

International Entrepreneurship Educator's Programme

Entrepreneurial Learning - Pedagogical Note Series

24. Use of Relationship Learning

1. What is use of Relationship Learning

Relationship Learning is arguably at the crux of the capacity of the entrepreneurial venture to survive and grow. It is undoubtedly the case that most of the learning of the individual entrepreneur takes place in the management of relationships with all stakeholders necessary for the survival of the business. The essence of managing the independent business (and indeed many other types of business or organisations) can be described as the capacity to manage interdependency with stakeholders on a day to day basis under conditions of more or less uncertainty. The reputation and the Intangible Assets of the business are built up largely on this basis. The process of how this takes place was described in the Pedagogical Note 17.

Relationship Learning is the process by which stakeholders (customers, suppliers, channel representatives, financial agencies, professional services, family, partners, workforce, local and national government, regulatory and other agencies including they media and education bodies are engaged in a two way learning process to mutual benefit.

2. How is the exercise constructed?

Participants are divided into groups of four to six. They are asked to divide in turn, one sub-group representing an entrepreneurial stakeholder as noted above and the other the entrepreneur facing the development of a relationship – existing or new. For example it could be a banker faced with a new entrepreneurial proposition or funding for a new development from an existing client. It could be a large company buyer facing an entrepreneur seeking to get on to a buying list. Or it could be just an existing regular customer for a small firm supplying it with subcontracting services on a regular basis.

Example - Building a learning and education relationship

Company X is a small electrical subcontracting firm supplying services t a large locally owned builder Y on a regular basis

GROUP 1. The Subcontractor owner- manager of X– Educating the Customer

- What does my customer need to know about me - in general and in terms of the specific transactions we undertake?
- Where might be the gaps and how might I fill them?
- How is s/he currently likely to learn about me and my business?
- How might I improve the process?
- How might I bring forward the future for the customer?

GROUP 2. The Subcontractor owner manager of X – Learning from the Customer

- What do we need to know about the customer in general and to improve transactions?
- Where are likely to be the gaps and how might we fill them?
- What are the processes by which we currently learn?
- How can we improve them?
- How can we learn more about their future?

GROUPS 3 AND 4 CAN EXPLORE THE SAME QUESTIONS PLAYING THE ROLE OF THE BUILDER Y

ALL FOUR GROUPS CAN THEN GET TOGETHER AND EXPLORE HOW THEY MIGHT COLLECTIVELY DEVELOP THE LEARNING RELATIONSHIP AND WHAT RESULTS THIS MIGHT HAVE.

As part of the above process participants may be asked to explore how they might use third parties in the education and learning processes. For example 'can I use my banker to educate my customers as to the solidity and reliability of my business – how?'

Another useful additionality would be to ask the groups to explore how the use of IT might enhance the learning and educating process, for example in:

- building up a profile of an individual customer
- on line interaction with the customer
- improving speed of response
- joint problem solving
- sharing market/customer analysis
- sharing new market development using in-house data
- environment scanning - common threats and opportunities

3. Relevance to Entrepreneurial Learning

The aim is to simulate the way in which entrepreneurs learn from relationships – a process central to the development of entrepreneurial behaviours. It is not necessary for the participants to have experience of the businesses or of the relationships in the industry. The exercise is to help them gain insight into the processes likely to be involved, create empathy with entrepreneurial ways of doing things and understand how trust based relationships might be built up and transactions costs reduced.

4. Outcomes

Participants will know how to engage with stakeholders. They will also understand that they need to assess their own knowledge around the degree to which it fosters sound relationship education and learning.