

## **Enterprising partnerships: incubating learning**

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### **Abstract**

“VET will play a key role in implementing a new pedagogy designed to equip learners to manage the changing demands of the contemporary workplace.”

Clive Chappell, Centre for **Organisational, Vocational and Adult Learning (OVAL)** commenting on new OVAL research and quoted in **Australian Training** December 2003, p.24

In 2003, **Douglas Mawson Institute of Technology (DMIT)** undertook one of ten **New Practices in Flexible Learning Projects** awarded as part of ANTA’s Australian Flexible Learning Framework. This New Practice set out to research and trial an integrated enterprise learning model to provide a bridge between the simulated business environment of **Practice Firms** to the real world of entrepreneurial small business operating within an established **Business Incubator**. A secondary objective was to investigate how employability skills could be effectively mapped, developed and assessed within this learning environment across 3 Training Packages.

While there were specific learning goals and deliverables anticipated from this project, the **action research** has focussed on how this new learning environment – the Work Studio, **Creative Resolutions** – might enhance both the learning outcomes and employment opportunities for participating VET learners. The focus has also been on exploring how teaching practices need to adapt and change when collaborating with business partners in this new learning environment.

The paper will detail the methodology and processes involved in implementing this ‘new practice’ in teaching and learning. It will both document and evaluate the learning outcomes from 3 perspectives – the learner/student, the teacher/facilitator and the business incubator partner, Todd Street Business Chambers – and propose a way forward to develop and sustain VET/Business partnerships which are mutually enhancing for learners and small business as well as contributing to local community capacity building. The trial has opened up new possibilities in learning environments and affirmed the premise that small business/VET partnerships can work more productively when the contributions each can make are mutually valued and effectively integrated.

## **Introduction: *Rationale***

For some years, DMIT has successfully incorporated the Practice Firm methodology as a vocational learning environment into several of its programs. At the same time, the Institute focussed on developing collaborative partnerships and building networks with local business in Adelaide's western suburbs. In particular, strong links have been established with the Port Adelaide Chamber of Commerce, the Western Area Business Enterprise Centre and most critically, with Todd Street Business Chambers, a highly-successful business incubator which has twice won the Australasian Business Incubator of the Year in 2002 and 2003.

These strong local and regional business relationships suggested that a more dynamic integration of business and learning could occur through some form of co-location, and thus the concept of '**incubating learning**' was born. Ten Certificate IV level students were offered the opportunity to locate in the Business Incubator for one semester as 'small business tenants' with access to the full range of Incubator services, including Business Mentoring from the Incubator Manager. The Incubator benefited through fostering and supporting young entrepreneurs (one of its strategic goals) who had current vocational skills, particularly in Information Technology, to 'sell'. The **New Practices** funding enabled the concept to be trialed.

## **The Methodology of the Work Studio**

The concept of setting up a learning environment within a Business Incubator was based on successful outcomes experienced using the Practice Firm methodology to deliver and assess competencies generic to the needs of business, but specific to the particular vocational training program being delivered.

As a means of developing the skills of participants beyond a controlled business network, the 'Work Studio' model provides a bridge between the simulated world of Practice Firms and the real world of Business Incubators. It particularly supports the learning and employability skills development of students undertaking specific leadership, management and/or marketing units at Certificate IV and Diploma level.

## ***The Students***

Our particular group of small business operators were involved in Tourism Management/Marketing, Retail Leadership, and Information Technology Client Support streams, and the students identified had, in the main, graduated through a Practice Firm environment therefore having some understanding of basic business principles and business set-up.

Students were consulted regarding the concept itself, the implications for them both as a group and as individuals, and the anticipated benefits to their learning outcomes, skill development and employability. Less immediate but equally important outcomes were also discussed including:

- the experience within the Business Incubator enabling them to develop their own business niche potential in the future; and
- employment and business networks both within the Business Incubator and through associated business/industry groups.

As with any new model, we ensured that the learning activities reflected both the theory and practical applications required for the students to achieve competency within their chosen vocational streams. The students/business operators were rostered into the Incubator business for three full days per week during which time they developed their business as well as attending scheduled workshops and mentoring sessions with the Business Incubator Manager. Intensive campus-based theory sessions were held one day a week with these sessions also providing an opportunity to discuss issues relating to their small business with their specialist lecturers.

The initial business fit-out of their Incubator space, including Information Technology services, was organised through the Institute, but the layout was the responsibility of the business operators, ie. the students. Naming the business was a particular challenge as it needed to serve two aspects of the business – the Tourism Marketing service and the IT Client Support service. They were unanimous in their choice of **Creative Resolutions** as a means of describing the rather unique joint service that they would be providing, and then added the descriptor ‘Work Studio’ to describe their actual facility. **Creative Resolutions Work Studio (CRES)** was launched at a Champagne Breakfast with guests including Business Incubator tenants, Institute and TAFE SA staff, and a number of local and State business leaders. In true entrepreneurial fashion, the launch proved to be an excellent networking function for the new business operators with some good business leads emerging.

In consultation with the Business Incubator Manager, a system was established which awarded students ‘points instead of \$’ as a means of running the financial component of their business, ie. income and expenditure. Clients serviced within the Incubator would pay the business operators for services rendered based on the negotiated ‘points’ fee.

One of the priorities of any new business venture is to develop a Business Plan and this became the first task of the new business operators. Working closely with their business mentor within the Incubator, the students developed a draft business and marketing plan which would be used to stimulate business activity, provide direction, and against which they could monitor their progress. Regular meetings with the business mentor provided feedback and assisted the students to reflect on the impact of their activities on their business.

The services of the Information Technology Client Support team were in demand from the first day of business operation with such notable clients as the General Manager of the Western Area Business Enterprise Centre; the shared services/reception area of the Business Incubator; the Business Incubator Manager, and a number of Incubator clients who required Information Technology problem solving and software-use training. The Tourism Marketing service secured work with *Protea Training* and *Learning Potential Services*, two businesses within the incubator

collaborating on a joint international project *Edutours* which required some assistance with their market research. The Tourism marketing team also supported the *Light up the Port* project through further market research/sales work to promote the concept of Christmas Lighting within the Port Adelaide business community.

Students thus had the real experience of what it was like to be building a small business which required the actual running of the business, marketing for new business, attending scheduled meetings and networking events as well as coping with an ongoing training schedule. Welcome to the challenges of running a small business!

### ***The Staff***

Teaching staff inducted into the program were those who were either:

- experienced in simulated work environments; and/or
- employability skills development; or
- related flexible methodologies that maximised the learning/employment opportunities of students.

Staff developed learning strategies for their students that provided opportunities for them to assess the required competencies. They were also mindful of the activities that would be undertaken by the students under the mentoring of the Business Incubator Manager.

Regular staff visits to the Work Studio enabled them to both monitor activity and provide student support as required. Liaison with the Business Incubator Manager was primarily carried out by the project/studio facilitator, however all participating staff attended scheduled meetings which often included the Business Incubator Manager and the Institute Sponsor. This ensured a unity of purpose and an opportunity to resolve issues and share the positive learning as the project progressed.

### ***The Business Mentor***

Enjoying the services of an on-site business mentor was invaluable to the students (and staff) involved with the Creative Resolutions Work Studio. The role of the Business Incubator Manager was pivotal in:

- Sharing the concept and learning methodology of the PortAbility project with other incubator tenants, preparing them for the students' arrival and eliciting enthusiasm for the services that would soon be available.
- Providing mentoring, support and encouragement from a 'hard' business perspective to the fledgling new business whilst at the same time recognising the educative nature of the activity.
- Ensuring complementarity of the incubator experience and on-campus studies of the students through regular discussions with staff.

## **Learning Outcomes**

While there were specific learning goals and deliverables anticipated from this project, the **action research** focussed on how this new learning environment – the **Work Studio** might enhance both the learning outcomes and employment opportunities for participating VET learners. The focus has also been on exploring how teaching practices need to adapt and change when collaborating with business partners in this new learning environment. And, finally, we wanted to know how the Business Incubator tenants would react to having ‘students as small business operators’ in their midst. What was in it for them?

## ***Students***

“The bumpy road to success” was how our students described their journey throughout the New Practices project. Competency was achieved against all Employability Skill areas, as each student was required to initiate and react to day-to-day management opportunities and problems.

Their experiences were not without frustrations, conflict within their team, reliability and responsibility issues, poor communication and initial differences on business practices and leadership roles. It should also be noted, in fairness to the students, that they did have some initial concern as to how they would handle the awesome responsibility we seemed to be imposing on them. However, the “bumpy road” did end in success, and feedback showed that the students believed they did develop:

- personal and business confidence;
- an understanding of what customer service really meant;
- business/small business management skills in a real work environment;
- networking and business relationship skills; and
- an opportunity to re-think their future opportunities in employment or self employment.

As with the majority of start-up business operators, the students paid attention to the book-keeping records, but did not choose to use the information to prioritise, make decisions or plan. This shortcoming was noted by our Incubator mentor who assured us that this single skill/awareness is demonstrated by very few clients within the incubator and reflects a primary need within the small business community. This information is invaluable, not only from a training perspective, but also in refocussing mentoring or support services for future simulated business operations.

By the end of the project, most of the participating students wanted to go on to higher study, including four students who were also making plans, at varying stages, for starting their own business operation. One IT student is currently undertaking contract work with a number of the Incubator tenants while she builds up sufficient equity and hones her business and marketing plans to a point where she herself will become an Incubator tenant.

## *Staff*

Equally, staff experienced a ‘bumpy’ yet ultimately rewarding learning road through the project. Perhaps the hardest thing for the TAFE staff involved was to learn to step back and let the students get on with running their small business, mistakes and all.

The analogy used by our business mentor, the Business Incubator Manager, describes this situation well. “Imagine”, she said, “that this new learning environment is like a fish bowl. The students are introduced into a new medium where I become their major learning resource and you, their previous staff mentors, have minimal contact but observe them from outside the bowl and feed them small amounts of sustenance every now and then. Occasionally, you may make an adjustment or change the fish bowl to enhance their learning, but in a small business environment, you sink or swim sustained by your own business skills and acumen. This is what they (the students) are here for – to try out and further their skills in a ‘real’ business environment.”

Staff learning in this process was documented in one of the project deliverables – an indepth Case Study recording reflections and insight on their journey. Our Business Mentor and Institute sponsor also participated in this activity. In addition to the above, the major findings included:

- previous experience in Practice Firm/simulated business environment methodologies is invaluable;
- strong support/advocacy at Institute executive level to ensure access to necessary resources and services is critical;
- staff (and students) need adequate time for orientation, induction and business ‘storming, forming and norming’. The project team needs to contextualise objectives into their planning and timetabling and to develop operating protocols;
- the opportunity for direct involvement with small business over a period of several months is invaluable professional development – like a return-to-industry experience.
- ensure required Institute services are briefed about the project and the required support negotiated prior to the commencement of the students in the new learning environment.

## *Business Incubator Tenants*

“. . . the high quality of selected students and their preparation, coupled with mature, professional attitudes, provided a good working and sharing base that was positive, worthwhile and relevant to both the students and the client.”

General Manager, Western Area Business Enterprise Centre (WABEC).

On completion of the New Practices project, those Incubator tenants who had accessed the services of **Creative Resolutions** were asked to provide feedback via a questionnaire to the project team. The General Manager of WABEC who is located within Todd Street Business Chambers, was most positive in his comments regarding

the mutual benefits of co-location to both Incubator tenants and students. Other tenants were equally supportive of the model, although they were able to suggest areas for improvement. In general, the tenants agreed that:

- They were able to provide the students with opportunities to work on real projects which were important to the development of their business (in other words, there were practical and tangible benefits from their involvement). This was particularly so in regard to the IT students whose assistance in developing data bases, setting up effective file management systems and designing and establishing websites was much appreciated.
- The students generally exhibited positive attitudes and good communication skills, but tended not to appreciate the sense of urgency and effective time management that needs to drive small business operations.
- Areas of student skills that need prior honing to maximise their Incubator experience include business needs analysis, pricing, costing and quoting, and business relationships development.
- Improved induction for tenants might include a tenants/TAFE staff seminar so that tenants have a better appreciation not just of the students' background and skills, but also of the structure of the TAFE training they are undertaking and the competencies which were being assessed.

### **Conclusions — and Next Steps !**

On a small scale, we do believe that the **PortAbility** project successfully '*incubated learning*', and that it demonstrated that small business and student learning, at least within a Business Incubator, can both co-exist and be of mutual benefit to each other.

Supporting business and community through student interaction not only develops stronger links between the training/learning environment and the community, but also introduces younger learners to the concept of community capacity building and how communities work. Through a closer working relationship with networked business and community structures, students learn to develop community relationships and are able to contribute more widely to the community as well as have the confidence to step outside the comfort zone of their learning environment or place of employment. The benefits to both business and the community, whilst initially seeming insignificant, can ultimately help to revitalise or reinvigorate a community through entrepreneurship in a variety of forms.

The PortAbility model has generated considerable interest in both State and National forums and will be further publicised through ANTA's Australian Flexible Learning Framework during 2004. In TAFE SA, and DMIT in particular, we intend to build on the project learning outcomes as follows:

- DMIT has won a 2004 State-funded **Innovation Initiative** project entitled **Integrated Business Partnerships in Training** to further develop and refine the methodology of the PortAbility project and broaden its applicability across other VET programs and Training Packages, particularly as an effective way of developing and assessing employability skills and providing meaningful vocational placement.
- A Professional Development strategy to induct other staff in effectively utilising this methodology is being developed.
- A promotional strategy to small business, business associations and local councils is being developed by the business incubator manager to publicise the value of the PortAbility model in better integrating business and training/learning.
- The applicability and value of the PortAbility model for priority or targetted groups such as Indigenous or disabled learners, young or mature learners, will be investigated.

## References

ANPF – Australian Network of Practice Firms

<http://www.anpf.cit.act.edu.au/index.php>

Todd Street Business Chambers – Small Business Incubator

[http://www.pae.sa.gov.au/content/show\\_page.asp?id=151](http://www.pae.sa.gov.au/content/show_page.asp?id=151)

WABEC – Western Area Business Enterprise Centre

<http://www.wabec.com.au/>

CIBM – Centre for Innovation Business and Manufacturing

<http://www.cibm.com.au/>

DMIT – Douglas Mawson Institute of Technology

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