International Entrepreneurship Educator's Programme

Entrepreneurial Learning - Pedagogical Note Series

25. Use of Immersion

1. What is Use of Immersion?

It is clearly evident to those who work closely with owner managers of Small Businesses, particularly at the start up stage that they 'learn by doing' rather than by study and analysis of large amounts of formal information and periods of reflection. In practice this does not mean that they jump wildly into a business but that they gradually immerse themselves in the 'community of practice'. It has lately been discovered that this process – one labelled 'effectuation'* has also been the hallmark of the start up of many large US businesses in the top Fortune 500 at there start up point. Somewhat controversially the business plan is not a metaphor for this process although it remains a central focus of much teaching for entrepreneurship.

How to simulate the 'immersion' process in Entrepreneurship programmes remains challenging. For purposes of this note it is assumed that this immersion process involves elements of risk reduction, strategic thinking and learning under pressure. This can be simulated in a number of ways.

2. How are the exercises constructed?

The immersion process can be simulated at a number of levels.

Incremental practice of learning

The hallmark of an immersions entrepreneurial programme is the complete commitment to the practice of every item of formal learning, reflection and 'doing it again and again' until it is right and acceptable in the 'real world' (adding tacit value to explicit knowledge). This has major implications for programme design and resource, Standard in-house forms of assessment of progress in learning and then moving on are inadequate. Presentations of business plans are no substitute for engaging the key stakeholders in practice. A key example would be to eschew formal market research for a product/service idea in favour of getting into contact directly with as many customers as possible, presenting and learning and modifying until the idea has been shaped by the real world response and the presentation honed by repeat practice.

Constant exploration of alternatives to minimise risk

At a start-up stage to massage the proposal constantly to limit exposure to risk by repeated use of the question – Can this be done in another way?, using less resource and involving less exposure. An example might be in a proposed manufacturing context to maximise the subcontracting of the product focusing resource and commitment on he customer and the market.

Strategic 'What if' scenario exercises

The use of strategic 'what if' scenario groups. This involves dividing a group of participants with a business idea into small groups and brainstorming in turn on 'what if' scenarios. What if a sales target is not met? What if a customer asks for something different? What if the major customer does not pay? What if your bank refuses to maintain its overdraft. What if your supplier goes out of business. What if you find someone already is doing what you are doing? What if you are ill? What if your lover leaves you or gets a job somewhere else? How do I know when to get out of a business? How do I do it? All of these become key strategic questions and core components of this approach.

Anticipating problem exercises
The above approach in turn can be built into a process of anticipating problems and working on how to deal with them and prevent them. Thus knowledge delivered takes a problem solving format bringing forward items that may occur in an early immersion experience. Thus 'risks' are anticipated. A dozen or so 'reasons why firms are driven out of business can be explored and strategies for anticipation and problem prevention discussed (see Annex)

Entrepreneur mentors
The use of entrepreneur mentors on an ongoing basis is an important way of simulating an immersion process. They, rather than professionals are likely to ask the 'street-wise' questions. The use of entrepreneurs in this way is best undertaken on a one to one basis if honest and open appraisal is to be sought. It is arguably also important that they are not 'trained' for this process.

Brainstorming Strategic Know-Who
An important component in simulating the immersion process is engagement in strategic know-who relationship development exercises focused upon the issue of building trust. This can be prefaced by brainstorming exercises in order to profile 'what makes a good' customer, supplier, accountant, lawyer, banker, consultant etc. This process will result in a series of checklists that can then be used for 'real life' profiling. Such profiling exercises are not just organisational but also 'people oriented'. People choices are a core component of immersion strategies and indeed of problem anticipation. The personal profile criteria that emerges that can then be used for appraisal of real world stakeholders.

3. Relevance to Entrepreneurial Learning
All of the above exercises are focused upon developing capacity to learn by doing, by problem solving and by strategic thinking within a simulation of, or real exposure to, the community of practice.

4. Outcomes
Participants will be better prepared to learn from immersions experienced in the future. When combined with the outcomes of other guides, for example, those on relationship learning, networking and intuitive decision making, they will be better equipped to cope with making sense of exposure to learning under pressure.

ANNEX

Brainstorming on anticipating Early Immersion Problems in start-up

Participants are taken through the process of exploring how each of these might arise, how they can be 'early warning' detected and how they might be dealt with. Examples and anecdotes will need to be prepared.

Recent start ups may get into difficulty because they:
Invest too much in assets
Attempt too much too soon
Have an inadequate equity base
Neglect basic systems
Over-trade
Stick too rigidly to plans
Have the wrong mix of finance
Forget about tax
Make inadequate contractual agreements
Make inadequate bank arrangements
Don't talk regularly to their banker to explain unforeseen events
Under-price
Confuse profit with cash
Forget about overheads
Don't listen to customers
Become over-dependent on too few customers
Pick poor customers
Don't get paid
Have poor receivables management
Neglect family
Overlook working capital need
Forget about salary
Neglect supply quality and supplier base
Organise time badly
Neglect Know -Who
Take too much out of the business
Fall out with partners
Neglect business viability criteria - profit/cash/salary