

## International Entrepreneurship Educator's Programme

### Entrepreneurial Learning - Pedagogical Note Series

#### 16. Use of Critical Incidents

##### 1. What is 'Use of Critical Incidents'

The Critical Incident is a short description of a situation that will be used as a basis for focused group discussion. The description will be in the form of a single powerpoint or one page (or less) handout capable of being instantly read and digested. It will end with a question to the group as the basis for discussion. The discussion may be full class or small group. A critical incident is often preferred to a longer case as it provides immediate stimulus. A longer case can, however, be taught as a series of incidents.

##### 2. How is the exercise constructed?

The incident is prepared before the session by the facilitator. Examples might be as follows.

Example 1. Aim: to stimulate group discussion of the life world of the entrepreneur.

##### Key Question for Focus

What changes in ones 'way of life' when one moves from employment to self employment

*Kate is a young single woman of 25 years of age. She graduated from University two years ago with a 2.1 degree in design – focused upon ceramics. She had always had a considerable talent for art and design demonstrated from an early age. She had worked herself up the educational ladder in creative design by successful progress through further education, to a Polytechnic and then to University.*

*Upon graduating she took a post at a school teaching ceramics but soon decided that this life was not for her. She wanted more independence. With the help of a small legacy from her grandmother she set up her own studio, complete with kiln and embarked on a career in self employment.*

*What changed in her life-world as a result of this move?*

The facilitator can draw from the group a list of changes which can be used for discussion of the nature of uncertainties and complexities facing the entrepreneur and the skills and attributes that might be needed to deal with them.

Example 2. Aim to stimulate discussion of how to cope with change in a business development context

#### Key Question for focus

How well is the business geared up to cope with an acquisition?

*Company Z is a family business with 80 employees operating in the steel stockholding business. It is highly successful. In an industry dominated by large companies, with a extensive stock ranges, it has managed to carve out a niche for itself. It focuses upon a few large customers, for whom it offers a special service, and a range of small firms located within a 150 km. radius. Its CEO and owner is an accountant and the company is carefully managed. It is among the top performing firms in the industry and is well recognised. The owner is President of the National Stockholders Association .The company is cash rich and looking for expansion. One of its customers is a small manufacturing company located within 1 km. distance. This company makes hatch doors for cargo vessels and for bulk rail transport carriers. The company is in difficulty and its owners want to quit. The management team at Company Z think this a great opportunity to diversify and sets out to acquire the manufacturer at a bargain price*

*How well does the experience of the company equip it for success in taking on this new acquisition?*

The facilitator uses the Incident to create a framework for reviewing the quality and nature of the intangible assets of this well run company and to demonstrate that many of these do not prepare it for a proposed substantial shift in the task environment. The incident can therefore lead into discussion of contingent theories of entrepreneurial organisation design.

It should be clear from the above that an educator can without great difficulty create a focus for discussion with very little effort in preparation.

### **3.Relevance to Entrepreneurial Learning**

The technique stimulates creative thinking in the group. It places the pressure for knowledge creation upon the participants and brings out and encourages sharing of previously tacit knowledge internalised. Essentially the critical incident technique is a vehicle for drawing out what participants already know.

### **4. Outcomes**

Participants own the learning and the frameworks created by this process and therefore are more likely to internalise knowledge gained.