

Mature Entrepreneur, Poland

This case study presents a local project that supported people between the ages of 50 and 64 in business creation by providing training, coaching and mentoring and grants. The description presents the objectives and rationale for the project, and explains how it worked. Data on the impact are included as well. The description also discusses the challenges that project managers faced and the conditions for transferring this type of project to another context.

Objectives

This project was a pilot that ran in Gdansk from 2009 to 2010. It aimed to support older people (50 to 64 years old) who were unemployed or inactive in creating a business. It also supported older people seeking to switch from paid employment to self-employment.

The objective of the project was to reduce unemployment in Gdansk among those between the ages of 50 and 64 years old, increase the number of business start-ups in Gdansk and to support the development of an entrepreneurial attitude in the local community.

Rationale

This project provided an entrepreneurship opportunity for those people between 50 and 64 years old who would still like to contribute to society and the labour market, but may have been made redundant or taken retirement. Business creation provides an opportunity for these people to contribute to society and actively participate in their community. It also provides an opportunity to earn some income to supplement their retirement savings.

There were three principle reasons for this project. First, older people tend to be over-represented among the unemployed in Poland – people over 50 years old account for approximately 20% of the unemployed. This over-representation is due to several factors, including structural changes that see experienced workers laid off due to their higher salaries. Second, many older people have insufficient savings for retirement and therefore need to return to work after spending some time out of the labour force. This can be difficult for older people because they often face discrimination in the labour market and are overlooked in favour of younger job candidates. Third, the project also aimed to combat stereotypes about older people in society. It showed that older people can help themselves to earn income and did not need to rely on the state for social welfare support.

Activities

The pilot project was launched by the Gdansk Municipal Employment Office. It provided a suite of integrated offerings, including training, coaching and mentoring, a grant, business advisory services, a bridging allowance and network opportunities. The

project was co-ordinated by officers in the local employment office and training, coaching and advisory services were provided by private sector business consultants.

The intake process for the project combined a written application form, interview and a 5-minute oral presentation made to a panel of officers from the Gdansk Employment Office. Both the written application and the short presentation had to describe the business idea and outline the applicant's plan for how they would develop their idea into a sustainable business. The panel assessed each application and presentation for its creativeness, innovativeness and potential for developing into a sustainable business. Furthermore, an interview was undertaken to verify and assess the applicant's relevant work experience and qualifications.

Over its duration, 120 applicants made presentations to the panel and 60 were selected for participation in the project. The 60 participants came from various backgrounds and were divided into three groups: the unemployed, the inactive and those in employment. Each group was provided with 150 hours of training that was comprised of 8 modules. These modules covered financing, marketing, accountancy, legal issues, computer training, psychological workshops, business planning and the legal requirements of starting a business. Training was provided by private sector training organisations.

While participating in the training, participants could use professional business consultants to help them develop their business plans. More specifically, the consultants assisted participants in developing a detailed description of their product or service, an assessment of the market potential and impact of the economic climate, an investment plan and a marketing plan. Each participant could receive up to 4 hours of individual consulting.

Upon completion of the training, participants were able to apply for financial support if they had attended at least 80% of the training classes. Financial support included a one-time grant of up to PLN 40 000 (approximately EUR 9 650) and a welfare bridge allowance of 6 monthly payments of PLN 1 250 (approximately EUR 300) to cover living expenses while the business was generating initial revenue. It was possible to extend the bridging allowance for another 6 months. This financial support was awarded by a committee that consisted of representatives of employers organisations. Throughout the project, 26 participants received financial support. Those who received funding also had access to the mentors and trainers for up to an additional 12 hours of individual support over the 6 months during which the participant received the bridging allowance.

Coaching and mentoring support was also developed by the Employment Office to provide individual guidance to participants. Coaches and mentors were identified through employer organisations and were provided with a small wage. Initially the project intended to use coaches and mentors who were approximately the same age as project participants. However, it was not possible to develop a sufficient pool of coaches and mentors from the same age group. Coaches and mentors were matched with participants based on the expertise of the coach or mentor. In some cases, the coaches and mentors were involved in delivering training and had already developed a relationship with the participants.

The training also resulted in the development of entrepreneurial networks for participants. Each training cohort spent a lot of time together, leading to bonds developing between them. Participants provided peer-support during the training, which continued afterwards. Training and coaches also supported network development through referrals made during training and consultation sessions.

Project financing

The project operated for 2 years and the total cost of the project was PLN 1.99 million (approximately EUR 480 500). This was funded by the European Social Fund (ESF) (85%) and the national government (15%).

Challenges encountered

This project encountered 3 principal challenges. The first challenge was that it was difficult to select participants because many of them had submitted business ideas that were not feasible. This was driven partly by unrealistic business ideas but also by a mismatch in the experience and qualifications of an individual and the proposed business idea.

Similarly, the project had originally intended to have an equal number of participants from each of the 3 target client groups, i.e. one-third unemployed, one-third inactive and one-third moving from paid employment to self-employment. However, the vast majority of initial applicants were inactive. Therefore, project organisers adjusted their recruitment methods in an attempt to reach unemployed people.

Second, training was a substantial part of the support offering. While all participants valued what they learned from the training modules, many were eager to launch their business immediately and felt hindered by the length of the training component, which was a necessary step to receive financial support and coaching and mentoring. This created a challenge for the project managers who had to persuade the participants to follow the scheme.

Finally, the project relied on European Union funding and stopped operating once the funding ended. The project managers would have liked to continue the project but they were not successful in locating other funds.

Impact

Of the 120 applicants to the project, 60 were selected to enter the training component. From this group, 26 received a grant and a monthly welfare bridge allowance. However, an additional 7 participants received a small grant from a local employment fund. All combined, project participants created 33 companies. All of the newly established companies were still active in 2014 and some created additional full-time jobs.

The project has won several awards for its innovativeness. In 2010, this project received the “European Enterprise Award” (EEA) with the title “The Best Human Investment” and in 2011 it won a European Enterprise Award for “Promoting the Entrepreneurial Spirit”.

The project also resulted in a 12-part TV series. Each stage of the project was filmed and the TV series was created to inspire other older entrepreneurs. In addition, a 30 minute movie was made to summarise the scheme.

Conditions for transfer

The Mature Entrepreneur project is an example of the impact that a local initiative can have on entrepreneurial spirit in a community. To transfer this experience to another context, the following keys to success should be central to the adaptation and implementation of the experience:

1. *Appoint a strong project manager.* The project manager is central to the success of the project because they are responsible for developing an entrepreneurship training component, building a pool of trainers, engaging coaches and mentors, promoting the

offering to attract participants and co-ordinating participants through the phases of support. They would also be responsible for fundraising to ensure that some financial support (i.e. grants and an allowance) can be provided.

2. *Develop the training project.* Mature Entrepreneur includes 150 hours of entrepreneurship training for participants. It will be important for this training to be adapted to the local economic context and to the needs of participants. For example, if this project was offered as “Young Entrepreneur”, the training component would need to be adapted to the needs and challenges of youth.
3. *Secure financial support.* One of the attractive features of this project is that it offers some participants a grant to help them start a business and an allowance to help them cover their living expenses during the first 6 months of self-employment. Offering these financial supports will require substantial financial resources, especially if the project has many participants. The project manager will need to secure funds from the national government and explore options at the EU-level, including the ESF.
4. *Build a pool of trainers, advisors, coaches and mentors.* The trainers, coaches and mentors will be the professionals who deliver the support. The project manager will need to establish a process to identify private sector (and semi-public) organisations who can deliver the training. This process could be an open call. Moreover, advisors, coaches and mentors will need to provide tailored individual support following the business creation. Trainers could also fulfil this role, but it is often more effective to engage entrepreneurs to do this. While Mature Entrepreneur paid salaries to advisors, coaches and mentors, many other projects in the European Union secure volunteers who are interested in “giving back” to their community.
5. *Use creative outreach.* Outreach can often determine the success of a project because it is crucial that people are aware of the offering and that the target clients are attracted to it. Mature Entrepreneur used both standards promotion (e.g. websites) as well as more innovative approaches to using the media (e.g. television programme). It is important that projects use outreach methods that will reach their target clients. It is often effective to use community-based media and champions who are respected among the target clients.

Reference

Employment Office in Gdansk (2011), “The Mature Entrepreneur – Summary of the Project Promoting Entrepreneurship Among People Over 50”, available at: www.pup.gda.pl.



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