

Launching Pads for Employment and Entrepreneurship, Spain

This case study presents an example of business development support for unemployed people who seek to create their own jobs through business creation. The description covers the objectives and rationale of this project and describes how it works. Data on the initial results are presented to show the project's impact. Discussion also covers the challenges faced in delivering this support and the conditions needed to transfer this approach to another context.

Objectives

The Launching Pads for Employment and Entrepreneurship (*Las Lanzaderas de Empleo y empre*) scheme aims to help the long-term unemployed (i.e. those who have been unemployed for at least 12 months) enter self-employment or return to work through business “launching pads” (“*lanzaderas*”). It is an integrated scheme that sign-posts information; refers participants to business professionals; provides training, coaching and mentoring; and offers psychological support. Its objectives are:

1. To improve and enhance the employability of participants through skills diagnosis and analysis and the establishment of a development plan tailored to the needs of each participant.
2. To restore or strengthen self-esteem, through mutual support that allows for the development of emotional intelligence. This is done with a focus on teamwork, one of the most demanded meta-competencies in the labour market and an important basis for personal growth.
3. To develop a network of contacts to support business creation and seek opportunities.
4. To develop the entrepreneurial skills so that participants can develop their own projects. The aim is to encourage them to consider the possibility of becoming entrepreneurs as well as apply creativity and entrepreneurial thinking as employees.
5. To strengthen linkages between business development support providers. The “launch pads” are an open system that connects organisations. Business professionals and entrepreneurs can contribute by sharing their knowledge and participating in the scheme’s events.

Rationale

The labour market situation in many Southern European Union countries, and particularly in Spain, has been recently characterised by pervasive unemployment. In Spain, the unemployment rate reached 24.5% in 2014 (Eurostat, 2015).

This ongoing project was started in 2013 by the social entrepreneur Jose Maria Perez, who believed that active labour market policies were insufficient to deal with the scale of the problem and that unemployed people needed to be more engaged in society, which would help them re-enter the labour market. The schemes “launching pads” are modelled after the Trade School Workshops that Mr. Perez founded in 1985 to help master craftsmen teach trade skills to unemployed young people, and enable them to find jobs restoring historical sites. This project has grown and is currently funded by the European Social Fund (ESF). It has also spread to Latin America, where Trade School Workshops now operate in more than 17 countries. Today, nearly 500 000 students in Spain and Latin America have gone through this scheme and 80% have successfully created jobs for themselves or found employment.

This scheme strives to counter the stigma of unemployment and frame it as an opportunity to strengthen one’s skills and develop an entrepreneurial mindset. It adopts a collaborative, supportive model that focuses on personal development and teamwork. Following the belief that isolation has harmful consequences for people, and undermines drive and creativity, the scheme also aims to free the unemployed from isolation, loneliness, discouragement and invisibility and to transfer them into a position of visibility and proactiveness. It mixes job-seeking activities with entrepreneurial workshops and relies on collective empowerment of participants and a shared social vision. Its philosophy is that “every burden becomes lighter when carried by many and good ideas attract good company”.

Activities

The scheme is based on a collaborative spirit and operates following a co-operative society model. It is managed by a team of 20 volunteers, who are selected according to two main criteria: i) be unemployed for at least one year; and ii) demonstrate a strong personal drive and an interest in taking up new challenges.

To enrol in the scheme participants must agree to work together in groups, self-organise and be the main actors behind the different activities organised within the “launch pad”. Although no specific professional experience or educational background is needed to be part of the scheme, participants commit to mutually train each other and collectively improve their professional qualifications and entrepreneurial skills.

The “launch pads” last between 5 and 9 months (depending on the size of the team as well as the requirement of funding entities) and are divided in four phases.

1. The *first* phase is one of “diagnosis”, where participants identify and express their emotions linked to unemployment, understand changes in the labour market, and get to know each other in order to build the foundations of a team.
2. In the *second* phase specific action plans are designed, both at the personal and team level. Participants start working on key competencies needed to start a business or find employment, and start analysing the environment and generating business ideas while participating in training sessions.
3. The *third* phase is aimed at supporting interaction with the external environment. Participants participate in networking events and visit firms and entrepreneurs to test and develop the ideas that were developed in the second phase. Participants also work on their business plan in this phase.
4. The *fourth* phase is focused on implementing individual and group plans. Individuals focus on starting their business activities and the groups support each other and make plans for how the network will continue after the “launch pad” has ended. In addition,

each group prepares a manual of good practices that will be provided to a subsequent “launch pad”. A closing event is organised for all of the “launch pads”.

“Launch pad” activities are held during the morning, five days per week. The first 3 days of the week are dedicated to group sessions, which are led by the coach. These sessions focus on the development of entrepreneurship skills to help participants prepare for launching a business, and to increase their employability. Activities include keynote speeches, company visits, case studies, business opportunity evaluations and creativity workshops that focus on brainstorming, adapting ideas and creative thinking. The goal of these activities is help participants develop an entrepreneurial mind-set.

The last two days of the week are dedicated to individual coaching sessions. Each participant has opportunities to work with the coach to develop their business ideas and receive support in meeting the administrative requirements of setting up their business.

In addition to the “launch pads”, optional provisions are made for those interested in business start-up. This includes a workshop on business model development, access to co-working space during the afternoon, visits to municipal and private entrepreneurship and innovation centres (e.g. Eutokia Centre in Bilbao and various entrepreneurship-related events, such as “Entrepreneurship Days” organised annually in most Spanish cities).

Each “launch pad” functions as a semi-autonomous entity. Each is responsible for managing its own projects, maintenance, participant selection and appointment of functional committees. The “launch pads” are overseen by the programme management team, which initiates the “launch pads”, raises initial financing for each, provides the methodology for classes, trains trainers and coaches, develops specialised curricula, provides management and pedagogic support, monitors quality of services provided, organises networking events and weekly Skype meetings for coaches to facilitate the exchange of good practices and innovations and offers the scheme’s brand. This clear role definition creates economies of scale and reduces the cost of the system.

Co-ordination of the work undertaken by participants is the responsibility of a professional coach. This is a full-time employee of the project. Coaches must meet the following criteria:

- have a university degree in social sciences;
- have experience in team management;
- have ICT skills and digital competencies; and
- demonstrate strong communication skills.

Once selected, coaches receive a total of 140 hours of training in coaching techniques, group dynamics, human resources management, entrepreneurship, leadership, personal branding and development of employability. 40 hours of this training is delivered in a face-to-face setting and 100 hours is an online training course.

Project financing

Each “launch pad” costs approximately EUR 40 000, although the cost of each varies slightly depending on size and length of support provided (i.e. 5 or 9 months). The scheme’s costs are presented in Table 19.1.

The largest single expense is the salary of the coach. For “launch pads” with a duration of 6 months, the coach needs to be hired for at least 8 months to allow for the proper training, the preparation of the scheme and the post-scheme evaluation. Technical costs

Table 19.1. **Costs for each launch pad**

Expense	Amount in EUR	
	Minimum	Maximum
1. Salary of coach	20 000	20 000
2. Technical costs	11 000	12 000
3. Materials	4 500	5 000
4. Travel expenses	2 000	2 500
Total	37 500	39 500

cover the expenses incurred to train and support the coach, design and undertake monitoring and follow-up work with participants. Materials cover books, presentation cards, communication and a web page. Travel costs include visits to firms or entrepreneurs, special events and networking events with other “launch pads”.

The scheme engages a wide range of stakeholders and is able to secure some resources through in-kind contributions. For example, physical spaces for the schemes are typically provided by local municipalities and some operational costs are covered by local firms or foundations. Many of the guest speakers are volunteers and private companies provide mentoring for participants. Local universities help with the design of impact measurement indicators.

The scheme receives funding from various sources, including:

- The Regional Government of Cantabria, which financed 4 pilot “launch pads” in 2013 in Santander, Astilleros, Catro Urdiales and Torrelavega. The investment was EUR 240 000.
- The Foundation Profesor Uría, which is related to the Spanish Law Firm Uría y Menéndez (www.fundacionprofesoruria.org/esp/noticia.asp?nt=1), co-financed with the Foundation Santa María the second “launch pad” in Aguilar de Campoo in 2014. The investment was EUR 33 000.
- Barclays Bank, which co-financed approximately 70% of the investment needed to launch and run 3 “launch pads” (2 in Madrid and another in Barcelona). The “launch pad” in Barcelona is operated by Acción Contra el Hambre (www.accioncontraelhambre.org/quienes_somos.php), one of the largest non-governmental organisations in Spain. The NGO also provided the remaining 30% of funds needed to run the scheme through financing obtained from the Operational Programme for the Fight Against Discrimination of the ESF. Under this scheme, the contribution of the programme team deals mainly with transferring the methodology, technical assistance, selection and training of coaching, and integration of these 3 “launch pads” into the wider network of launch pad schemes.
- More recently, the ESF has provided the scheme with approximately EUR 240 000, which is 80% of the amount needed to finance 8 new “launch pads” in the region of Andalucía in 2014.

Challenges encountered

One of the challenges for this scheme is assessing and demonstrating the impact. The programme management team is currently establishing a three-pronged approach for impact measurement and monitoring. First, it is strengthening tracking of the quantitative impact, i.e. the number of beneficiaries who start a business or find a stable job. Second, it is working to improve the measurement of its qualitative impact. The management team has developed a research survey, in collaboration with the Psychology Department of

Universidad Nacional de Educación a Distancia, which aims to assess the “transformative impact” of the scheme on its beneficiaries. This includes behavioural indicators such as degree of personal drive, feeling of empowerment, creativity level, and attitudes towards uncertainty, setbacks or new opportunities. The survey, which has been validated and pre-tested on a sample of graduates from the pilot “launch pads” in 2013, was distributed to the participants of the new “launch pads” starting in September 2014. The aim is to track their evolution over time, by administering the survey at the start of the scheme, at its end and 6 months after completion of the scheme. Moreover, the scheme is developing a real-time tracking system. It developed a mobile application to allow partner organisations and/or funders to know in real time the evolution of the “launch pad(s)” that they are supporting. It was realised in October 2014 and allows for monitoring of activities undertaken (e.g. entrepreneur visits), outputs (e.g. conferences or events co-organised with other organisations) and quantitative indicators.

Another challenge faced by the scheme is that the support is centred around the coach; there are no other employees. This task may be too large for a single coach and there is a risk that the coach will “burn out” or be unable to fully fulfil their duties. Given the small budget, the programme management team is looking to mitigate the issue by establishing partnerships with universities that would provide an intern to each “launch pad”. The intern would support the coach in performing their daily responsibilities.

Impact

An impact assessment of the pilot phases (April 2013 to December 2013) is ongoing and covers 5 “launch pads”. Monitoring data show that of the 114 unemployed people (excluding the coaches) who participated in the pilot phase, 25% started their own business and 63% found stable employment. The remaining 22% were either still seeking employment, or had decided to enrol in formal education in order to strengthen their skills and knowledge.

At the end of 2014, the scheme had a total of 40 operating “launch pads” with 800 participants. If the same proportion of participants starts their own business (25%), this would have led to approximately 200 unemployed individuals becoming entrepreneurs. The number of “launch pads” is expected to double by the end of 2015.

Conditions for transfer

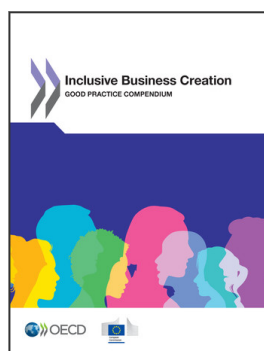
One of the strengths of this scheme is its quick and cost-effective scalability. Key conditions for an effective transfer to other contexts include:

1. *A philosophy of empowerment.* The scheme views the unemployed as valuable human capital rather than as a burden or a liability for society. The scheme’s pedagogical model emphasises the importance of educating people to develop their ability to help themselves. Participants are not seen as victims of an unemployment crisis but as active participants in shaping their own destiny. The core design decisions of the model are built around the ideas of empowerment as a mechanism of engagement, self-organisation as the structure, and entrepreneurship as a mind-set.
2. *Develop a strong network structure.* The scheme’s organisational model operates following a co-operative society model in which participants self-organise under the guidance of the coach and collaborate to undertake themselves the activities of the “launch pads”. The motto of “one for all and all for one” increases engagement of participants, provides a sense of ownership and creates a strong community. Further, the engagement of a diverse range of stakeholders who contribute *pro-bono* enhances cost-effectiveness of the scheme.

3. *Use a clear operational model.* The scheme uses a model of quasi-autonomous “launch pads”, overseen by a central unit. The clear definition of roles for the “launch pads” on the one hand, and the programme management team on the other creates scale economies and reduces cost of the system. However, this flexible approach has been problematic on occasion. It must be ensured that both parties buy in to the approach. There have been examples where the local “launch pads” have decided to operate autonomously. As a result, the participants were unable to participate in other programme events and the outcomes were weaker than other “launch pads”.
4. *Participant selection.* Given the importance of participant empowerment and capacity for self-organisation, the appropriate selection of individuals is crucial. A minimum level of competence and personal drive should be assessed as a condition for entry. More than 90% of the participants in the pilot project in 2013 had a university degree or a vocational training diploma, which is an indicator of skill and ability to be dedicated to a project.
5. *Leverage partnerships with experts.* The scheme builds on the strengths of the Fundación Santa María la Real, which has more than 28 years of experience in organising vocational workshops with disadvantaged and unemployed populations. The foundation also has a very strong network of partnerships with public and private institutions. The chances of successfully transferring the scheme to another context would be increased if such an organisation were involved. Partnering with a strong organisation provides credibility to the project, both in the eyes of potential participants and potential partners (e.g. public institutions, funders).

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