

National Assembly for Wales
Enterprise and Business Committee

Youth Entrepreneurship

November 2013



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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Enterprise and Business Committee

The Committee was established on 22 June 2011 with a remit to examine legislation and hold the Welsh Government to account by scrutinising its expenditure, administration and policy, encompassing economic development; transport and infrastructure; employment; higher education and skills; and research and development, including technology and science.

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Aberavon



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Welsh Labour
Mid and West Wales



**Rhun ap Iorwerth
(from 24.9.13)**
Plaid Cymru
Ynys Môn

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The Committee's Recommendations

The Committee's recommendations are listed below in the order that they appear in this Report. All our recommendations are directed at the Welsh Government. Please refer to the relevant pages of the report to see the supporting evidence and conclusions. We recommend the Welsh Government should:

Recommendation 1. Investigate the disconnection between the level of interest and aspiration for youth entrepreneurship and the actual number of businesses that are being started by young people, and establish how best to bridge that gap. (Page 12)

Recommendation 2. Work to improve the consistency of data on youth entrepreneurship and carry out rigorous monitoring and evaluation of progress achieved and comparison with other countries. The aim should be to collect more outcome-related information such as the wider impact of youth entrepreneurship on the Welsh economy, and long-term tracking of young people's progress following enterprise education, including disaggregation according to gender. (Page 14)

Recommendation 3. Consider how the culture towards entrepreneurship could be changed and work with partners such as the Prince's Trust to realise the ambition of disengaged young people in particular. Ministers may wish to consider hosting an annual conference for young people, their educators and parents to be inspired by successful young entrepreneurs. (Page 20)

Recommendation 4. Ensure entrepreneurship and social entrepreneurship are embedded into the curriculum in primary, secondary and further and higher education rather than being a bolt-on, placing enterprise skills at the very heart of the Welsh education system, and consider how entrepreneurship can be further promoted and mainstreamed within the revised Welsh Baccalaureate Qualification. (Page 25)

Recommendation 5. Decide who should take on the role of providing a central portal of advice and guidance for existing and potential young entrepreneurs and for developing a route map of the

options available, and subsequently work to establish those centres across Wales. (Page 26)

Recommendation 6. Publish an explanation of the assessment it made of Young Enterprise's effectiveness before its funding was withdrawn. (Page 28)

Recommendation 7. Monitor and review the impact of the change in Careers Wales's remit and the predicted short-term dip in the provision of entrepreneurship activities for young people, and publish its findings in a report on the first year of Career Wales's operations. (Page 29)

Recommendation 8. Review the range of initiatives available to support young people in setting up their own businesses, including the provision for more incubation facilities, and with partners - including Young Enterprise and the Prince's Trust - strategically and geographically set out their future role in delivering the YES action plan, enterprise activity within the Welsh Baccalaureate and any commensurate funding. (Page 32)

Recommendation 9. Ensure that the good practice being developed by the Regional Entrepreneurship Hubs can be shared across Wales and that they should be signposted more prominently in their local areas. (Page 34)

Recommendation 10. Encourage and incentivise more young people to be able to share and learn skills through networking and mentoring, and provide more opportunities for one-to-one coaching from a more diverse range of mentors. (Page 37)

Foreword

1. This was a fascinating inquiry, although frustrating at the same time. We were inspired by the young entrepreneurs who spoke to us. We were impressed with the Welsh Government's commitment to promote entrepreneurship and the range of initiatives that have been put in place in pursuit of that goal. We were encouraged by the statistics that show an upward trend in enthusiasm and interest in youth entrepreneurship.
2. Yet there is still a gap between that swell of aspiration and actual reality. The landscape of opportunities, initiatives and organisations involved in entrepreneurship is, as one witness put it, "a minefield." The lack of empirical evidence on the outcomes of the plethora of activities going on across Wales also gave us cause for concern.
3. Our vision as a Committee is threefold: first, for entrepreneurship to lie at the heart of Wales's education system so that young people are exposed at an early age to the spirit of entrepreneurialism and for it to become embedded in their everyday lives.
4. Secondly, we want to see a simplification of the provision for encouraging and supporting existing and potential young entrepreneurs - such as a one-stop-shop and a clear route map of the opportunities available - together with better coordination of the many organisations and programmes that provide support. That will involve more joined-up thinking across Government departments and improving continuity of investment so that young entrepreneurs are nurtured on a longer-term basis.
5. Finally, the wider and longitudinal impacts and outcomes of the Welsh Government's strategy for youth entrepreneurship need to be monitored and evaluated to measure effectiveness and achieve maximum impact.
6. If all that can be achieved - and we see the new Regional Youth Entrepreneurship Hubs as playing a key role in that - we see youth entrepreneurship as a key driver for Wales becoming an exemplar of an economy built on the pursuit of innovation and knowledge and on a culture of partnership working.

Introduction to the inquiry

7. There were five main stages to this inquiry. The first was our call for written responses to the inquiry's terms of reference.¹ Over 20 organisations responded, and they are listed at the end of this report.

8. The second stage of the inquiry consisted of a video package, produced by the National Assembly's Outreach team, which captured stories and experiences from students, young people going through the throes of starting up a business, young business owners, teachers and coaches across Wales. The video can be viewed at http://www.youtube.com/playlist?list=PLAiwwHW5TKfkF_lg7hsBPZorRxbKIGcf9s

9. The video showcased the flair and tenacity of the young people involved, but raised a number of issues:

- Lack of enterprise throughout the education system
- Lack of joined up thinking across different programmes and organisations
- Inadequate advice and support such as poor signposting to information, over-bureaucracy, inflexibility and delay in the grant system, and lack of expert support
- Lack of longer-term support to enable enterprises to grow
- A perception that Cardiff is the only hub of activity compared with the rest of Wales, particularly rural areas
- The importance of family, friends and mentors in initiating and sustaining the entrepreneurial spirit.

10. These were the themes we therefore explored during the rest of our inquiry.

11. The third stage of our inquiry involved fact-finding visits to two enterprise initiatives: the Alacrity Foundation in Newport and the Flintshire Enterprise Club in Deeside. Alacrity is a joint project between the Welsh Government, Sir Terry Matthews's company Wesley Clover and other private investors, which provides graduates with two years' training and mentoring to help them establish businesses in high-tech industries. The Flintshire Enterprise Club was recently established by

¹ See Annex 1

the Flintshire Business Entrepreneurship Network with funding from the Welsh Government's Communities First programme and support from Flintshire Council. The Club supports local entrepreneurs by providing networking opportunities, workshops, inspirational guest speakers and opportunities to learn from expert business people.

12. We are very grateful to both the projects for hosting our visits. A full note of our findings is included as Annex B and Annex C to this report.

13. Stage four of the inquiry involved taking oral evidence from a range of witnesses, listed at the end of this report.

14. Finally, we scrutinised the Minister for Economy, Science and Transport and the Deputy Minister for Skills and Technology on the Welsh Government's policies for youth entrepreneurship given that the youth entrepreneurship strategy is a joint one between both their departments.

15. We are very grateful to all the contributors to our inquiry. We hope that our report and recommendations have taken on board the evidence we received and that they will chart a clearer way for promoting and supporting youth entrepreneurship in the future.

Policy framework

Support for youth entrepreneurship “is great”²

Welsh Government initiatives

16. In November 2010 the Welsh Government launched its Youth Entrepreneurship Strategy (YES) action plan for Wales 2010-2015. It is a joint strategy between the Department for Economy, Science and Transport and Department for Education and Skills (DfES), and follows a previous strategy and action plan from 2004-2009.

17. YES aims to equip young people aged from 5 to 25 with entrepreneurial skills and attitudes and has three themes for delivery – engaging, empowering and equipping. Its vision is “to develop and nurture self-sufficient, entrepreneurial young people in all communities across Wales, who will contribute positively to economic and social success”. Written evidence from the DfES stated that YES has been selected by the World Economic Forum as one of four good practice case studies in national strategies for entrepreneurial learning.³

18. The Welsh Government’s activities to implement the YES action plan include the £6,000 Young Entrepreneurship Bursary under Jobs Growth Wales; the £6,000 Graduate Start-Up Bursary scheme; embedding entrepreneurship within education through the Careers and the World of Work Curriculum Framework (11-19), Learning Pathways (14-19) and the Welsh Baccalaureate; Traineeships; the Youth Engagement and Employment Action Plan; the six Business Entrepreneurship Champions; the 385 Dynamo Role Models; six Regional Entrepreneurship Hubs based within higher and further education settings; the additional £4.4 million for new youth entrepreneurship services announced by the Minister for Economy, Science and Transport in March 2013; and the Big Ideas Wales campaign.

² James Taylor, Business Entrepreneurship Champion, Record of Proceedings paragraph 56, 26 June 2013

³ DfES written evidence page 1

Statistics and trends on youth entrepreneurship

19. Wales has a higher total early-stage entrepreneurial activity rate (TEA) among 18-24 year olds than any other UK nation (over 10.2 per cent compared with the UK average of 6.2 per cent).⁴

20. However, this level of entrepreneurial intent does not necessarily progress into actual business start-ups. Figures submitted by the Federation of Small Businesses Wales (FSB) showed that in Wales 42 businesses per 10,000 people were started up in 2011 compared with 64 in the UK.⁵

21. The female TEA rate in Wales is lower (6.1 per cent in 2011) but still higher than the UK rate of 5.0 per cent and the female to male ratio of TEA is 60 per cent compared with 49 per cent for the UK and up from 45 per cent in 2010.

22. A higher proportion of young people under 25 have aspirations to work for themselves (52 per cent) compared with 39 per cent of the working population at large (16-64 year olds).⁶

23. Universities in Wales have a strong record in entrepreneurship. The number of graduate start-ups in 2010/11 was 267 (9.6 per cent of the UK total, which is nearly double what would be expected given the size of the sector). Approximately 10 per cent of total UK graduate start-ups surviving for three years are in Wales. Again this is twice what could be expected given Wales's percentage of the UK population.⁷

24. Colleges are the largest providers of entrepreneurship education in Wales. 53 per cent of Welsh further education students agreed that their college encouraged them to think about enterprise, compared with 37 per cent across the UK.⁸

25. We queried these trends with witnesses throughout the inquiry. There could be numerous underlying factors, although there seemed to be view that interest in entrepreneurship tends to be financially driven: young people see entrepreneurship as a means of gaining employment in the current economic climate. It was also thought that

⁴ Global Entrepreneurship Monitor 2011 UK Report

⁵ FSB written evidence page 3, citing StatsWales figures

⁶ Wales Omnibus Survey 2011

⁷ Higher Education Wales written evidence paragraph 2

⁸ CollegesWales written evidence paragraph 11

young people are influenced by television programmes such as *The Apprentice* and *Dragons' Den*.⁹ Yet at the same time, we were told that mounting debt and risk aversion was pushing young people into “safe, secure careers”.¹⁰

26. The FSB told us:

“Very often, those studying business in school and college tend to be overly cautious and lack ideas and originality. They also spend too much time on presentations, so the companies that they launch tend to be a little safe. It may come as no surprise that those studying art and design subjects tend to be more creative, tend to have a more can-do attitude and are more prepared to make mistakes.”¹¹

Recommendation: the Welsh Government should

Investigate the disconnection between the level of interest and aspiration for youth entrepreneurship and the actual number of businesses that are being started by young people, and establish how best to bridge that gap.

Monitoring and evaluation

27. There was a general perception among respondents to our call for evidence that it was difficult to gauge the effectiveness of the Welsh Government’s Youth Entrepreneurship Strategy and action plan, mainly because of the time lag between interventions and consequential business start-ups, and because it was not clear whether outcomes could be directly attributable to interventions.

28. The FSB told us that while it welcomed the fact that the YES action plan included targets and an annual reporting mechanism, there were inconsistencies and contradictions in how progress against the targets, milestones and outputs is presented in the Welsh Government’s annual reports. In addition, we were told:

“There is an issue of not only how we are presenting progress, but also the kinds of things that are being measured. For

⁹ Record of Proceedings paragraph 74, 20 June 2013 (am)

¹⁰ Simon Gibson, Chief Executive of Wesley Clover and Original Trustee of the Alacrity Foundation, see Annex B

¹¹ Record of Proceedings paragraph 126, 20 June 2013 (am)

instance, I wonder if sometimes we are in danger of measuring what is easy to measure. So, the number of activities provided, the number of people who took part and the number of people who visited websites are all quite tangible and easy to measure. It would be more useful to find out something qualitative: to find out the outcomes and the difference made as a result of those activities.”¹²

29. The FSB therefore suggested that what should be measured should be the quality of the information that is provided and whether it was what young people needed at that time; whether that information translated into a business start-up, and if not, why not; what difference it made; what softer skills were acquired in the process; and what changes young people wanted to see in the provision of information and support.

30. A number of other respondents¹³ argued that there should be a more longitudinal approach to evaluating entrepreneurial activity arising from the YES initiatives and that purely measuring impact by the number of business start-ups failed to capture the bigger picture, such as the benefits to normal working lives and wider cumulative benefits to society, the environment and the economy.

31. UnLtd¹⁴ told us that:

“How many young people are coming through, and the engagement of the young people as customers and the engagement of the businesspeople who are sustaining them are the things that we should be looking to promote, not necessarily schemes that are seen to produce good businesses.”¹⁵

32. We were therefore encouraged to hear from the Deputy Minister for Skills and Technology that the Welsh Government was starting to look at a mechanism for tracking the progress of young people.¹⁶

¹² Record of Proceedings paragraph 137, 20 June 2013 (am)

¹³ Record of Proceedings paragraph 194, 20 June 2013 (pm)

¹⁴ [UnLtd](#) is a foundation for supporting individual social entrepreneurs

¹⁵ Record of Proceedings paragraph 164, 12 June 2013

¹⁶ Record of Proceedings paragraph 149, 10 July 2013

Recommendation: the Welsh Government should

Work to improve the consistency of data on youth entrepreneurship and carry out rigorous monitoring and evaluation of progress achieved and comparison with other countries. The aim should be to collect more outcome-related information such as the wider impact of youth entrepreneurship on the Welsh economy, and long-term tracking of young people's progress following enterprise education, including disaggregation according to gender.

The Entrepreneurial Spirit

“You are born with certain elements of entrepreneurialism, and others are taught”¹⁷

33. The subject of our inquiry was “youth entrepreneurship”. To us, that meant focusing on the individual young person as opposed to “enterprise”, which implies a definition of the business entity.

34. As evidenced by our round-table discussion with members of the Flintshire Enterprise Club,¹⁸ it is also important to take a wide view of entrepreneurialism: many young people are being enterprising in the fields of music and culture, as well as the high tech industry sector.

35. As A LEAP¹⁹ told us, we should:

“Look at enterprise in the wider sense of people going out there, shaping their communities and being active in their communities. Wales has a very rich heritage and a lot of advantages in that respect.”²⁰

36. The South West Wales Regional Entrepreneurial Hub told us:

“It is not just about starting a business; it is about making young people more entrepreneurial...it is about making them more rounded individuals, so that they can bring something back to the Welsh economy, whether that is through a business start-up, which would be fantastic, or just through being enterprising within an industry.”²¹

37. We agree that creative and innovative employees are important within a company or organisation: “intrapreneurialism” as some witnesses called it.²² We were therefore encouraged by the Deputy Minister’s comment that:

¹⁷ Dale Williams, Director of Yolk Recruitment, Record of Proceedings paragraph 193, 12 June 2013

¹⁸ See Annex C

¹⁹ [A LEAP](#) is a not-for-profit learning exchange action partnership that helps young people to develop their own community projects, businesses and campaigns

²⁰ Record of Proceedings paragraph 70, 12 June

²¹ Record of Proceedings paragraph 188, 20 June 2013 (pm)

²² CollegesWales written evidence paragraph 5

“Entrepreneurialism is not just about start-ups. I prefer a very modern definition of the entrepreneur as an innovator who uses a process of shattering the status quo of existing products and services to set up new products and services. So, in my view, an entrepreneur can be accommodated anywhere, including in isolation as a business start-up. You can be an innovator - an entrepreneur - in a large company, in the civil service or anywhere in the public service or general life.”²³

38. During the inquiry it emerged that there can be significant barriers preventing entrepreneurialism. Many of the issues are esteem issues similar to, although perhaps not as acute as, the ones we encountered, during our inquiry into Apprenticeships in Wales.²⁴ The Deputy Minister for Skills and Technology referred to these as “cultural barriers” such as:

“Attitudes towards business, problems with attitudes to gender, attitudes towards innovation, and vocational learning.”²⁵

39. Family background does not appear to be considered such a defining influence as it may have been in the past. The Regional Entrepreneurship Hubs told us that young entrepreneurs are drawn from a more diverse range of backgrounds than has traditionally been the case. However, channelling the entrepreneurial spirit was considered very important. We heard about a young student:

“Who used to come in to sell eggs every week. They found that he was stealing the eggs, but he actually made a tidy little profit every week. So, the teacher made him the chief banker at the school, and he would collect all the money from the students who were saving. He now trains the other bankers. So, that shows his enthusiasm and drive and that he is being shown the right direction. It is about showing them the right road, but still encouraging that entrepreneurial spirit.”²⁶

40. Gender also did not seem to be as much of a barrier as we encountered during our Apprenticeships inquiry. Women were certainly under-represented among the high-tech graduates on the Alacrity programme that we visited, and it is generally considered that

²³ Record of Proceedings paragraph 10, 10 July 2013

²⁴ Apprenticeships in Wales, Enterprise and Business Committee, October 2012

²⁵ Record of Proceedings paragraph 11, 10 July 2013

²⁶ Record of Proceedings paragraph 177, 20 June 2013 (pm)

females are under-represented in the tech industries as a whole. UnLtd, however, told us that “it is 50:50, really. I think that we have a good representation; we have a fair gender split - neither gender is dominant.”²⁷ The Deputy Minister for Skills and Technology also informed us that Jobs Growth Wales business start-up figures suggested that the balance between male and female business start-ups was approaching more or less a 50:50 split.²⁸ There remains a question, however, regarding the types of businesses that women and men go into, but as there is no tracking of young entrepreneurs, there is no empirical evidence on this point. This is why we recommended the collection of data according to gender in paragraph 32 above.

41. Rather the biggest obstacle that we came across to youth entrepreneurship appeared to be the culture surrounding entrepreneurialism. One of the Business Entrepreneur Champions told us:

“In America, if someone fails and then succeeds, they are hailed as an entrepreneur champion. However, over here, if someone fails, they are barely given a second chance. This is where we hit a block every single time. People want to set up a business, they are keen, and they have the skills sets to do it, but they are so afraid of what mum and dad, or Joe down the road, will say when they say, ‘I want to do it’. I know from personal experience that, when I decided to take the leap of faith, I had floods of people telling me to get real, to go to get a proper job, and to stop being crazy. Nowadays, they do not say that; once you are successful, they say, ‘It’s all right for some’.”²⁹

42. Risk and “failure” clearly need to be perceived differently. We were told by UnLtd that:

“Failure is not always necessarily a bad thing. We should be encouraging people to learn from their mistakes and to make those mistakes at an early age, which gives them a good grounding for their better understanding in the future.[...]. so that the next time that you have a crack at a new venture, you

²⁷ Record of Proceedings paragraph 100, 12 June 2013

²⁸ Record of Proceedings paragraph 115, 10 July 2013

²⁹ Record of Proceedings paragraph 23, 26 June 2013

have overcome all of those pitfalls and.[...]you have had to learn the hard way.”³⁰

43. Neil Cocker, Managing Director of Dizzyjam, an e-commerce and merchandising platform in Cardiff, told us:

“If there is ever a time for you in your life - you are living with three other people, your rent is, like, £7 a week, you can live on baked beans; go and make mistakes, go and learn.”³¹

44. The Deputy Minister for Skills and Technology summed it up with a quote from Google: “business failure is not personal failure, but if you are going to fail, fail fast”.³²

45. One of the young entrepreneurs featured in our video said that “instilling the belief in young people that they can set up a business is one of the most important things”.³³ This view was echoed by the mentors and advisers we spoke to on our visit to the Flintshire Enterprise Club. We were told that energy, drive, passion and a hunger to succeed were the key ingredients.

46. Developing personal confidence and drive therefore plays an important role in defining successful young entrepreneurs. Dale Williams, Director of Yolk Recruitment’s philosophy was to make connections with people in order to create opportunities.

“I will never not take a phone call to my office. If you try to ring me to sell anything, you will speak to me. I speak to everybody, because I never know what the opportunity will be. I do not understand people who block lines of communication, because you never know where the caller might be in future. You do not want to sever ties with people, because everybody is trying to progress in their careers; they could be an influential decision maker in future, and suddenly you have your tail between your legs when you are pitching for their business a few years later because you were rude to them on the phone. I think that you should treat everybody equally, network and meet as many

³⁰ Record of Proceedings paragraph 124, 12 June 2013

³¹ Record of Proceedings paragraph 43, 12 June 2013

³² Record of Proceedings paragraph 12, 10 July 2013

³³ Francesca James, Social Media Branding Consultant and Managing Director of Fresh Content Creation, Cardiff

people as you can. If you do those things every day, things will happen.”³⁴

Addressing youth unemployment

47. Several witnesses believed that entrepreneurship has an important role in helping address the issue of endemic youth unemployment. The Neath Port Talbot Learning Forum, for example, stated in its written evidence that “being your own boss” is often a viable way out of unemployment and of limited qualifications, and that entrepreneurship should be included in initiatives for disengaged young people and those who are not in education, employment or training.³⁵

48. From another perspective, Supporting Engagement in Education, Employment and Training, a multi-agency group in Rhondda Cynon Taf, warned that entrepreneurship was no “quick fix” to youth unemployment.³⁶

49. UnLtd told us:

“Culturally or traditionally, there might have been an appetite for employment, but in a climate in which youth unemployment is potentially at an all-time high, encouraging job creators rather than just job takers is not only an important but a crucial task.”³⁷

50. The FSB told us that:

“I have noticed over the last few years a new phrase, which is ‘forced into self-employment as a result of the recession’; it makes me very sad to hear that. It is almost like saying, ‘Oh, I couldn’t find a job, so I had no other option but to become self-employed and start my own business.’”³⁸

51. The Prince’s Trust plays a key role in working with young people who are not in education, employment or training. It runs its own Enterprise Programme, which supports unemployed young people and

³⁴ Record of Proceedings paragraph 216, 12 June 2013

³⁵ Neath Port Talbot Learning Forum written evidence page 3

³⁶ Supporting Engagement in Education, Employment and Training written evidence page 2

³⁷ Record of Proceedings paragraph 69, 12 June 2013

³⁸ Record of Proceedings paragraph 192, 20 June (am)

those aged 18 to 30 who are employed for fewer than 16 hours a week (although not graduates or gap students) in working out if their business ideas are viable.

52. The Minister for Economy, Science and Transport stated that The Prince's Trust was crucial for getting at parts of the population the Government could not reach and for encouraging them to think about starting up their own businesses.³⁹ We were also interested to hear from the Deputy Minister for Skills and Technology that the new remit of Careers Wales:

“Will be to focus very much on the group that we now class as not in education, employment or training. Its work will very much focus on those young people in the deprived areas.”⁴⁰

Recommendation: the Welsh Government should

Consider how the culture towards entrepreneurship could be changed and work with partners such as the Prince's Trust to realise the ambition of disengaged young people in particular. Ministers may wish to consider hosting an annual conference for young people, their educators and parents to be inspired by successful young entrepreneurs.

³⁹ Record of Proceedings paragraph 80, 26 June 2013

⁴⁰ Record of Proceedings paragraph 151, 10 July 2013

Enterprise in education

“There was nothing about enterprise whatsoever.
So, business, to me, was never an option”⁴¹

Promoting entrepreneurship at an early age

53. The written paper from the Department for Education and Skills (DfES) sets out three main strands in which enterprise and entrepreneurship activity is embedded into education policy and delivery: the Careers and the World of Work Curriculum Framework (11-19); Learning Pathways (14-19); and the Welsh Baccalaureate.

54. The importance of embedding enterprise education in schools was echoed by a number of witnesses. FSB told us that the feedback it had received from mentors was that:

“A lot of schools have not really got it yet in terms of entrepreneurship and enterprise. They are still working to older models, where the careers advice is to go to university, get a good degree, try to join a blue-chip company and become successful that way.”⁴²

55. On the other hand, we heard from UnLtd that:

“There is an awful lot of good practice in Wales around entrepreneurship; I believe that there is entrepreneurship work with children as young as five, which is outstanding. The younger that you can sow the seed about entrepreneurship, the better the chance you have of it later in life.”⁴³

56. The importance of introducing enterprise education into primary schools was also mentioned by the South West Wales Regional Entrepreneurship Hub:

⁴¹ Video: Kylie Hearne, Prince’s Trust Ambassador 2012 and founder of Stardust Boutique in Sketty, Swansea

⁴² Record of Proceedings paragraph 192, 20 June 2013 (am)

⁴³ Record of Proceedings paragraph 79, 12 June 2013

“I believe that you need to instil entrepreneurial skills in very young children. I think that we need to start with primary schools and even registration ages.”⁴⁴

57. This view was countered to some extent by Dale Williams who said that starting with 5 or 6 year-olds was too young and that it would be better to focus on the 14 to 18 age group:

“There is a danger of starting too early, too soon, in primary schools, if I am really honest. You still need to enjoy your childhood and find your own way, to some extent, because not everybody wants to be a business person...

“I think that it would be in that window between the ages of 14 and 18, when you decide whether to go to university, to go into the working world or to set up a business. That is where you should concentrate on topics such as these.”⁴⁵

58. In its written evidence, Denbighshire County Council said that the culture of meeting and working with local entrepreneurs should be embedded within the secondary school sector from Year 7 onwards.⁴⁶

59. We were therefore intrigued to hear from the Deputy Minister for Skills and Technology that within the £4.4 million recently announced by the Minister for Economy, Science and Transport there will be a competition for “enterprise troopers” to inspire 5 to 11-year-olds.⁴⁷

60. Another point made about enterprise education concerned the lack of practical learning. On our visit to Flintshire Enterprise Club we heard that advice on technical issues such as intellectual property rights, tax returns and data protection was considered of major benefit by the members of the Club. During our visit to Alacrity in Newport, Simon Gibson, Chief Executive of Wesley Clover and Original Trustee of the Alacrity Foundation, told us that applied learning – how to sell, how to negotiate, how to raise funds – was sadly lacking in traditional business schools. He wanted to see a National Academy of Sales established to “transform” the business landscape of Wales.⁴⁸

⁴⁴ Record of Proceedings paragraph 128, 20 June 2013 (pm)

⁴⁵ Record of Proceedings paragraphs 252 and 254, 20 June 2013 (am)

⁴⁶ Denbighshire County Council written evidence page 1

⁴⁷ Record of Proceedings paragraph 29, 10 July 2013

⁴⁸ See Annex B

61. FSB told us that its research had revealed that:

“While young people are really enjoying enterprise education, sometimes, at the end of that, there is a gap, not necessarily in the theoretical side of things, but in the practicalities of, ‘How does this mean that I can go ahead to set up my own business?’ Young people said that they wanted specific information about tax law and employment legislation: the stuff that gives them the actual, practical knowledge to start the process.”⁴⁹

Embedding entrepreneurship in further and higher education

62. We heard of the many opportunities to support entrepreneurship in further and higher education. In its written evidence the University of South Wales reported that 65 per cent of its students received entrepreneurship skills training as part of in-curriculum activity.⁵⁰

63. FSB, however, told us that:

“According to our recent research with the focus group of higher education students, university careers services are not necessarily presenting [enterprise] as a realistic option.”⁵¹

64. Kieran Owens, a young entrepreneur who featured in our video and who also gave oral evidence to us told us:

“There is lots of support available, especially in colleges. I went to Yale College in Wrexham and the support there was fantastic, but when I moved to university, it was a bit more difficult to find.”⁵²

65. We were interested in the suggestion from Higher Education Wales to provide a more nurturing environment for businesses to grow and expand within the university surroundings, including “incubation” or development space”, and the proposal that empty shops and offices in town centres could be used for those purposes.⁵³ On our visit to the Alacrity Foundation in Newport the young graduates there stressed the importance of incubation periods of up to eighteen months if they were really to make a difference.

⁴⁹ Record of Proceedings paragraph 171, 20 June 2013 (am)

⁵⁰ University of South Wales written evidence paragraph 1.2

⁵¹ Record of Proceedings paragraph 171, 20 June 2013 (am)

⁵² Record of Proceedings paragraph 162, 20 June 2013 (am)

⁵³ Record of Proceedings paragraph 271, 20 June 2013 (pm)

66. Higher Education Wales and CollegesWales made the crucial point, however, that not all teaching staff have the skills to promote entrepreneurship.⁵⁴ We therefore welcome the creation of the Continuous Professional Development Hub for Wales, led by the University of South Wales, which over a three-year period will provide a pan-Wales approach to the development of entrepreneurial teaching and learning.

67. We also heard from CollegesWales that the Welsh Baccalaureate Qualification (WBQ) has been mainstreamed within the curriculum and that from 2015, when the new WBQ will be mandatory, employability and entrepreneurship skills will be an essential part of students' core education.⁵⁵

Social enterprise

68. A LEAP argued that “entrepreneurship is not all *Dragons' Den* and *The Apprentice*” but that there are many different forms of enterprise, and, importantly, that there are no areas where there is a *lack* of enterprise.⁵⁶

69. UnLtd told us that it encouraged “a model of business that includes a socially constructive aspect of your own community, as opposed to making a profit and reinvesting it into your own community, which are subtly different things.” It explained that through developing their ideas and learning enterprise skills, young people could create businesses:

“That could have environmental as well as social impact, and potentially even utilise the language skills that we have in this country. There is no wider viewpoint in that sense. There clearly still is a gap that is not being filled.”⁵⁷

70. [Young Enterprise](#) also advocated social responsibility:

“Young people taking social responsibility for an issue in their community, taking responsibility to create lasting and positive change, is a fantastic opportunity. The more we can introduce that in the Welsh Baccalaureate and drive that forward, the

⁵⁴ Record of Proceedings paragraph 319, 20 June 2013 (am)

⁵⁵ Record of Proceedings paragraph 260, 20 June 2013 (am)

⁵⁶ Record of Proceedings paragraph 181, 12 June 2013

⁵⁷ Record of Proceedings paragraph 162, 12 June 2013

better. However, to start with, we all need to be on the same page about what that means.”⁵⁸

71. The fact that people have different perceptions on that point was clear. Dale Williams thought that:

“I think that you can be enterprising in different ways, but, personally, I would say that the pinnacle of entrepreneurship is financial.”⁵⁹

72. We agree that entrepreneurship extends beyond merely business start-ups and traditional profit-making commercial activity and encompasses social enterprise.

73. We believe it is essential to establish entrepreneurship and social entrepreneurship as an integral part of young people’s education and learning, and the earlier the better.

Recommendation: the Welsh Government should

Ensure entrepreneurship and social entrepreneurship are embedded into the curriculum in primary, secondary and further and higher education rather than being a bolt-on, placing enterprise skills at the very heart of the Welsh education system, and consider how entrepreneurship can be further promoted and mainstreamed within the revised Welsh Baccalaureate Qualification.

⁵⁸ Record of Proceedings paragraph 115, 20 June 2013 (am)

⁵⁹ Record of Proceedings paragraph 226, 12 June 2013

Signposting

“It is a minefield out there...an absolute maze”⁶⁰

74. Many witnesses raised concerns about the lack of clarity regarding the options and routes available for young people. Several witnesses called for a “one-stop-shop” for signposting young people to initial advice and guidance, and the importance of developing a route map that clearly sets out the various options available to them.

75. One of the young entrepreneurs interviewed for our video suggested:

“[Merging] everything into one, single organisation so people know in Wales where exactly to go to for money, support, funding, advice.”⁶¹

76. The South West Wales Regional Entrepreneurship Hub told us that it was going to take on board the one-stop-shop role itself.⁶² The Flintshire Enterprise Club also appeared to perform that role for north east Wales.⁶³ We think that there are merits in rolling out both approaches across Wales, but there needs to be clarity and widespread understanding on who is fulfilling that role in different areas.

Recommendation: the Welsh Government should

Decide who should take on the role of providing a central portal of advice and guidance for existing and potential young entrepreneurs and for developing a route map of the options available, and subsequently work to establish those centres across Wales.

Role of Careers Wales

77. Careers Wales (Career Choices Dewis Gyrfa) has a considerable role to play in the delivery of the Welsh Government’s YES Action Plan. On 1 April 2013 Careers Wales became a wholly owned subsidiary of

⁶⁰ South West Wales Regional Entrepreneurship Hub, Record of Proceedings paragraph 170, 20 June 2013 (pm)

⁶¹ Video: Carwyn Williams, Owner of Café Espresso, Neath, Record of Proceedings paragraph 31, 12 June 2013

⁶² Record of Proceedings paragraph 172, 20 June 2013 (pm)

⁶³ See Annex C

the Welsh Government, which the Government said marked “the beginning of a more joined-up, refreshed and revitalised service”.⁶⁴ A single unified Careers Wales now forms the Welsh Government’s delivery arm for impartial careers information, advice and guidance, and education business partnership activity.

78. Careers Wales’s written submission referred to its Business Plan for 2013-14 and the fact that the emphasis of its remit set by the Welsh Government has shifted away from the delivery of opportunities and activities in schools and colleges to “widespread active employer engagement and an effective facilitation of careers and world of work programme in schools/colleges”.⁶⁵ As a consequence of this change, Careers Wales will no longer be involved in directly funding organisations such as Young Enterprise in providing activities in schools and colleges.

79. Young Enterprise told us that this withdrawal of funding (£100,000 in 2012-13, down from £126,000 in 2011-12) now puts “at risk” the momentum gained in increasing the numbers of young people afforded the opportunity to start their own business and the delivery of the Welsh Government’s own YES Action Plan.⁶⁶

80. The Deputy Minister for Skills and Technology countered this argument by saying that “it is for Young Enterprise to prove its value within the marketplace, because there are other providers of this sort of training”. He also said that “the modernisation of Careers Wales was absolutely crucial”.⁶⁷

81. Despite our questions to the Deputy Minister, we are still unsure as to the Welsh Government’s rationale for withdrawing the funding for Young Enterprise.⁶⁸ The Government’s decision is also in stark contrast to the findings of the Kingston University evaluation, referred to in Young Enterprise’s written evidence, which concluded that Young Enterprise has made a contribution to society and the wider economy, and that its alumni are significantly more likely than average to run

⁶⁴ Welsh Government News Release, 16 April 2013

⁶⁵ Careers Wales written evidence page 3

⁶⁶ Record of Proceedings paragraph 13, 20 June 2013 (am)

⁶⁷ Record of Proceedings paragraphs 40-41, 10 July 2013

⁶⁸ Record of Proceedings paragraphs 39-57, 10 July 2013

their own businesses, to be serial entrepreneurs, and to show resilience in tackling a downturn.⁶⁹

82. The South West Regional Entrepreneurship Hub expressed concerns about the future of some of the schemes provided by Careers Wales within colleges and schools.⁷⁰

83. Careers Wales told us that it was not surprised to hear concerns expressed by other witnesses. It anticipated a short-term “dip” in provision until it was able to build up momentum and capacity in schools, and build employer engagement, but it did not share the concern that there would be a dent in its long-term strategy.⁷¹

84. The Welsh Government official who gave oral evidence with Careers Wales confirmed that Careers Wales’s budget had reduced from £36 million to £30 million in 2012-13. He stressed that the core business of Careers Wales was the provision of careers information, advice and guidance, whereas the delivery of enterprise had always been a curriculum responsibility, albeit one that Careers Wales had traditionally supported.⁷²

85. We are concerned about how the change in Careers Wales’s remit will impact in the short term on the direct delivery and funding of entrepreneurship activities. We were concerned to learn, for example, that no assessment appears to have been carried out, either by Careers Wales or the Welsh Government, of the effectiveness of the schemes being run by Young Enterprise.⁷³ We are also concerned about how Careers Wales evaluates the success of its activities for promoting entrepreneurship given that we were told it does not track young people’s progress,⁷⁴ which is why we made the recommendation in paragraph 32 above.

Recommendations: the Welsh Government should

Publish an explanation of the assessment it made of Young Enterprise’s effectiveness before its funding was withdrawn.

⁶⁹ Young Enterprise written evidence pages 4 and 6

⁷⁰ Record of Proceedings paragraph 60, 20 June 2013 (pm)

⁷¹ Record of Proceedings paragraphs 16, 29 and 48, 20 June 2013 (pm)

⁷² Record of Proceedings paragraphs 21 and 57, 20 June 2013 (pm)

⁷³ Record of Proceedings paragraphs 42-53, 10 July 2013

⁷⁴ Record of Proceedings paragraphs 40-44, 20 June 2013 (pm)

Monitor and review the impact of the change in Careers Wales's remit and the predicted short-term dip in the provision of entrepreneurship activities for young people, and publish its findings in a report on the first year of Career Wales's operations.

Funding and support

“It is like a treasure hunt online to try to find out what you’ve got to do and when you’ve got to do it”⁷⁵

86. Several witnesses, including The Prince’s Trust, pointed to the confusing amount of information provided and the growing menu of support for young entrepreneurs.⁷⁶ The Trust stated that the numerous overlapping initiatives available can make it difficult to coordinate the delivery of support to young people and even lead to competition between organisations.

87. The Trust also mentioned anomalies with some of the UK Government’s incentives and financial assistance schemes which is impacting on the effectiveness of Welsh approaches to promoting entrepreneurship, and causing confusion over young people’s eligibility for support. For example, any young person who is on the Work Programme cannot access The Prince’s Trust’s Enterprise Programme:

“The Prince’s Trust regularly receives inquiries from young people who are on the Work Programme asking if they can engage on the Enterprise Programme. If we accepted them on to the programme, because we do not have a Work Programme sub contractor agreement in place we cannot access any other funding for them. This means there are some young people, including those leaving prison, who are not able to explore their entrepreneurship ambitions.”⁷⁷

88. Young Enterprise told us:

“We are in a world where resources are finite and they are smaller all of the time, so we need to make better use of that by coming together, so that we are not having duplication of these various funds or services. Also, we need to come at it

⁷⁵ Video: Francesca James, Social Media Branding Consultant and Managing Director of Fresh Content Creation, Cardiff

⁷⁶ Record of Proceedings paragraph 59, 20 June 2013 (am)

⁷⁷ The Prince’s Trust written evidence paragraph 18

very much from a conciliatory point of view in terms of being partners and accepting that people have different strengths.”⁷⁸

89. Careers Wales said that because of the plethora of initiatives available, a multi-agency approach to delivery was essential.⁷⁹

90. A LEAP wanted to see the greater involvement of children and young people in designing the provision of enterprise programmes.⁸⁰

91. Regarding the adequacy of the funding systems in place, UnLtd referred to the “defeatist nature of the grant dependency culture” and that the organisation therefore had a three-tiered approach to funding: ‘try it’, ‘do it’, and ‘build it’.⁸¹

92. When we visited Alacrity in Newport, Simon Gibson highlighted that access to capital for start-up activity was not an issue, but there was a lack of continuity of investment to enable those enterprises to develop and grow.⁸²

93. A tiered or staged system of support was also supported by Cardiff University, who argued that the eligibility criteria for the Graduate Start-Up Bursary, which requires an estimated £80,000+ turnover in Year 1 plus projected growth of 20 per cent year-on-year for the first three years was unrealistic.⁸³

94. In oral evidence, Higher Education Wales referred to the lack of financial support for young entrepreneurs who are still students.⁸⁴ We raised this point with the Deputy Minister for Skills and Technology. His response was that funding had to be prioritised and that “those bursaries should ensure that people who are not in higher education institutions have an opportunity to be business-minded and to develop their businesses”.⁸⁵

95. Another issue we heard about regarding the provision of support was that competition between enterprises was not well supported. Dale Williams told us:

⁷⁸ Record of Proceedings paragraph 68, 20 June 2013 (am)

⁷⁹ Record of Proceedings paragraph 31, 20 June 2013 (pm)

⁸⁰ Record of Proceedings paragraph 83, 12 June 2013

⁸¹ Record of Proceedings paragraph 129, 12 June 2013

⁸² See Annex B

⁸³ Cardiff University written evidence page 3

⁸⁴ Record of Proceedings paragraph 243, 20 June 2013 (am)

⁸⁵ Record of Proceedings paragraph 104, 10 July 2013

“We have brought millions of pounds to the economy, but, because we were not very sexy or exciting as a business because it was something that was already being done, there was little interest, help or support.”⁸⁶

96. Continuing with the geographic theme, a key issue that emerged from the evidence was the variation in support available to young people in different parts of Wales: we found that there can be different systems of grants, even within one area.⁸⁷ We believe that there needs to be a more joined-up approach to supporting the start-up of enterprises and supporting their growth and development, and ensuring consistency in the availability of that support across Wales.

Recommendation: the Welsh Government should

Review the range of initiatives available to support young people in setting up their own businesses, including the provision for more incubation facilities, and with partners - including Young Enterprise and the Prince’s Trust - strategically and geographically set out their future role in delivering the YES action plan, enterprise activity within the Welsh Baccalaureate and any commensurate funding.

⁸⁶ Record of Proceedings paragraph 211, 12 June 2013

⁸⁷ Video: Siân Jones, Enterprise Officer for Flintshire, Flint

Regional Context

“I don’t think it necessarily has to be where you are, it just has to be openness to the people around you. I think you need to have those positive influences”⁸⁸

97. There seemed to be different perceptions in how important location is for young entrepreneurs. Dale Williams told us that “I do not think that location comes into it.”⁸⁹

98. On the other hand, we have already made reference in this report to the variation in how entrepreneurship is promoted throughout Wales.⁹⁰

99. The Welsh Government attributed geographical inconsistency to factors such as different challenges, political and administrative areas, and argued that it was important that the provision of information, advice and guidance services was suitably positioned to direct people to the opportunities that existed.⁹¹

100. In our view, there needs to be a more even pattern of provision across Wales and for advice to be consistent in quality and availability.

101. Under the Welsh Government’s YES Action Plan, six regional youth entrepreneurship hubs have been established across Wales for a three-year period from 2012. Based within higher and further education settings, the role of the hubs is to promote and encourage entrepreneurial activity among young people, deliver practical experiences and prepare them for starting businesses. They do this through coordinating collaborative work across institutions in their areas. Each hub has a strategic lead institution which was selected on a competitive application process.

102. We took evidence from two of the hubs during our inquiry – the North West Wales hub based at Coleg Menai Grwp Llandrillo and the South West Wales hub based at Gower College. We were struck by the enthusiasm of the hubs, which to our mind is important to drive the delivery of initiatives that they are already running for young people in

⁸⁸ Video: Gareth Jones, Captain and Director of Innovation – Welsh ICE, Caerphilly

⁸⁹ Record of Proceedings paragraph 267, 12 June 2013

⁹⁰ See paragraph 94 above

⁹¹ Record of Proceedings paragraph 80, 20 June 2013 (pm)

further and higher education as well as primary and secondary school students.⁹²

103. The hubs told us that it had been “a huge learning curve” for them over the first six to nine months of their existence, but that they remained focused on “helping young people and making them much more entrepreneurial”.⁹³ Higher Education Wales thought that although it was still early days for the hubs, the early signs were “promising”.⁹⁴

104. We were impressed by the potential of the new hubs, although we believe their role, particularly the open door policy we heard about, needs to be more widely promoted and understood. We suggested in paragraph 76 above that the hubs could potentially fulfil the role of one-stop-shops for advice and guidance to existing and would-be entrepreneurs.

Recommendation: the Welsh Government should

Ensure that the good practice being developed by the Regional Entrepreneurship Hubs can be shared across Wales and that they should be signposted more prominently in their local areas.

⁹² Record of Proceedings paragraphs 129-134, 20 June 2013 (pm)

⁹³ Record of Proceedings paragraphs 116-117, 20 June 2013 (pm)

⁹⁴ Record of Proceedings paragraph 289, 20 June 2013 (am)

Mentoring

“Mentoring is really important.
I think everyone should give back what they’ve learned”⁹⁵

105. The importance of mentoring was a key theme to emerge from this inquiry. UnLtd told us:

“Recognition that another young person has come from a similar background, perhaps, or been on a similar journey to you, is a much more powerful way of encouraging other young people to think of entrepreneurship, whether it is social, private or otherwise, because of the nature of where they are on their journeys.”⁹⁶

106. UnLtd added:

“The support provided from a dedicated award manager on a one-to-one basis, the signposting, the networking and, essentially, the enabling role that our development managers played were viewed and valued more highly than the money itself. Money can be gained from a variety of places. Having someone that supports, trusts and enables you to achieve your personal and professional aspirations, I think, is a much rarer find, and it is something that is valued far greater by young people.”⁹⁷

107. As for the relative value of financial support versus personal support and advice, Dale Williams thought “they are as important as each other” but that “personal support is the more difficult of the two to secure.” Dale Williams was one of the few witnesses who mentioned the importance of having a business partner as opposed to sole trading. He added:

“Identifying somebody who you believe has a different skill set to you to add to a business model and identifying whether or not you can work with them in the long term - two, three or four people going into that business with you with the same

⁹⁵ Video: Rob Lo Bue, Founder of Applingua in Cardiff

⁹⁶ Record of Proceedings paragraph 133, 12 June 2013

⁹⁷ Record of Proceedings paragraph 119, 12 June 2013

ambition and motivation at the outset - means that the business will have a stronger chance of survival.”⁹⁸

108. Alacrity told us that it has about 50 people, who give up their time to teach and monitor its graduates.⁹⁹ A LEAP mentioned that some schools and youth projects in Wales make good use of their alumni by inviting them to come back and support young people.¹⁰⁰

109. One of the Welsh Government’s Business Entrepreneurship Champions told us that he helped to mentor young entrepreneurs merely for the “buzz”.¹⁰¹ Members of our Committee who visited the Enterprise Club in Flintshire heard from young entrepreneurs that the one-to-one mentoring that they had received with successful local business people had been invaluable.¹⁰²

110. Dale Williams highlighted, however, that mentoring could be difficult for business people:

“As someone whose time is precious - I am an extremely busy person - there is likelihood that I would perhaps be less available for eight dynamo role model presentations per month for free as opposed to eight presentations if they were, in some way, remunerated. As selfish as that may sound - and I am not a selfish person - I am talking practically about how I use my time.”¹⁰³

111. The South West Wales Regional Entrepreneurship Hub suggested having a “bank of mentors”, and also matching potential young entrepreneurs with an existing successful counterpart to enable young people to have a “business angel” on their shoulders.¹⁰⁴

112. A LEAP told us:

“If there is something that is missing, it is that there would be a benefit in the opportunity to access space for[...]meeting other businesspeople and that sort of thing.”¹⁰⁵

⁹⁸ Record of Proceedings paragraph 262, 12 June 2013

⁹⁹ See Annex B

¹⁰⁰ Record of Proceedings paragraph 135, 12 June 2013

¹⁰¹ Record of Proceedings paragraph 64, 26 June 2013

¹⁰² See Annex C

¹⁰³ Record of Proceedings paragraph 240, 12 June 2013

¹⁰⁴ South West Wales Regional Entrepreneurship Hub written evidence pages 3-4

¹⁰⁵ Record of Proceedings paragraph 82, 12 June 2013

113. Young Enterprise told us the Welsh Government's Dynamo Role Models provided "short, sharp deliveries" although they needed to be supported and nurtured through longer-term intervention.¹⁰⁶ In its written evidence, Chwarae Teg recommended that there should be more Dynamo Role Models from the social enterprise sector and from under-represented groups such as women, BME groups and those with a disability.¹⁰⁷

114. Given the body of evidence we received on the importance of mentoring we welcome the Dynamo Role Models scheme, although we would also like to see something more personally tailored.

Recommendation: the Welsh Government should

Encourage and incentivise more young people to be able to share and learn skills through networking and mentoring, and provide more opportunities for one-to-one coaching from a more diverse range of mentors.

¹⁰⁶ Record of Proceedings paragraph 84, 20 June 2013 (am)

¹⁰⁷ Chwarae Teg written evidence paragraph 4.5

Annex A - Inquiry terms of reference

The terms of reference for our inquiry were:

- How effective is the Welsh Government's approach to promoting youth entrepreneurship?
- What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?

Key issues

Issues that we considered as part of these terms of reference included:

- What are the experiences of young entrepreneurs in Wales?
- What is the scale of Welsh Government resource and funding targeted at the promotion of youth entrepreneurship? Is it sufficient?
- What progress has been made in implementing the Welsh Government's Youth Entrepreneurship Strategy and Action Plan?
- 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?
- What opportunities are presented by increasing youth entrepreneurship as a means of tackling youth unemployment and inactivity?
- To what extent is entrepreneurship embedded within secondary education, further education and higher education institutions in Wales?
- What is the evidence base for the Welsh Government's approach to supporting and encouraging youth entrepreneurship?
- 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?
- What examples of good practice in youth entrepreneurship policy can be identified within Wales, more widely within the UK and internationally?

Annex B – Visit to Alacrity Foundation, Newport, 6 June 2013

Members present: Byron Davies, Mick Antoniw, Eluned Parrott, David Rees, Joyce Watson

Summary of information given by Simon Gibson, Chief Executive of Wesley Clover and Original Trustee of the Alacrity Foundation (along with further information provided subsequently in writing by Raman Mistry, Chief Operation Officer).

Origins of Alacrity

- The Alacrity Foundation is based on Wesley Clover's business experience of 25–30 years.
- Wesley Clover has supported approximately 90 business start-ups worth \$13.3 billion in terms of economic output from a £4,000 original stake from Sir Terry Matthews.
- The average valuation of the businesses Wesley Clover has supported is \$150m, with around 80,000 jobs created.
- Wesley Clover used to take many graduates from the University of Waterloo in Ontario, Canada but it began to face competition from companies such as Google for the Waterloo graduates. Wesley Clover therefore decided to offer one-year training placements but realised this would be much better if it involved a wider range of stakeholders including government, universities and the private sector.
- Simon Gibson pitched the ideas of Alacrity to an independent board making decisions on funding allocations on behalf of the government of British Columbia. The board supported it and Alacrity was set up in Canada.
- **Simon Gibson met the then Deputy First Minister and Minister for the Economy and Transport, Ieuan Wyn Jones AM, to discuss the concept of bringing Alacrity to Wales.** He is still in discussions with the UK Government.
- **Despite the process taking some time, the Welsh Government decided to support the Alacrity idea** and the Alacrity Foundation was launched in Wales through a partnership

between the Welsh Government, Wesley Clover and other private investors.

- Funding was agreed in August 2011, although the Foundation did not move into its premises in Newport until April 2012 owing to refurbishment works on the building, which is leased from Newport Council.
- **Alacrity House was officially opened in September 2012** by the then Minister for Economy, Science and Transport, Edwina Hart AM, and Sir Terry Matthews.

How Alacrity works

- Fifty per cent of the **funding over the five-year length of the programme in Wales is provided by the Welsh Government** and 50 per cent by private philanthropy. In addition to Wesley Clover, the other private investors are The Waterloo Foundation and Andrew Probert, co-founder of Admiral Insurance.
- There are two branches of funding – the operational budget of £3.15m and a ‘seed fund’ of £2.5m (over a period of 5 years), which is used to support investment in Alacrity’s companies that have the most potential. Businesses are given significant sums (£250,000) as it is felt that lower sums would be insufficient and the business would be unlikely to succeed on the scale envisaged. Alacrity’s aim is to create companies that employ hundreds of people and not just four or five for example.
- One of the conditions of the Alacrity Foundation is that the businesses that emerge will be based in Wales.
- Alacrity provides what is essentially a post-graduate education in commercialisation and entrepreneurship, a phase of business which is 1½ times longer than the innovation stage. This concept is generally not widely understood and often funding ends after the invention/innovation stage because funders think the job is done.
- Alacrity follows a demand-driven rather than supply-led model. How Alacrity operates is radical in that rather than developing a product and then taking this to the market, its senior personnel meet the boards of large corporations and ask them what it is they need and then develop the required product.

- Examples of products currently being developed are a digital e-learning platform in higher education and an anti-tax evasion tool for government.
- Virtually all products are software based, reflecting the nature of Alacrity's strategic partners.
- The arrangement with its large corporation partners is that intellectual property rights remain with Alacrity until incorporation when the rights are transferred to the new company.
- An advantage of the Alacrity model is that the students are backed by multi-national companies who will fund sales and marketing activity. The student teams are also able to 'pivot' between considering opportunities with different companies rather than being locked into the first one they are offered.

Recruitment arrangements

- Alacrity has relationships with a number of universities that it visits to give presentations or lectures. Its strongest relationships are with Cardiff and Swansea but it recruits from other universities including Bristol, Exeter, Bath, Southampton, University College London, Imperial College London, Essex and King's College London.
- Alacrity also uses its own networks, the graduates' networks and advertises through a site called Enternships.com as a way of reaching out to students. To date, approximately 200 graduates have applied, of which Alacrity selected 40 for interview.
- Alacrity has recruited 18 graduates who are arranged into five teams. Optimally, the students work in groups of four, three of whom are from a relevant technical background – usually computer science – and one from a non-technical background.
- Recruits are from a diverse range of backgrounds and nationalities.
- One graduate has left Alacrity by mutual consent as he wanted to go back to pursue a business he had been working in prior to joining Alacrity.

Other observations

- Simon Gibson said that of the approximately 130 Computer Science annual graduates from Cardiff and Swansea universities, 70 per cent go to London where there are more relevant opportunities. A comparison was made with the numbers of students taking other courses such as media studies with arguably fewer job opportunities upon graduation.
- Simon Gibson said that **higher education did not cover many elements required to run a successful tech start-up such as writing specifications, using libraries of code, project management and particularly, there was insufficient emphasis on how to sell.** He highlighted that this was a situation not unique to Wales.
- Simon Gibson **strongly argued that entrepreneurship is a taught skill**, i.e. entrepreneurs are made and not born, and that it is a fallacy to suggest it is a genetic trait. He said that entrepreneurship is about having the confidence to take an idea and align it to the market.
- In Wales, there are many creative ideas but not enough commercialisation and business acumen, which are taught skills.
- Simon Gibson highlighted the importance of **incubation programmes** – periods need to be of a sufficient length and a minimum of one year.
- The three main things a business needs are Product, Customer and Revenue.

Future plans

- As part of Alacrity's collaboration agreement, the aim is to recruit at least 10 graduates a year with an expected outcome of 2 start-up companies a year or 10 companies over 5 years.
- No start-up companies have yet been 'spun out' as the earliest teams were not formed until September 2012. Alacrity expects its first exits in the next 3 to 6 months.
- Simon Gibson is also holding discussions with the European Commission about its input and support for the Alacrity model.

Summary of further discussions with Simon Gibson and Raman Mistry

- Alacrity has had substantial experience of working in Britain and Canada. Even though there are a number of similarities between these two countries, Alacrity noticed a significant contrast in their approach to youth entrepreneurship.
- The quality of people and/or ideas may be similar (“same people, same money, same ideas”) but there was a difference in that **Canada had a better mentality, attitude and confidence.**
- **Local authorities in Wales need to be more enterprising.** Alacrity’s experience from Ottawa in Canada was that local authorities there have a far more “can do” culture, particularly in how they responded to Alacrity’s pitch to work in partnership.
- Future businesses in Wales need to invest time and money into “Intellectual Property”. The future of business is not just about constructing new buildings that can so easily become vanity projects, but in the innovation of new products and services.
- It was suggested that companies should be encouraged to work with Enterprise Zones in the construction of office/company buildings in those areas.
- Simon Gibson suggested that there should be an **Alacrity-type programme for the biosciences in Wales**, highlighting that funding and time are essential to long-term success.
- The **essential components of an entrepreneurial culture are set out below.** These were considered the key areas for the Committee to amplify/advocate in its report and recommendations (and areas that would lead to a successful economy):
 - **Ideas and Skills:** this should start with primary schools and continue through secondary schooling. What about an annual youth entrepreneurship conference, where young people can be inspired by their enterprising peers?
 - **Capital:** access to capital is lacking in Wales, not so much for sums up to £1m for start-ups, but from the £2m to £4m range, to enable companies to develop and grow. Finance Wales was felt to be too bureaucratic. An equity bank for Wales should be considered. Capital should also be sustained throughout the development process not only when a product has been launched. Better business

support needs to be developed between investors and businesses.

- **Infrastructure:** fast-speed broadband is essential across Wales and interventions to ensure all of Wales has those connections. Also, there needs to be a more strategic approach to the location of company buildings within Welsh local authorities. Alacrity has found it difficult to find suitable locations for its businesses. Newport, for example, is the “hottest” area in terms of being easily accessible to the rest of South Wales, the Bristol catchment and fast connections to London, and really should be capitalising on those assets. Places like Aberystwyth were not considered ideal because they had poor connections (internet/transport).
- **Market opportunities:** the beauty of the Alacrity approach is that it marries supply and demand, rather than being supply-led. The partners of the company were able to gain access to large companies based in Wales and provide inroads for the graduates through their connections.
- Alacrity relies on its business contacts to teach and mentor its graduates. It has about 50 people who give up their own time to mentor/lecture the students – people such as David Stevens (Director at Admiral Group), John Pluthero (former CEO of Cable & Wireless) and Gareth Edwards (ex-rugby player) on topics such as team work, how to deal with venture capitalists, investment bankers and politicians.
- If you don’t ask – you don’t get. People in Wales underestimate the goodwill towards education and young people. **Universities should adopt the Harvard 5:95 rule with their alumni** – if you focus upon 5% of your supporters you will generate 95% of your donations.
- Simon Gibson criticised universities for continuing to produce too many “media-type” graduates when what businesses and the economy need is STEM (Science, Technology, Engineering and Mathematics) graduates.
- The difference between Alacrity’s approach and that of traditional business schools is the emphasis on applied rather than theoretical learning, i.e. students are taught how to sell, how to negotiate, how to raise funds. **Alacrity’s “applied**

learning” acts as an apprenticeship for the graduates when establishing a company. Simon Gibson suggested that Wales should invest in a National Academy of Sales which would transform the business landscape in Wales.

- Alacrity has a proactive approach to recruitment, targeting final-year undergraduates with presentations and lectures and involving Alacrity graduates in that programme. There was a mixture of open recruitment and head hunting, with both specialised computer engineers and “non-technical” graduates.
- Given the fact that the average graduate may emerge from university with over £44,000 in debt, Simon Gibson asked whether that kind of **debt was making young people more risk averse and suffocating their creativity by choosing safe, secure careers rather than wanting to become entrepreneurs.** At interview, applicants were asked to prioritise the following: Reward; Creativity; Recognition; and Security. Alacrity had noticed a significant change in the last few years where ‘Security’ had gone from the bottom to the top of the list owing to the fear of the current economic climate.
- Simon Gibson noted that there are no British computer companies and no British telecommunication companies currently established in the UK. Given that the UK Government intends to spend billions if not trillions of pounds on IT in the next few years, he suggested the Government should fund a national strategy that would encourage British companies to meet this demand.
- Simon Gibson ended with the thought that Alacrity was making a significant difference and that **if it could create 25 new technical companies, this would transform the economic landscape of Wales.**

Summary of points made by young graduates at Alacrity

- Being recruited by Alacrity was what **brought several of the graduates to Wales**; they would probably not have come here otherwise.
- People with ambition and desire to succeed tended to leave Wales after higher education owing to better prospects elsewhere, especially London, although it was added that this is

a similar scenario in the North of England. (This may also be specific to high-tech oriented industries.)

- One of the graduates was from Newport and was attracted to Alacrity because of the convenience of being able to live with his parents whilst undertaking his training.
- The fact that Alacrity is **based in Newport** and that all emerging companies will be in Wales was seen as **beneficial to the economy** and attempts to regenerate Newport and the wider area.
- This should act as a **multiplier effect** as more companies and talented people re-locate here as they see it as a good place to do business.
- A project such as Alacrity will also help to retain the best talent here in Wales.
- One of the main benefits of Alacrity is the **close contact with inspirational real business big hitters**.
- These business experts have well established connections with major companies in industry and have direct access on behalf of the young graduates that would be far more difficult for them to achieve themselves.
- The graduates at Alacrity do not have the problem faced by most young entrepreneurs, i.e. that of **sourcing capital funding**, as the programme provides initial seed funding.
- This removes the element of risk and barriers to gaining the support of big companies such as Vodafone, to give an example of partners in current projects.
- The **importance of business incubation facilities** was highlighted and that these need to be of a sufficient length to give the business the best chances. Commonly, incubation provision may only be for periods of up to three months but longer is needed – a year at least. The advantage of Alacrity is that the placement is a full year or more and this makes a big difference.
- Usually, there would not be any personal maintenance funding with many forms of business incubation. **The annual stipend that the Alacrity graduates receive (about £13,500) helps provide the security that comes with a regular job**, even if the

- young graduates do not treat it as such. They see it as training, project development and a pathway to greater success.
- Owing to the stipend, they do not feel they are taking as much of a risk by pursuing entrepreneurship.
 - Families tend to be supportive even if they do not understand fully what it is they are doing. Most of their friends are in traditional employment or are struggling to find suitable jobs.
 - One graduate said that he was working in recruitment and decided it wasn't what he wanted to do and **wished to try something different**. Alacrity has given him that opportunity.
 - While most graduates have a **computer science degree or background**, reflecting Alacrity's digital, software based focus, graduates in other subjects are also recruited.
 - The non-technical graduates tend to carry out the more strategic, business-focused role within the team while the other three members work on the technical product based elements.
 - For those graduates that are not subject specific, having **business acumen** is what is important.
 - The graduates said that, although the first year at Alacrity centres on building up the necessary commercial skills, the project work does start right away.
 - One of the graduates said that he had previously attempted to start his own business which had not succeeded but he was not deterred from doing so again as it was important to learn from past mistakes. **He was optimistic that with the support of something like Alacrity, he was now in a better position to succeed.**

The following comments were made by one of the young graduates in particular:

- He grew up in poverty in India, which was his incentive to work hard, and received sponsorship from Swansea University.
- He chose Swansea University because it is one of the better universities for engineering in the UK (top 10 Research Assessment Exercise universities).
- He was trained by Go Wales for a week, and went on a **week of workshops with Business in Focus**, which he found valuable.

- He found it hard to convince people of his ideas early on and said that **a support team is needed to give legal, sales and marketing advice**. This was essential, and he felt that the **Alacrity Foundation offers everything** that all the different support providers such as Business in Focus and GO Wales offer but in one place.
- He met Raman Mistry, Chief Operation Officer from Alacrity Foundation, at a Careers Fair in Swansea University.
- **The Alacrity Foundation is a demand model**: the advisers test the value of the product/service with industry specialists who are essentially the customer in this context. They are more likely to buy the product afterwards as it is tailor made for them.
- Alacrity gives bursaries to students so they can pay bills, living costs etc. whilst developing the company, which he said was essential to allow students to focus on setting up a business without having to worry about such things. He suggested that **many young people do not set up businesses because they are concerned about paying bills**, and not having the luxury of being able to have a few months/years where they do not have a regular cash flow.
- Alacrity puts you in touch with individuals and organisations that give you the ability to set up a business on a global level, in global markets, but **it also gives you the skills to make you fit and ready for the outside world**. He emphasised the importance of people skills and Alacrity's assistance in that specific area.
- Only two people with whom he was in university have tried to set up their own businesses. They are not doing it with the help of the Foundation. He feels they are setting up £10,000 businesses, as they are doing it with limited or no support. **He, on the other hand, because of the expertise and the assistance from the Foundation will be positioned to establish a million pound business**. He cited as a big factor the fact that his friend's ideas were not tested with industry specialists.
- He felt that it is an **ideal time to start a business when you are young**, as your choices diminish when you grow older owing to the fact people have more commitments and rely on a steady income.

- Lots of young people do not know about the support that is out there, but he thought it was because young people do not want to become an entrepreneur, or consider it a realistic opportunity. He suggested that young people needed to be exposed to the idea of setting up their own businesses from a young age, when they are selecting the courses they choose at GCSE and A-level. **They need to be exposed to real life examples, to make them realise that it is a realistic prospect.**
- Working in a shared office space with other start-ups is great, as they can share ideas, learn from each other, and feed off each other's enthusiasm and drive.
- He suggested that Wales needed to focus on different areas from traditional industries such as manufacturing, as they can be done more cheaply abroad. **Tech companies should be the focus and priority.**

Annex C – Visit to Flintshire Enterprise Club, Deeside, 6 June 2013

Members present: Nick Ramsay, Alun Ffred Jones, Keith Davies

The Flintshire Enterprise Club was established with funding from the Welsh Government's Communities First programme and support from Flintshire County Council. The project was set up by the Flintshire Business Entrepreneurship Network, led by Askar Sheibani, Chief Executive Officer of telecoms repair company Comtek Network Systems (UK) Ltd. Mr Shebani is also one of the Welsh Government's Business Entrepreneurship Champions.

The Enterprise Club began in January 2013 to support local entrepreneurs by providing networking opportunities; visits to businesses in the area; inspirational guest speakers; and opportunities to learn from the experience of those at the forefront of business. The Enterprise Club is open to all ages but young entrepreneurs and social entrepreneurs receive additional mentoring and support during the programme.

Members of the Committee spent an hour and a half participating in a meeting of the Enterprise Club, involving an ice-breaking exercise demonstrating the importance of communication skills in business, and a presentation on the Data Protection Act. Members then held separate discussions with members of the Enterprise Club aged between 16 and 24, and with the Enterprise Club co-ordinator and mentors.

Round-table discussion with members of Flintshire Enterprise Club, aged 16-24, and Sharon Jones, Communities First East Cluster Manager

Economic climate and other drivers

In respect of Enterprise Club members who had left school, it became apparent quite quickly that their entrepreneurial activity had, at least in part, stemmed from disillusionment with a stagnant employment market. James, who runs Mr J Designs with his Enterprise Club partner, John, told the group that he had left university with a first-class degree in product design. He told us, however, that he had barely been able to

secure an interview, let alone a job, despite having sent out more than 100 applications. He said that it was 'depressing' trying for jobs that he didn't want and couldn't get anyway.

This view was echoed by Tara, an aspiring freelance audio engineer and photographer. She had studied media at university, but had ended up working in admin owing to a lack of opportunities in her chosen field. It was also a scenario invoked by Barnes, whose fledgling business involves the manufacture of high-quality models for war games. He said that he was applying for jobs that he really didn't want, having dropped out of university, and that he was having no interviews. In the end, he described his thought process as: "Why don't I just make a job for myself that I really want?"

In describing the germination of his business plans, Barnes therefore addressed another familiar theme for each of the Enterprise Club members, including those still in full-time education: passion for their ideas. He told the group about his lifelong interest in war/adventure games, and how he had used this to tailor his products, some of which are made using 3D laser printers. "I am my own target audience," he said. Barnes mentioned the fact that although his business was quite niche, it had worldwide appeal, and that his Welsh background and his knowledge of Welsh mythology was very much an inspiration for his work.

School pupil Owain, who described himself as being at the bottom of the entrepreneurial ladder, described how his idea for a high-quality, bespoke coach service combined his twin passion for public transport and his homeland. He told us that he ultimately wished to use his coach service to boost tourism and the Welsh language.

Jordan, another school pupil, also cited his own interest in the arts as a driver behind his idea for a musical theatre performance school. However, he also cited the influence of the local Dragons' Den mentors in his choice of business, saying that he had been alerted to a geographical gap in the market for such a service.

Rural issues

James from Mr J Designs noted that one of the drivers for setting up Mr J Designs was its rural location in the small village of Halkyn, which means that it has space to manufacture its designs, something that he

felt they would not be able to afford in Cardiff or another city. The business has also benefitted from products being sold in local shops.

Tara, who travelled extensively to London, Manchester and Liverpool to find photographic work, wanted to base her sound recording venture locally in Flintshire and was able to do so through the grant that she received and the support she has been given through the club.

Benefits of Enterprise Club membership

In response to a query from Alun Ffred Jones about the most useful aspects of Enterprise Club membership, another familiar theme emerged, namely that it provides an invaluable single point of reference for the manifold elements of running a business.

James of Mr J Designs said that there was a lot of help available for start-ups in north Wales, but that it could be difficult to find all of the different people for different things. He said that the Enterprise Club was a key reference point for this information. This was a view that was echoed later in the afternoon by Dragon mentor Christine Sheibani.

John, James's business partner, explained that the Enterprise Club had put them in touch with various people who had helped them with technical issues, such as securing the design rights for their products. He also said that an entrepreneur friend of his in Nottingham had called him up frequently to ask for information that he had been unable to obtain locally, but that the Enterprise Club had supplied to Mr J Designs. In the end, he said, his Nottingham-based friend had given up on his idea.

Barnes also said that he had learned more about intellectual property rights through the Enterprise Club, while Jordan cited the tailored nature of the support provided as a great plus. Sharon Jones highlighted the fact that they invite many people in from all areas of business to provide information to the young entrepreneurs on a variety of issues, such as how to deal with tax returns and data protection and they will respond to the requests of the entrepreneurs for guest speakers.

As an addendum to the discussion on the impact of challenging economic circumstances on the life choices of the entrepreneurs, both John and James noted that, in setting up their business through the channels signposted by the Enterprise Club, they had learned a host of skills that they felt would make them more employable, such as book-keeping, in the event that their venture did not succeed. James even stated that he had been offered two jobs since setting up Mr J Designs.

In the same vein, both Tara and Barnes emphasised the vital role that the Enterprise Club and the Dragons' Den initiative had played in fostering their self-confidence. Sharon stressed that confidence issues are addressed very early in the process through workshops and an open-door policy with staff members.

Funding

The young entrepreneurs cited several sources of funding for their business projects. The Mr J Designs entrepreneurs have benefited from a £6,000 Young Entrepreneurship Bursary, which they have used for prototypes, among other things. James stated that he believed that the bursary award had not been dictated by the type of business he was running, but rather by the fundamentals of the business plan, including detailed forecasts. Barnes said that he was in the process of applying for the same bursary.

Tara, meanwhile, said that she had received a £2,000 award from the Cadwyn Clwyd programme which is a funding stream that specifically targets rural areas.

Owain stated that his move from a rural area to the urban conurbation of Wrexham had restricted his access to funding as it had disqualified him from applying for a rural development grant.

Regarding overall funding for the Flintshire Enterprise Club, Sharon Jones explained that it had been initially conceived as a six-month initiative. However, Sharon said that its success has prompted a decision to extend the programme by another six months, and that entrepreneurship has now assumed a central role in the local Communities First agenda. Sharon noted that the time put in by volunteers from the local business community was invaluable in terms of the programme's success.

Education and links with schools

All of the participants agreed that elements of entrepreneurship could be taught earlier and better at school. James described much of the information that had been imparted at school as 'useless' and voiced his desire to see a greater practical focus in some subject areas. For example, he questioned why maths classes did not address subjects such as accounting and the practical application of tools such as Excel. He said that Business Studies courses were pitched at too high a level and did not address the practicalities of running a business, such as dealing with HM Revenue & Customs.

Most of the participants have had positive experiences in dealing with local educational institutions, especially Yale and Deeside colleges and Glyndwr University, which have provided access to specialist equipment and advice. Support has also been given by John Summers High School. Jordan, meanwhile, told us that he had only become involved with the Dragons' Den initiative following a direct suggestion by his headmaster.

Round-table discussion with Enterprise Club coordinator and mentors

Sharon Jones – Communities First East Cluster Manager

Christine Sheibani – HR Director at Comtek Network systems

Paul Maddocks – telecoms entrepreneur and mentor

Leyla Edwards - founder and Managing Director of KK Finefoods plc

Alison Roberts – Business Supporting Communities

Azi Rashud – Head Teacher, John Summers High School

Overall approach to mentoring

When asked about the key to the success of the youth entrepreneurship programme, mentor Christine Sheibani, cited the lack of rules at the heart of the programme's philosophy. She said that it was critical for the mentors to have a fluid approach with such a diverse group of young people and for them to try and accommodate what was needed in each individual case. She stressed that avoiding set models or prescribed programmes was an advantage.

Paul Maddocks emphasised that longevity was a key aspect of the model. He and Christine said that starting a business was not a success in itself, but that the hardest work was ensuring that it survived its first 12 months in business. Indeed, Paul disputed whether

the programme could yet be described as a success. He said that its success should be measured in 12 to 18 months' time, on the basis of whether any of the businesses had survived and prospered.

The panellists were unanimous in the view that the strong culture of entrepreneurship in Flintshire had helped the programme. They said that the presence of successful major industries in the locality had been a significant influence, and that the effort to gather business leaders together in the Flintshire Business Enterprise Network had been important. It was noted, for example, that UPM Shotton Paper sponsors a local school and participates in workshops on business and entrepreneurship.

Paul and Christine also praised the community spirit that had been galvanised by local entrepreneurship activities, and said that it was vital that people pulled in the same direction as part of a cohesive, community-based approach.

Azi Rashud also raised the issue of personnel. He stated that the personal leadership provided by the Dragon mentors and others, and the time and effort that they had expended on a voluntary basis, had been critical in driving the project forward. When asked by Committee Chair, Nick Ramsay, whether this might therefore make it difficult to roll the programme out in other parts of Wales, he said that there was no magic formula for success, and that you just needed the right people involved.

Attitudes

Despite the general consensus that the entrepreneurial culture of Flintshire had been a positive factor, Leyla Edwards, founder of frozen foods manufacturer KK Finefoods plc, pointed to factors that she felt had impeded the development of an entrepreneurial culture in Wales in general. She pointed out that most of the businesses on her industrial estate were not Welsh-owned, and that a change of attitude was needed for more home grown businesses to flourish.

On the same theme, Christine stressed that entrepreneurship was all about energy, drive, passion and a hunger to succeed. She said that a person's background was relatively unimportant, but that the presence of these individual qualities was vital. Paul followed up on this by stating that it should be remembered that there may be a natural

tension between the conservatism of the parents of young entrepreneurs, and the risk-taking that is necessary for them to succeed.

Recommendations for the future

Christine said that more one-to-one mentoring was required to meet the needs of the young entrepreneurs, and that this should be part of participants' remit, not a voluntary undertaking. She said that more business mentors are needed by the programme.

Paul requested more support for the programme, including financial support. He also suggested introducing some kind of incubation period for start-ups during which they could focus on the core elements of the business without being distracted by the demands of red tape and compliance. He said that the first year of operations was critical, and that the entrepreneur should be given the freedom to concentrate on the elements of the business that had inspired them to become an entrepreneur in the first place, rather than have their enthusiasm undermined by having to deal with bureaucratic issues.

Sharon said that Communities First was running an awareness-raising programme with voluntary organisations in local schools. Until now, the school-related activities have been focused on pupils in years 10 and 11, but there are now plans to introduce financial literacy and other related programmes for pupils in years 5 and 6 and upwards. They also hoped to adapt the programme at the club so that accreditation can be given to those taking part.

Witnesses

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at

<http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Ild=1307>

12 June 2013

Karl Belizaire, Policy Manager, UnLtd

Amanda Everson, Development Manager, Live UnLtd in Wales

Dan Butler, Director, A LEAP

Dale Williams, Director, Yolk Recruitment

20 June 2013 (am)

Anne Colwill, Area Manager, Young Enterprise Wales

Sharon Davies, Chief Operating Officer, Young Enterprise

Lesley Kirkpatrick, Director, The Prince's Trust Cymru

Mike Learmond, North Wales Region Development Manager, FSB

Rachel Bowen, Wales Policy Manager, FSB Wales

Kieran Owens, Young Entrepreneur

Amanda Wilkinson, Director, Higher Education Wales

Julie Lydon, Vice-chancellor, University of South Wales

Greg Walker, Deputy Chief Executive, CollegesWales

Mark Jones, Chair, Colleges Wales

20 June 2013 (pm)

Philip Drakeford, Head of Policy and Strategy (Education), Careers Wales

Jo Banks, Head of Youth Support and Guidance, Welsh Government

Emlyn Williams, Enterprise Manager, Coleg Menai, North West Wales Regional Entrepreneurship Hub

Sue Poole, Education Enterprise Manager, Gower College, South West Wales Regional Entrepreneurship Hub

26 June 2012

Edwina Hart AM, Minister for Economy, Science and Transport

Glynn Pegler, Business Entrepreneur Champion

James Taylor, Business Entrepreneur Champion

Sue Poole, Education Enterprise Manager, South West Wales Regional Entrepreneurship Hub

10 July 2013

Ken Skates AM, Deputy Minister for Skills and Technology

Teresa Holdsworth, Deputy Director, Youth Engagement and Employment, Welsh Government

Ella Davidoff, Head of Youth Employment, Welsh Government

List of written evidence

The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?lId=6052

Organisation

A LEAP

Building Enterprise Education in Swansea Group

Cardiff Metropolitan University

Cardiff University

Careers Wales

Carnegie UK Trust

Chwarae Teg

CollegesWales

Denbighshire County Council

Federation of Small Businesses Wales

Ben Giles (Dynamo role model and Entrepreneurship Champion)

Higher Education Wales

Neath Port Talbot Enterprise Learning Forum

North West Wales Regional Entrepreneurship Hub

The Prince's Trust Cymru

Rhondda Cynon Taf County Borough Council – Services for Young People

Rhondda Cynon Taf County Borough Council – Supporting Engagement in Education, Employment and Training

South Wales Chamber of Commerce

South West Wales Entrepreneurship Regional Hub

University of South Wales

UnLtd

Welsh Government – Department for Education and Skills

Welsh Government – Department for Enterprise, Science and Transport

Welsh Local Government Association

Young Enterprise Wales

YMCA Wales