-up course, it was not enough for the beginning entrepreneur.

Bureaucracy was mentioned among the important exogenous barriers. It is associated with obtaining access to resources (the right to rent, access to credit, equipment leasing, etc.) and maintaining a business relationship with different structures (coordination of decisions with regulatory organisations, getting different benefits and consultations, etc.). On one hand, there are administrative barriers which limit the activity of entrepreneurs. The respondents mentioned that access to the public institutions was very difficult and even if the entrepreneurs got to meet with officials, their role was not always clear. On the other hand, many entrepreneurs do not even try to overcome such barriers, preferring to work in the shadows. It is important to show that contacts with public institutions are possible and that they could bring mutual benefits. So, the lectures on role of different institutions could be very important for both starting and acting entrepreneurs. Besides, the so-called "soft" skills in general, such as communication (including communication with public structures), team working, customer handling, etc. could be very useful for the entrepreneurs.

Another important topic which needs more attention is time management. Time management is seen as a set of principles, practices, skills, tools and systems that help entrepreneurs use their time to accomplish their plans. Time management is important, because it helps to discipline yourself, to prioritise, to get more done in less time etc. This topic is important not only for starting entrepreneurs, but also for those who are already working for a long time as an entrepreneur.

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# Annexes

# Annex 1: Questionnaire for pre- and post-tests

# 1. Background variables

- 1. Year of birth
- 2. Sex (male, female)
- 3. Education back round
- 4. Work experience (years or months)

# Entrepreneurship in the family (Yes or No)

- 5. My father is currently or was an entrepreneur
- 6. My mother is currently or was an entrepreneur
- 7. My brother/sister is currently or was an entrepreneur
- 8. I have no brothers/sisters
- 9. My spouse/boyfriend/girlfriend/wife or husband is currently an entrepreneur
- 10. I have no spouse/boyfriend/girlfriend/ wife or husband

# Entrepreneurship among friends (Yes or No)

- 11. Some of my friends are or have been entrepreneurs
- 12. None of my friends have been entrepreneurs

When you think about your future upon graduation from your studies, which of the following alternatives describes this best:

- 13. I will be employed by an enterprise (Yes, No)
- 14. I will be employed by the public sector (Yes, No)
- 15. Some day in the future I will have my own company (Yes, No)

If yes, which industry you would like to have your own company in? (Open answer)

16. I already have my own company I will continue to work in it (Yes, No)

# 2. Attraction to entrepreneurship

17. How attractive do you find entrepreneurship:

1 – Not attractive at all, 2 – Not very attractive, 3 – Don't know, 4 – Rather attractive, 5 – Very attractive

Next, a few statements on entrepreneurship. Please indicate how much the following factors increase your desire to become an entrepreneur? While answering, use the following five-point scale:

1 – Completely not, 2 – Not much, 3 – Don't know, 4 – Rather strongly, 5 – Very strongly

- 18. The liberty of being one's own 'boss'
- 19. The liberty in choosing one's tasks and duties
- 20. The liberty of choosing one's working hours
- 21. Interesting tasks and duties, and their variety
- 22. Result-based income
- 23. Opportunities to meet interesting people
- 24. Achieving an appropriate target in life in accordance with one's abilities
- 25. Entrepreneurship suits my character
- 26. My skills and capabilities point to entrepreneurship
- 27. The opportunity to get rich
- 28. Entrepreneurship unifies the entire family
- 29. The opportunity to work as a superior
- 30. General appreciation of entrepreneurship
- 31. Other: please, specify

Assess this open statement using the same five-point scale

To what degree the following factors prevent you from becoming an entrepreneur? Use the following five-point scale:

1 – Completely not, 2 – Not much, 3 – Don't know, 4 – Rather strongly, 5 – Very strongly

- 32. Insecure income
- 33. Fear of debt
- 34. Entrepreneurship is excessively binding and time-consuming
- 35. Fear of tough competition
- 36. Fear of losing one's property
- 37. My current life situation
- 38. Loss of free time
- 39. Entrepreneurs are excessively at the mercy of their investors
- 40. Society provides no safety net for entrepreneurs
- 41. My professional skills are difficult to commercialize
- 42. Lack of a business idea
- 43. Adverse effect on social relations
- 44. Unwillingness or incompetence to market one's professional skills and competence
- 45. Does not suit my character
- 46. Excessively irregular working hours
- 47. Lack of professional skills and competence
- 48. General negative opinion on entrepreneurship
- 49. Other: please, specify

Assess this open statement using the same five-point scale

To what degree the following factors of local business environment prevent you from becoming an entrepreneur? Use the following five-point scale:

1 - Completely not, 2 - Not much, 3 - Don't know, 4 - Rather strongly, 5 - Very strongly

- 50. Tough competition
- 51. Procedure of registration of the company
- 52. Bureaucracy (e.g. difficulties to obtain licenses and certificates)
- 53. Difficulties in hiring labor
- 54. Frequently changing or unclear legislation
- 55. Lack of own financial resources
- 56. Difficulties in finding customers

- 57. Difficulties in getting external financing
- 58. Corruption
- 59. Crime
- 60. Russian taxation
- 61. Local infrastructure (e.g. availability of business premises)
- 62. Other: please specify

Assess this open statement using the same five-point scale.

# 3. Attitude towards entrepreneurs and entrepreneurship

Please take a stand to the following statements.

1 – I disagree completely, 2 – I partly disagree, 3 – Don't know, 4 – partly agree, 5 –I agree completely

# Importance of entrepreneurial activities

- 63. Entrepreneurs must be appreciated because they provide work for other people
- 64. Entrepreneurial activities provide society with more benefits than disadvantages
- 65. Entrepreneurship is the future form of employment

# State support to entrepreneurship

- 66. State must support young, beginning entrepreneurs
- 67. State provides excessive support for entrepreneurs

# Entrepreneurship in general

- 68. Entrepreneurs can exploit their professional skills and competences more effectively in their own businesses than in salaried employment
- 69. Entrepreneurship requires more intellectual than financial capital
- 70. Entrepreneurship is for people who have courage and ideas
- 71. Entrepreneurs take excessive risks
- 72. Entrepreneurs get rich on other people's work

73. People who cannot adapt to conventional jobs end up as entrepreneurs

# Entrepreneurs' morals

- 74. Entrepreneurs often stretch their consciences
- 75. Entrepreneurs do not care about environmental issues to a sufficient extent
- 76. Entrepreneurs are unscrupulous and pursue their own self-interest
- 77. --- missing (typing error in the questionnaire)

# Small enterprises as employers

- 78. Small enterprises are good employers
- 79. Small enterprises exploit their employees to the maximum
- 80. Small enterprises create new jobs
- 81. Small enterprises do not provide adequate opportunities for genuine professionals

# 4. Participation in the entrepreneurial training program, content of the program

Entrepreneurial training program, which has been developed in Finland, includes a number of components: lectures giving practical information of enterprise foundation; lectures on business and management, individual advice (e.g. development of a concrete business idea and discussing it with experts). In addition, the program provides opportunities to Finnish and Russian young entrepreneurs to establish contacts with each other.

82. Would you be interested in participating in such training program? (Yes, No)

If yes, would you be ready to pay for the participation? (Yes, No)

If not, please specify why? (Open answer)

Assess the importance of the following components of such a program using the following fivepoint scale: 1 - Not important at all, 2 – Rather unimportant, 3 – Don't know, 4 - Rather important; 5 - Very important

- 83. Practical information on entrepreneurship (bureaucracy, etc.)
- 84. Information on the opportunities for financing the enterprise activity
- 85. Marketing skills
- 86. Skills of accounting and financial management of the enterprise
- 87. Skills of commercialization of innovations
- 88. Internationalization of business (in particular development of contacts with Finnish businessmen/firms)

The program must include something else, please specify.

# 5. Conclusion

Please, take a stand to the following statements using five-point scale:

1 - I disagree completely, 2 - I partly disagree, 3 – Don't know, 4 - I partly agree, 5 - I agree completely

- 89. My education has provided me with good tools for entrepreneurship
- 90. My education highlights entrepreneurship to an adequate as a career alternative
- 91. My school has an atmosphere that induces and encourages entrepreneurship

92. At my schools students appreciate entrepreneurship as a career alternative

# Annex 2: Questions for focus-group study, Finnish members of Advisory and Project group

Several group questions were discussed:

- Starting point of the project
  - Why the project started? What was the main goal/idea of the project?
  - To what kind of needs the project responded?
  - What was a target group/s of the project?
- Success of the project
  - o Does the project succeed in general?
  - What was not succeeded during the project?
  - What must be done in different way?
  - How could you evaluate of partners' cooperation?
- Continuation of cooperation
  - o Is there need and interest for future cooperation?
  - What could be new goals?

# Annex 3: Topic list for semi-structured interviews

#### Short information about interviewed person and existing or planned enterprise

- 1. Name of respondent, age, education, speciality, entrepreneurial education (training, courses taken), age at the enterprise, practical work experience in sphere of your business.
- 2. if enterprise started (BDP)
  - name of enterprise, started year, status at the enterprise (owner, manager, etc), coowners, legal form, field of business, number of employees when started and change over last year (increase, same, decrease), change in sales (increase, same, decrease)
- 3. if not yet (SOTE, NVC)
  - a. Are you planning to run own business?
    - i. If yes, when do you plan to start, what will be your status at the enterprise, coowners, legal form, filed of business, number of employees
    - ii. If not, go to 4c, why do you participate in the trainings?

#### Motivation

- 4. What motivated to be an entrepreneur?
  - a. Push factors (internally and externally driven): unemployment, relatives, marriage break up, etc.
  - b. Pull factors (internally and externally driven): autonomy, achievement, self-realisation, power, independence, interest in the subject, gap in the market, certainty of clients, etc.
  - c. Do the trainings increase/decrease your motivation? Explain, please.

#### Knowledge, experience, skills, resources

- 5. Knowledge and experience
  - a. Are your education and/or work experience connecting to your business/business idea?
  - b. Do you have enough knowledge about environment, people, product/services, market analysis, finances, sales and promotion, management, risk management, marketing
- 6. Skills
  - a. What are the most important skills that an entrepreneur should have?
  - b. What are your strengths as an entrepreneur?
  - c. What are your weaknesses as an entrepreneur?
  - d. Problems faced due to lack of knowledge and/or skills in the process of starting of the business and further development/growth?

#### Business idea (SOTE, NVC)

- 7. Do you have a business idea? Please, describe it in brief.
- 8. Do the trainings help you to form, to clarify your business idea?
- 9. Do you have business plan?
- 10. Did you face any difficulties in writing of business plan?
  - a. if yes, what kind of?
- 11. Did you get consultations for writing of business plan by the GATE project staff?
  - a. If yes, was it useful? What knowledge did you get?

#### Development of business (mainly for BDP)

- 12. Future plans in general: growth perspectives, networking, diversification or specialization, etc.
- 13. What results are you planning to accomplish?
  - a. Do the trainings influence on your future plans and dreamed results?
- 14. What knowledge, skills and attitudes are necessary to achieve expected results?

#### Evaluation of entrepreneurship education

- 15. What knowledge was learned?
- 16. What skills were developed or improved?
- 17. What attitudes were changed?
- 18. How much transfer of knowledge, skills and attitudes occurs?
- 19. Do changes in job behavior occurred because of training? When you left the programme, how eager were you to change your behavior on the job?
  - a. If there are no changes, do you have a desire to change behavior in future? What would you like to change?
  - b. If you do not want to change your behavior, why?
  - c. If there are changes, please, describe. What specific behavior were your taught and encouraged to use?
  - d. Do the Russian conditions (political, social, and economic) allow to change behavior?
    - Additional short interviews could be done with supervisor or subordinates of respondent in order to evaluate changes in behavior.
- 20. What was your relation on learning in general: comfortable, relevant, interesting?
- 21. Could you in generally evaluate inside (lectures) and outside (visiting of companies) trainings?
- 22. What was positive and negative during trainings?
- 23. How the subjects content meet your expectations and needs?
- 24. Would you like to participate in entrepreneurship trainings in the future?
  - a. if yes, what topics do you want to learn more?
  - b. if not, why?
- 25. How would you evaluate learning by doing (do not participate in trainings, but learning by doing sings)?

#### Results

26. It is not possible to evaluate results of the trainings now, but how they could influence on your business in the future? What kind of changes could occur in production, internationalization, quality, costs, selection of strategies, etc.

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Gatchina Municipal District Leningrad Oblast



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