



## Enterprise and Business Committee Enquiry into Youth Entrepreneurship.

Young Enterprise supporting submission

With 50 years experience in enterprise education Young Enterprise is well placed to add significant experience and value to the Youth Entrepreneurship Strategy through our tried and tested programmes to develop entrepreneurship. From an education viewpoint, students are being encouraged as part of the Welsh Baccalaureate Qualification to learn aspects of being enterprising by planning, marketing and developing a product or service through the Young Enterprise Company Programme. With the support of business people from their local community we offer young people in Wales real business experience.

The importance of youth entrepreneurship, and in particular the Young Enterprise Company Programme is clearly demonstrated in the Young Enterprise Company Programme Alumni Case Study:

Mazuma was founded in 2006 by childhood friends Lucy Cohen and Sophie Hughes after they spotted a gap in the market for low cost, hassle-free accountancy services. Fast forward to today and the company is one of the largest providers of small business accountancy services in the UK. Operating from Bridgend, South Wales, the business provides a national service with additional offices in North London, Lincoln and Woking. In April 2011, Mazuma was successfully launched in the USA and plans are afoot to take the brand to Australia in the next couple of years.

**Sophie Hughes** says: *"I could not wait to take part in Young Enterprise during Sixth Form at Howell's School in Cardiff. From a young age I was interested in business and very keen to have a career in this field, and whilst at school I decided I wanted to train as an accountant. Therefore I jumped at the chance to be the Finance Director of our Young Enterprise Company".*

*"It was a fantastic experience – the highlight was our business placing third overall in the Regional Finals. Plus we each made a nice profit to keep which was an added bonus! My experience with Young Enterprise really helped me and I have since gone on to achieve what I had hoped for; my accountancy qualifications and, along with my business partner, my own accountancy practice".*

**Lucy Cohen** says: *"I took part in Young Enterprise when I was at Sixth Form at Whitchurch High School in Cardiff. To say it has impacted my life would be an understatement! It was my first real opportunity to understand the basics of what running a business meant. It also taught me valuable life skills such as working in a team, time management and presentation skills; all of which proved to be very useful in the future as I am now the co-founder and Commercial Director of one of the UK's fastest growing accountancy firms which employs over 20 staff."*

The Welsh Government no longer provides funding to support young people to access the Young Enterprise Company programme, a programme that for many has proved a life changing opportunity

Our new and refreshed 2013-14 Young Enterprise Wales Programme offer is designed to prepare young people for the challenges in the world of work. With so many problems facing young people today in securing employment and making the best choices for their future, we need to inspire them to succeed, grow their resilience and build their confidence and skills.

This year we aim to offer 4 core route ways to engage different groups of young people in enterprise. All programmes will be delivered by trained business advisors from local business communities in Wales, who want to help ignite that spark of enthusiasm and industry for the next generation.

**What is the scale of Welsh Government resource and funding targeted at the promotion of youth entrepreneurship? Is it sufficient?**

From the viewpoint of YE, the withdrawal of funding to Young Enterprise in Wales has put at risk the momentum gained and with it the huge potential that exists to increase numbers of young people in Wales afforded the opportunity to 'Start a Real Business' through the Young Enterprise Company Programme. Funding support from Careers Wales contributed to supporting 2000 students in Wales to form 150 Companies in the 2012/13 academic year alone.

**What progress has been made in implementing the Welsh Government's Youth Entrepreneurship Strategy and Action Plan?**

Young Enterprise Wales fully supports the YES action plan and is keen both to contribute and add value to it's success. However we would be concerned that the changes in the Careers Wales remit may now put the strategy at risk.

We feel strongly that schools have very limited capacity to provide their students with tools to successfully complete the Work Related Education element of the WBQ. We are concerned that many students will not gain real business experience, inspiration to fuel their future goals and aspirations. We are further concerned, as to what measures will exist as a work or enterprise experience for our young people, including those not able to follow the academic route and/ or at risk of unsuccessful transitions into positive post educational employment outcomes. The programme menu that was previously offered to schools/colleges has now been withdrawn resulting in removal of choice and support. Organisations such as Young Enterprise are now potentially providing Enterprise Education to our young people outside of any strategic governmental framework. The added value that organisations such as Young Enterprise are bringing to the YES, needs to be captured and recognised as contributing towards its key outcomes.

**How does the Welsh Government's approach to promoting youth entrepreneurship incorporate issues such as equality, social enterprise and regional variations in skills and training opportunities?**

Young Enterprise programmes such as Tenner, Company Programme and Team Programme all offer Social Enterprise alternatives. One of our Young Enterprise Innovation Awards finalists are a group of A-Level pupils from Haberdasher's Monmouth School for Girls. They have set up a non-profit young enterprise company to help those in need in their community. Eloise Drake and her 14 friends have established Acts of Random Kindness (ARK) Enterprise to help the local community through providing boxes of products for improving the quality of life of deprived children, the elderly and members of the armed forces serving overseas. Eloise explains: "The scheme is not dissimilar to the Christmas shoe box appeals run by Rotary and

other charities, but significantly it is not limited to Christmas and donors do not need to fill their own box.

“Ark Angels will fill the box for you and because they have organised sponsorship and donations from local businesses, your money goes further. Ark Angels also take advice from charities working with recipients to ensure that the contents of the boxes are tailored to the needs of these specific groups. Members of the public can buy a box for donation or donate products for inclusion into a box. When buying a box the donor can specify which type of box they wish to buy and choose from two values of box; they can include a personal message inside the box if they wish.

“As much money as possible will be spent on the actual boxes and whatever is left over will be donated to local charities.

“We believe that everyone who helps to create a box, be it through donations, paying for a box, providing the actual box or delivering them, are all ARK angels and by helping you are brightening up someone’s day.

“We find that sometimes when giving money to charities you can be left wondering what the money is spent on; this is why we want you to know exactly what goes into the boxes.

“We decided that we wanted to help people with our Young Enterprise company. Picking our recipients was a very difficult task as we felt that everyone deserves a reason to smile every once in a while.”

The site [www.arkboxes.wix.com/arkboxes](http://www.arkboxes.wix.com/arkboxes) has just launched its online shop, meaning that people can now buy Platinum, Gold and Silver ARK Boxes for all those people we want to help.



### **What is the Young Enterprise Tenner Challenge?**

At the start of May, young people receive a £10 Pledge from the Young Enterprise Tenner ‘Bank’. They use this to start up their venture. They can work alone or in a group and have the month of May to make as much profit or difference as they can from the initial £10. The Challenge emphasises that giving some or even all of the profits to charity is not the only way their venture can make a difference. Some ventures are set up as a Social Enterprise with a clear view of having a social impact. Young Enterprise is working closely with the Social Enterprise Charity Unltd who will lead on the Social Entrepreneurship aspect of the Tenner Challenge. At the end of the month participants must repay their £10 pledge. The Tenner Challenge provides an exciting and accessible first venture into setting up a business venture. 28 schools in Wales have already registered or this programme, far exceeding previous involvement. As Richard Branson often states you don’t need a lot of money to set up a business just a great idea! Our aim is to provide young people with a route way that enables them to develop skills, knowledge and experiences through different stages in their entrepreneurial journey culminating in the participation of the full academic year long Young Enterprise Company Programme.

We have highlighted as part of our recent Save a Lost Generation Campaign a focus upon Rhondda Cynon Taf as a key area upon which Young Enterprise would like to focus support, and increase activity as a way of highlighting the importance of providing young people living within this area with increased support to access positive opportunities to increase life skills and entrepreneurial employability skills. One of the finalists at the Young Enterprise Innovation Awards 2013 is a company from Aberdare High School. The students, all from within the learning support unit at the school

earned over £750 before Christmas selling Christmas wreaths at fayres arranged by Young Enterprise and have since taken the initiative to work with their local cemetery. They also intend to promote their wares with local flower shops. The students confidence in their future was further advanced by coverage on ITV news as a positive story of how futures can be shaped by a positive Young Enterprise experience.

Michael Mercieca, Chief Executive of Young Enterprise, has said: *“ Society is in danger of defaulting on its moral obligation to the million young unemployed. This squandering of talent and loss of wealth is numbing and shameful. The experts agree we could do more to save this generation from the tragedy of unemployment. So let’s all get together and do something before this generation is irretrievably lost”.*

### **What opportunities are presented by increasing youth entrepreneurship as a means of tackling youth unemployment and inactivity?**

Independent Research undertaken in 2012 by the University of Kingston aimed to evaluate the impact of Company Programme on participants future careers. The findings stated:

- More Young Enterprise alumni end up running their own business: 42% of alumni surveyed compared to 26% in the control group of non-alumni.
- Alumni firms are more innovative: 21.2% of alumni firms were digital and ‘cloud’-based firms compared to 3% in control group.
- Alumni firms are more likely to be serial entrepreneurs: They are less deterred by the prospect of failing than others.
- Alumni were very positive about their experience of Young Enterprise: They said the charity had helped them most with achieving objectives, coping with problems and dealing with change.
- They are more likely to be resilient: 49.6% of alumni firms said boosting sales was top priority in the downturn while only 5% opted for internal cuts.

Overall, the report shows Young Enterprise has made a contribution to society and the wider economy. Its alumni are significantly more likely than average to run their own businesses, to be serial entrepreneurs and to show resilience in tackling a downturn.

The 2013 Company and Team Programme finals have been taking place across Wales over the last few weeks, with the winners set to compete for the honour of representing Wales at the Young Enterprise UK Company of the Year to be held in London on 1<sup>st</sup> and 2<sup>nd</sup> July. The Wales finalists have run businesses that are both innovative and diverse. Many of the finalists are from deprived areas of Wales, including representation from the South Wales Valleys. These students have been given an opportunity to learn skills for life, have grown in confidence and improved their employability prospects.

The combined total of profit from these 14 Company finalists alone is in excess of £7,000, all contributing to the Welsh economy!

### **To what extent is entrepreneurship embedded within secondary education, further education and higher education institutions in Wales?**

Entrepreneurship is embedded within secondary education within the Welsh Baccalaureate Qualification. Young Enterprise is nearing completion of a mapping exercise which clearly demonstrates the synergy of it’s programmes against the Work Related Education modules of the

Diploma. As it stands it is not clear what other programme enables our young people to achieve the units required. A positive outcome from the Youth Entrepreneurship Enquiry would be to provide clarity on how externally provided programmes delivered in Welsh Schools collectively and individually add value to the WRE modules of the Diploma.

The WBQ is embedded within our FE colleges. Many of these colleges throughout Wales participate in Young Enterprise Company Programme, with others opting for the shorter Young Enterprise modularised sessions followed by an Industry or Entrepreneurship Masterclass. For more academically challenged students Team Programme is a popular option.

Young Enterprise Start Up Programme has been delivered successfully with four companies established in Bangor University in 2012/13. Aberystwyth University are also registering for the programme with students from their IT department. Cardiff University are also to register after a Welsh Corporate has pledged financial support. The Young Enterprise Start Up Programme improves the HE delivery of Entrepreneurship. The programme enables students to create and run a company over one academic year, combining sector workshops, guest speakers, and insight days to come together, allowing other students to opt into sessions. Under graduates run the full company and gain in confidence and experience from hands on ownership of a real business, whilst learning to take risks safely by being protected by the support provided by Young Enterprise.

Dynamo Role models are also engaged with Young Enterprise activity in many cases, providing them with a Young Enterprise Programme that they can spend much of an academic year mentoring students in a real business, providing a much longer term impact upon students skills, knowledge and experience rather than a quick hit from an employer talk or assembly session, which although welcomed provides only limited benefits to our young people.

### **What is the evidence base for the Welsh Government's approach to supporting and encouraging youth entrepreneurship?**

There is a significant body of research highlighting a link between youth unemployment and the longer term issues of poverty, criminal behaviour, teenage pregnancy and social exclusion that can then last a lifetime.

We are currently working with a group of 12 young people from the Northlands Lifehouse, Cardiff. The young people have been taken off the streets and in to Hostel accommodation. The Lifehouse project is enabling them to build their confidence, life skills and attitudes for work. Through our Company Programme and added classroom activity, with the support of business volunteers over a 12 week period we will give the young people many life skills and the confidence to move forward with their lives, improving their employability skills. As programme deliveries such as these fall outside of any Welsh Government funding the important data is lost, along with the opportunity to chart further life progress and to calculate the true return on investment through this group making successful and sustained transitions into positive outcomes.

### **How does the Welsh Government monitor and evaluate its youth entrepreneurship activities? What impact has it had on the number of people starting a business?**

Up until March 2013 Young Enterprise has reported all delivery outputs and outcomes against contract targets to Careers Wales. These figures have included how many young people started YE Businesses, and also important information for the students personal Records of Achievement. Young Enterprise exceeded all targets set, delivering on student activity throughout Wales, reporting figures and facts

that demonstrated the inclusivity of our Company and Team programmes. This data is available and invaluable to track experiences and achievements.

As stated earlier, research evaluating the benefit of YE activities on participants future life chances has indicated a definite correlation between participation in the programme and key life skills such as

- Resilience
- Becoming risk aware and managing risk positively
- Adapting and responding positively to change

## YOUNG ENTERPRISE MAKES A DIFFERENCE

When Young Enterprise Alumni were asked about the contribution Young Enterprise has made to their business skills and knowledge they were very positive. In order of importance stating that Young Enterprise had improved their ability to: achieve objectives, cope with problems, deal with change, do business planning, start a company, build business relationships and networks, innovate, spot opportunities and evaluate ideas.

### **What examples of good practice in youth entrepreneurship policy can be identified within Wales, more widely within the UK and internationally?**

Good practice is evident from the Impact of the Young Enterprise Company Programme and other Young Enterprise Programmes such as Tenner and Start Up.

Young Enterprise has recently invested in evaluation resources to further develop the charity's evaluation processes. In addition the charity has invested in business surveys and a detailed Impact Report undertaken by Kingston University.

An evaluation of Company and Team Programme participation and the Wales Innovation Awards has been undertaken and submitted for publishing in an academic journal by Dr W Paul Jones. Dr Jones, formerly of the University of Glamorgan and now Reader in Entrepreneurship and Deputy Director of the Entrepreneurship Centre at Plymouth University presented the evaluation to Young Enterprise.

The study evaluated the experience of finalists of the Young Enterprise Company Programme at the 2012 Wales Final. The study found that the programme had an extremely beneficial impact upon participants business skills, knowledge and attitudes towards the attainability of an entrepreneurial career. Participants welcomed the experiential "real world" nature that the course provided.

The findings identified that in excess of 60% of the questionnaire respondents felt that, as a result of their YE experience they now have the ability to start their own business. Dr Jones concluded from this that YE has had a positive impact in enhancing entrepreneurial skills. Overall 52.3% identified that YE had positively influenced their future career choice towards an entrepreneurial path. When asked "Am I now more likely to start my own business?" 68% provided a strongly favourable response. This result, strongly suggests that Young Enterprise Wales has had a major impact on enhancing entrepreneurial intent.

The study has called for programmes such as Young Enterprise Wales to be imbedded within the core curriculum for all 15-19 years olds.

This research has been accepted for presentation at the British Academy of Management Conference to be held in Liverpool in September 2013. The conference is the largest conference of its type in the

UK and attended by members of the academic community from all over the world Thereafter the aim is to try to publish it in an academic journal.

A summary of the paper has been submitted by Dr Jones to a journal entitled "Education and Training".

The Assembly's Outreach Team were at the Young Enterprise North Wales Local Company and Team Programme competition final, collecting evidence for the Enterprise and Business Committee's *Inquiry* into Youth Entrepreneurship. Lowri Lloyd Williams, North Wales Outreach Manager for the National Assembly for Wales, said:

*"Events such as these are an important part of involving people in the work of the National Assembly for Wales, as decisions made at the Senedd will affect their lives".*

*"We spoke to many young people and their teachers who all put forward excellent points and ideas for the Enterprise and Business Committee's Inquiry into Youth Entrepreneurship.*

*"The information we have gathered will now contribute to a video that will be shown to the National Assembly's Enterprise and Business Committee, and will help to form its conclusions and recommendations.*

*"On behalf of the Committee I would like to thank all those who took part and contributed."*

In the UK: Young Enterprise is the United Kingdom's largest business and enterprise education charity. Every year we help 225,000 young people learn about business and the world of work in the classroom under the guidance of a network of 5,000 volunteers from 3,500 companies

It is internationally delivered overseas as Junior Achievement, from where it originated, being brought to the UK in 1963:

Junior Achievement is the world's largest organisation dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programmes. Junior Achievement programmes help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace. Students put these lessons into action and learn the value of contributing to their communities. In the USA JA's unique approach allows volunteers from the community to deliver our curriculum while sharing their experiences with students. Embodying the heart of JA, our 382,637 classroom volunteers transform the key concepts of our lessons into a message that inspires and empowers students to believe in themselves, showing them they can make a difference in the world.