An Examination of Ethnic Entrepreneurship in the Mid-West Region of Ireland
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EXECUTIVE SUMMARY

This research was commissioned by Doras Luimní with the aim of providing a micro and strategic analysis of ethnic entrepreneurs in the Midwest region of Ireland. A number of objectives were formed in order to answer this aim. The study examined two sets of entrepreneurs: those in the planning phase and those that have been established. Both established entrepreneurs and aspiring entrepreneurs were studied so as to provide a skill set analysis; a needs analysis and the identification of the barriers and/or challenges they faced in planning/establishing and/or operating their business. Furthermore, the study examined what assistance is currently being offered by support agencies/bodies in the region to ethnic entrepreneurs and to highlight any gaps that might exist. Additionally, the study examined support services outside of Ireland to identify ‘best practice’. Finally, the study will provide recommendations that can be used to inform agencies/support services in the region that provide support to entrepreneurs in terms of the needs of ethnic entrepreneurs that are currently not being provided by these agencies/service providers.

The methodology adopted for the study incorporated both primary and secondary research methods. The secondary research utilised key government, both national and international, reports that focused on entrepreneurs and ethnic entrepreneurs in particular. The websites of support agencies on the Island of Ireland were also examined to identify the support that is being offered to the unit of analysis. The primary research adopted was a questionnaire that was devised for three cohorts: ethnic entrepreneurs in the planning phase, ethnic entrepreneurs who have established their business and representatives of support agencies/3rd level institutions/government agencies and training organisations who support entrepreneurs and ethnic entrepreneurs on the Island of Ireland. The questionnaire was administered online, via post and/or in person.

The response rate to the study was as follows: the response rate achieved for the entrepreneurs who were in the pre-planning phase was 57% (n=8). The response rate achieved for the established entrepreneurs was 49% (n=36). In relation to the government support agencies, third level education institutions and private support agencies that were surveyed, the response rate was 15% (n=61).

The key findings from the study are broken down into three sections: service providers; entrepreneurs in the pre-start-up phase and established entrepreneurs. On a European level, European service providers were examined using secondary research methods. The key findings from this analysis indicated that the typical services offered to ethnic entrepreneurs in Europe include the following: information services and advice; assistance in accessing financial supports; the provision of micro-credit; assistance in finding a business location; assistance with marketing; networking assistance and assistance on skills development. The key findings from the service providers on the Island of Ireland are: the majority provide general support to entrepreneurs; however, few provide targeted supports to ethnic entrepreneurs. Networking events are provided by all the service providers either on a formal basis or informal basis. Information is provided to ethnic entrepreneurs but the majority of service providers would not provide the information in the native language of the ethnic entrepreneur. Of the support agencies that do provide services to entrepreneurs, only a third of them have access to financial supports for ethnic entrepreneurs.

The key findings for the entrepreneurs in the planning phase highlighted the fact that they are well educated, have a desire to employ other people in the future; are more likely to provide a service than a product and will be most probably operating within the ‘restaurant/food sector’. Entrepreneurs in the planning phase highlighted more ‘push’ factors than ‘pull’ factors for the reason for considering establishing a business. This is due to the fact that in the majority of cases they have identified that they could not use their skills and/or qualifications elsewhere. Entrepreneurs in the planning phase have indicated a preference for a limited company as their business structure. The majority will apply for government grants and/or bank loans/overdrafts so as to fund their business start-up. The majority of pre-start-up entrepreneurs are confident in their

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1 Doras Luimní is an independent non-governmental organisation that was set up in 2000, which works to support and promote the rights of all migrants living in Limerick and its environs.
current business skillset however they have highlighted some areas where they have gaps in, such as, branding; how to conduct market research, how to sell online; business planning and in a minority of cases: how to write a cash flow statement. The budding entrepreneurs did highlight their lack of awareness of training programmes offered by other support agencies, government bodies and other training providers. The key barrier and challenge the entrepreneurs in the planning phase stressed were that of a finance nature. ‘Getting access to finance to start-up their businesses’; ‘getting a bank overdraft’ and ‘availing of grants’ are barriers and challenges they believe they will face in the future.

The key findings for established entrepreneurs are: the majority were male, married, from Africa or Asia and resident in Ireland for 9 or more years. Entrepreneurs were educated to University level and this was their first venture ever established. The principle motivation for moving to Ireland was because relatives were already living here. The main reason why they established their business was because they saw an opportunity in the marketplace.

The majority of businesses were established between 2005 and 2010. The typical business structure took the form of a sole trader. The majority work in the business full-time with employees, who typically are not related to them. The majority of businesses were service orientated businesses within the food/restaurant, retail and personal services sector. Service, quality and price are the key differentiation factors entrepreneurs’ use. The key marketing activities they are engaged in are personal selling; advertising, the use of flyers and online marketing.

The sources of finance used to fund the start-up of the business was personal savings primarily with a small minority indicating bank loans and/or loans from family and friends augmenting the personal savings. Few established entrepreneurs at the pre-start-up phase met representatives from government agencies and/or support agencies. Few also attended training programmes at the pre-start-up phase, provided by these bodies. Awareness of these bodies was the key reason why they did not attend.

Established entrepreneurs indicated that they are capable of performing a variety of day-to-day business functions. However they did indicate that they will need assistance on the following: financial management issues (i.e. writing cash-flow statements; balancing the books); conducting market research; designing a strategic plan for the business; and knowing how to brand a product/service. Some assistance on identifying potential sources of funding for investment was also highlighted.

Even though the established entrepreneurs were confident they could perform a variety of business tasks/functions they still highlighted the following areas as areas they would like some additional upskilling on: marketing and sales management; market research; computer skills; business planning; financial management and how to control costs. Additionally, the following are areas they foresee the need for training: understand how to sell/promote online; learn how to grow the business; learn how to balance work and life and understand how to write a business plan.

The key challenges and barriers they see for the future were financial and economic related. Pricing, currency fluctuations, getting access to finance and the availability of cash were the key financial challenges. Economic challenges included the recession; the impact of customers purchasing power being depleted and the wave of customers from their own ethnic community leaving the country due to the recession.

The key recommendations for this study are as follows. It is recommended that a review of EU policies on ethnic entrepreneurship and/or generic entrepreneurship policies is conducted on an annual basis by the support agencies so as to be aware of future developments within the area.

In relation to entrepreneurs in the planning phase training programmes on establishing a limited liability company and how to register your business name is recommended. Furthermore, training programmes on employment law (including the law on part-time employees) is also recommended.
Since the majority of entrepreneurs, either in the planning phase or those who have already established a business, are located within the food/restaurant sector, it is recommended that on an annual basis a HACCP, Health and Safety course and a Manual Handling course is offered to them.

Additional training programmes on how to conduct market research, how to brand a product and service and how to promote and sell a product/service online is also recommended.

Funding to start the business and/or operate the business was a key challenge for both sets of entrepreneurs. It is therefore recommended that the support agencies and/or government bodies in the region consider establishing a microcredit scheme. This is already operational in Dublin through the First Step initiative however no entrepreneurs in the Midwest region have availed of this. Support agencies and/or government bodies should review the microcredit schemes identified within the report so as to understand how such schemes are operated.

It is also recommended that a fact sheet or information sheet on the sources of funding that is available should be compiled and given to the entrepreneurs.

Communication between ethnic entrepreneurs and government bodies and/or support agencies is very poor. It is recommended that a concerted, targeted marketing campaign is devised to inform this cohort of entrepreneurs of their services and training initiatives. It is recommended to identify who the business leaders are in the ethnic communities and they should be communicated about such initiatives.

It is recommended that mentoring of entrepreneurs should be an integral part of the services offered by support agencies and all entrepreneurs associated with the support agencies and/or government bodies should be encouraged to participate.

Entrepreneurs of an ethnic origin should be encouraged to join local business associations like the Chambers of Commerce or the SMILE organisation. This can be facilitated by the support agencies in the region, through inviting representatives from these organisations to attend seminars being held by the support agencies.
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Section One: Introduction

1.1 INTRODUCTION

Ethnic entrepreneurship has been a field of study in European countries since the late 1980’s (Light and Gold 2000; Kloosterman and Rath 2003; Dana et al 2008; Krieger 2011). However, the study of ethnic entrepreneurship has its origins in the United States, where the foreign born have been overrepresented in small businesses since the 1880’s (Barret et al., 1996). So what does the term *ethnic entrepreneurship* mean? According to Waldinger et al (1990, p.3) *ethnic entrepreneurship* is

‘a set of connections and regular patterns of interaction among people sharing common national background or migration experiences’.

The terms *ethnic entrepreneurship*, *minority entrepreneurship*, and *immigrant entrepreneurship* have been used interchangeably by researchers, Butler and Greene (1997) and Chaganti and Greene (2002) note subtle differences amongst the terms. They concur that immigrants can be defined as recent arrivals in a country and their means of survival often depends on entering into business. They further state that immigrants may or may not be part of a network linking migrants with a common origin and destination. This term however excludes members of ethnic minority groups who have been living in the country for several centuries.

Basu and Altinay (2002) define *minority entrepreneurs* as being business owners who do not belong to the majority population. They further explain that a *minority* may not (necessarily) be an immigrant and may not share a strong sense of group solidarity with an ethnic group, in terms of a shared history, language or religion. The term ‘ethnic’ on the other hand, does not exclude immigrant or minority groups. Therefore, for the purpose of this study the term *ethnic entrepreneur* will be used as it is an all-encompassing term.

1.2 THE IMPORTANCE OF ETHNIC ENTREPRENEURSHIP

Volery (2007, p.2) in his research identifies that when ethnic entrepreneurs establish a business it is an ‘obvious reaction to blocked opportunities in the labour market’, which in many instances still holds true today. By establishing a business, ethnic entrepreneurs create their own employment and can overcome some of the many barriers they face when they have relocated to another country. This enables them to circumvent some of the challenges they may encounter in looking for a job. Ethnic entrepreneurs from less-developed countries are especially likely to come up against these barriers. There is a perception that ethnic entrepreneurs may lack educational qualifications, they may not have sufficient access to relevant social networks for transmitting information on vacancies, or local employers may simply discriminate against them (McGinnity et al 2011, Rath 2010).

A domino effect of ethnic entrepreneurs creating their own business is that if these businesses become successful, they have the opportunity of becoming employers themselves. This results in a benefit for the ethnic entrepreneurs’ immediate family, relatives and then on a larger scale: the wider community. The impact of this is that through job creation, ethnic entrepreneurs help to alleviate unemployment among immigrants (Rath 2010). Moreover, according to Minghuan (1999) ethnic entrepreneurs often act as self-appointed leaders for their communities. Expanding on this, members of ethnic communities can and do become elected into positions of authority within their community. A prominent example being, Nigerian born Councillor Rotimi Adebari, became the Mayor of Portlaoise Town Council.

According to Waldinger (1986), ethnic entrepreneurs can also contribute different forms of social capital. This can be achieved by creating links with suppliers and customers both inside and outside their ethnic enclave and then building bridges to other networks outside their community, thus improving their chances of upward mobility.

More importantly however is the observation made by Kumcu (2001) who found that entrepreneurs from less-developed countries are not necessarily restricted to filling vacancies in the
job market, but that they can be active agents and shape their own destinies by establishing their own business.

Ethnic entrepreneurs may provide services and/or products that indigenous/native entrepreneurs may not be able to offer. The reasoning for this is because ethnic entrepreneurs are more likely to have expert knowledge on specific demands or access to sources of supply relating to foreign products/services. Portes (1995) found that in many cases, this is ‘hard-to-copy’ expertise and can be based on first-hand knowledge and/or experience from their home country.

Rath (2005 and 2007); Ma Mung and Lacroix (2003); Pang and Rath (2007); Kloosterman et al (1999) and Shaw et al (2004) all agree that ethnic entrepreneurs are important components of the social fabric of their environment therefore sustaining the civic society they are in. They state that this is achieved by ethnic entrepreneurs adding vitality to the locations they establish their business in and by having a ‘clear stake in the prosperity, accessibility and safety of their community’.

All the above points lead to the conclusion that the inclusion of ethnic entrepreneurs into a nation’s society and its business arena can only lead to positive outcomes, both for the indigenous population, as well as for the ethnic community being served by the ethnic entrepreneur. This therefore leads into the aims of the study.

1.3 AIMS OF THE STUDY

This research has been commissioned by Doras Luimni with the aim of providing a micro and strategic analysis of ethnic entrepreneurs in the Midwest region of Ireland. It also aims to inform other regional support groups about the needs of ethnic entrepreneurs in the region.

1.4 OBJECTIVES OF THE REPORT

In order to achieve the aforementioned aims, a number of objectives have been devised. These objectives are as follows:

- To examine established ethnic entrepreneurs in the Midwest region, in order to provide a skill set analysis and needs analysis.
- To identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business.
- To recognise the contributions established ethnic entrepreneurs are making to the region.
- To research ethnic entrepreneurs in the planning phase and examine their skills set and needs analysis.
- To examine what support is currently being offered by bodies in the region for ethnic entrepreneurs and to highlight any gaps that might emerge.
- To provide recommendations that can be used to inform agencies/support services in the region that provide support to entrepreneurs in terms of the needs of ethnic entrepreneurs that are currently not being provided by these agencies/service providers.
- To examine other support services outside of Ireland who provide specific support, advice, and assistance to ethnic entrepreneurs.
SECTION TWO: RESEARCH METHODOLOGY

2.1 INTRODUCTION
In order to achieve the aims of the study as identified in section 1.3 and the study objectives described in section 1.4; a mixed methods approach was adopted for this study. Initially secondary research was conducted on the theoretical understanding of ethnic entrepreneurship from a global basis, and then more specifically, from a national basis. In order to understand ‘best practice’, a thorough review of the literature was also conducted. This approach will be further explained in section 2.2 below.

Questionnaires were designed to gather the primary research and an interview schedule was devised in order to write the mini-case studies. In order to write the mini-case studies, an interview schedule was designed. Section 2.3 below will expand on the primary research approach adopted for the study. Research ethics approval was granted for this study by the Kemmy Business School Research Ethics Committee on the 22nd March 2011.

2.2 SECONDARY RESEARCH
The sources of secondary research used for this study were a combination of journal articles, websites, both national and international, European and Global reports and a detailed list of these sources can be found in the reference list. Journal articles were reviewed so as to provide theoretical clarity on the concept of ethnic entrepreneurship as well as to provide a foundation for the literature review that has been conducted in this study. In order to assess ‘best practices’ in operation globally, the author reviewed relevant journal article publications, Government publications and websites of international support agencies.

A comprehensive listing of all secondary sources of information referred to within this study can be found listed in the bibliography.

2.3 PRIMARY RESEARCH
The primary research that was conducted was an online survey of three cohorts of respondents: established entrepreneurs; entrepreneurs in the planning phase and representatives from support agencies, private organisations; government agencies and third level institutions in the Ireland. Three separate research instruments were designed for these respondents and they will be described below. However, prior to issuing the questionnaire to the ethnic entrepreneurs (both established and in the planning phase) the questionnaires were pilot tested. They were pilot tested by representatives from Doras Luimní and faculty from the Kemmy Business School as well as two recently established owner-managers of ethnic businesses located in Limerick.

The reasoning behind pilot testing the questionnaires was to assess the effectiveness of the content, layout, sequencing of questions, the language used and the ability of the respondents to provide the required detail in the time allocated for the completion of the survey. A number of minor changes were made to the length of the questionnaire and to the wording of a few questions after completion of the pilot survey.

2.3.1 Established Entrepreneurs
The questionnaire designed for established entrepreneurs was administered by hand, by post, by telephone and electronically. The aim of this questionnaire was to conduct a skills set and needs analysis of existing entrepreneurs and to identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business. The questionnaire was divided into eight sections.

The first section of the questionnaire examined the entrepreneur’s profile. Questions were asked concerning their gender, marital status, their country of origin, their length of residency, their reasons for choosing Ireland as their new home and their highest educational award.
The second section was related to the pre-start-up activities of the established entrepreneur. Here entrepreneurs were questioned on how their idea emerged, their motivation for start-up, whether market research was conducted prior to start-up; and what sources of finance were used to establish the business. Respondents were given a list of funding sources and were asked to identify the percentage sought/used from that funding source. Furthermore, entrepreneurs were asked to provide any advice they would give to someone looking to fund their business from one/all of the funding sources provided. Next the respondents were asked when they were planning their business did they meet anybody from one of the support agencies listed.

The next question in the pre-planning activities section was a filter question asking respondents if they had/had not attended a training programme offered by support agencies in the region. Of those who answered yes, they were asked to identify which agency provided the programme they attended. Entrepreneurs were asked to describe what other support/assistance/training could be provided by these agencies. For those who had not attended a training programme they were given a list of reasons why they did not attend and they were asked to choose all that applied.

The third section examined the business profile. This section opened with a filter question which asked respondents if they were an owner of a business established in Ireland. For those who answered no they were asked to terminate the questionnaire. For those who answered yes they were then asked if they owned a business in their country of origin and if so are they operating in the same industry sector. Entrepreneurs were then asked when the business was founded, whether the business name was registered, and what legal status they adopted for their business. Next entrepreneurs were questioned on their employment practices such as how many full-time and part-time employees they had; how many employees were related to them; and the ethnic background of the employees (Irish, own ethnic group, other EU countries, or non-EU countries).

Next entrepreneurs were asked if they produce a product or provide a service, or both. They were then asked to identify the industry they are operating in and explain their customer profile. Entrepreneurs were asked to describe how they differentiate their product and/or service from their key competitors. Entrepreneurs were then questioned on whether or not they have subcontractors; an accountant; a solicitor and/or a contact in the bank that they use. Next entrepreneurs were asked if they have a mortgage on the property or if they rented the property, if they pay rates and/or pay PRSI contributions. The final two questions of the business profile asked the entrepreneurs about their marketing plan(s) and their marketing activities (i.e. do they engage in advertising, PR, direct marketing, online marketing/selling etc.)

The fourth section of the entrepreneurs’ questionnaire examined their business skills set. The first question presented the entrepreneur with fourteen business functions and they were asked to rate how well they carry out those functions. The follow on question focused on nine tasks and the entrepreneur was asked whether or not they felt capable of completing those tasks. The next question provided the entrepreneur with a list of eight skills and they were asked if they felt they needed to improve on those skills. They were also given the opportunity to identify other skills that might not be listed in the question. Next, entrepreneurs were asked if, since their business started, they have participated in a training programme. The final question asked the entrepreneurs to identify what future training/skills they will need and they were given seven options to choose from.

The penultimate question aimed to highlight the barriers/challenges entrepreneurs have faced in establishing and/or running their business. Entrepreneurs were given a variety of statements which covered areas such as access to capital/grants; planning; business operations; and other operational challenges, and were asked to identify if they were or were not a challenge to the entrepreneur. The entrepreneur was then posed with an open ended question which asked the entrepreneur what challenges they believe they might face in growing their business.

The final question of the questionnaire asked whether or not they would be interested in taking part in an interview which would result in a mini-case study being written on their business.
2.3.2 Entrepreneurs in the planning phase

The questionnaire designed for the entrepreneurs who were in the planning phase was administered both by hand and electronically. The aim of this questionnaire was to examine entrepreneurs’ decisions to establish a business, their existing skillset and their perceived skills needs in the future.

The opening section of the questionnaire asked questions pertaining to the respondents’ background. The questions covered their gender; their marital status, their country of birth; how long they have resided in Ireland and their highest educational award. The next section asked questions in relation to the profile of the envisaged business. More specifically the opening question asked if they intended to establish a business in Ireland in the foreseeable future; whether or not they owned a business in their country of birth and when they hoped to establish the business. They were then asked what influenced their decision to start up a business. Next the questionnaire asked potential entrepreneurs about the business structure; the employment potential (part-time and full-time); the industry they aim to penetrate; whether they will be providing a product or service; what might the distinguishing features of their product/service be and their selling strategy. They were then questioned on their finance strategy for start-up and they were given a range of options to choose from.

The next section of the questionnaire asked entrepreneurs in the planning phase to examine their business skills set. They were presented with a range of functions and asked them to rate their ability to carry out these functions. Next they were asked about how capable they felt in performing a range of listed tasks and they were asked to identify ‘capable’, ‘not capable’ or ‘no opinion’. Next they were presented with a range of skills and they were asked to identify if they feel they need to improve on those skills listed.

The next section of the questionnaire was related to training and their rationale for taking part in a training programme prior to establishing their business. This was an open ended question. Furthermore, the potential entrepreneurs were asked to identify if they have attended any business training programmes organised by identified support agencies, such as FÁS or Paul Partnership, to name a few. They were subsequently asked to identify what other ‘supports’, ‘assistance’ and/or ‘training’ that could be provided to them by the listed agencies. For those potential entrepreneurs who had not participated in a training programme they were asked their reasons why and they were invited to choose from a range of options. The next question was in relation to their future training/skills needs. This question posed eight options for the respondent to choose from and they were asked to indicate if they will or will not need to know how to do these functions/tasks/skills in the foreseeable future.

The penultimate question in the questionnaire for the entrepreneurs in the planning phase was related to barriers/challenges. Here the respondent was presented with twelve options to review and they were asked to indicate if they will/will not be a challenge in the future. The final question in the questionnaire asked the respondent if they have any additional comments and if so, to provide them here.

2.3.3 Mini-Case Studies

The final question of the established entrepreneurs’ questionnaire asked respondents if they were interested in participating in an interview that would result in a mini-case study being written about their business. Of the established entrepreneurs who responded to the questionnaire, five provided contact details to the researcher and each were subsequently contacted for the interview. In the end two entrepreneurs agreed to a case study being written about them and the cases are in the Annex.

For those who were contacted and participated in the interview, they were held at a location that was convenient to the interviewee. Each interviewee was reminded of the purpose of the research and asked to sign a consent form. The researcher wanted to adopt a semi-structured approach to the interview, so a common set of questions were posed to each interviewee however there was scope to ask other questions should they emerge from the responses of the interviewees.
2.3.4 Support Providers
Support providers on the Island of Ireland were contacted so as to map the ethnic entrepreneurship initiatives they offer. A database of emails for 413 organisations was devised; this included educational institutions, government agencies, and private organisations and an online survey was administered to them.

2.4 DATABASE DEVELOPMENT
In order to gain access to entrepreneurs in the planning phase, Doras Luimní made a database available to the researcher. Included in the database were the email addresses of previous participants on a pre-start-up training programme Doras Luimní offered. All participants were emailed a copy of the pre-planning questionnaire.

A database of clients of Doras Luimní who established their own businesses was also made available. There were eighteen entrepreneurs listed on this database which included email addresses and telephone numbers. This database was augmented by the research team adopting a ‘shoe leather’ research approach. The research team walked the streets of Limerick City and Ennis and its environs and were able to identify another fifty-five ethnic entrepreneurial businesses. This brought the final database of established entrepreneurs to seventy-three.

In order to examine what services are being provided to ethnic entrepreneurs on the Island of Ireland a variety of webpage’s were accessed so as to extrapolate those organisations that were established to assist entrepreneurs during the various stages of development. Additionally, specific support agencies which were established to assist immigrants and migrant workers were identified as well. Based on this examination, a total of 413 organisations (these included government agencies, private organisations and third level institutions on the Island of Ireland) were contacted in order to get an understanding of the initiatives, training programmes and support services they offer entrepreneurs and ethnic entrepreneurs. A reminder email was sent to the potential respondents approximately three days after the initial email was sent and this increased the response rate significantly.

2.5 RESPONSE RATE
The response rate achieved for the entrepreneurs who were in the pre-planning phase was 57% (n=8). The response rate achieved for the established entrepreneurs was 49% (n=36). In relation to the government support agencies, third level education institutions and private support agencies that were surveyed, the response rate was 15% (n=61).

2.6 LIMITATIONS OF THE STUDY
As with any research project there were limitations to this study. In relation to the secondary research a key limitation was a large majority of the literature has been written on American ethnic entrepreneurs and therefore may not have relevance to the Irish context. Limited Irish studies have also been conducted on this unit of analysis therefore the researcher had to utilise literature emanating from the European Commission and/or other European sources.

Access to the owner-manager of the established business was a major limitation of the study. A total of seventy-three businesses were contacted, of which forty-eight were personally visited by the research team. In a large number of cases, in order to gain access to the owner-manager, it meant a return visit to the business premises a number of times and at various times during the day. In five cases, we were informed that the owner-manager no longer resided in the country and therefore could not complete the questionnaire. In four cases, the owner-manager indicated that he/she does not complete questionnaires.

Language barriers were also an issue. In a number of cases the individuals met on the premises had limited English and, where appropriate, they were offered a questionnaire written in their native language. No respondents decided to access this facility.
In some instances when the owner-manager was contacted they indicated that they had mislaid the questionnaire, so a new questionnaire was issued to the owner-manager along with a stamped addressed envelope. When the email survey was issued, nine emails were received indicating an undeliverable status of the questionnaire.


SECTION THREE: MAPPING ENTREPRENEURSHIP AND ETHNIC ENTREPRENEURSHIP GLOBALLY

3.1 INTRODUCTION

Whether it is the result of demographic change, technological innovation, market change, or changes in the institutional framework, a growing number of ethnic entrepreneurs have emerged throughout Europe (Krieger 2011). Theorists have identified that the reasons for the emergence of ethnic entrepreneurs in Europe could be due to necessity or opportunity factors, also known as push/pull factors. Typical ‘necessity factors’ include the lack of employment opportunity in the host country (Lassalle et al. 2010); they experience language barriers (Oliveria and Rath 2008); they lack access to significant capital (Rusinovic, 2008); employers’ inability to recognise foreign credentials (OECD 2010a); lack of contacts in the domestic market (so migrants do not hear about job opportunities) and at the end of the day it’s the only opportunity for survival (Reynolds et al., 2005; OECD 2010a). According to RETHE (2010, p.50) it was found that the reasons why ethnic entrepreneurs in Europe establish a business is due to the ‘lack of other employment alternatives’ and when they do start a business they are typically life-style firms (laundry, restaurants, etc.) employing less than five people.

Conversely opportunity entrepreneurs are entrepreneurs who freely decide to start a business in order to take advantage of a business opportunity (Keh et al., 2002; McMullen and Shepherd 2006; Basu 2008; Chrysostome and Lin 2010). What is interesting to note is that, according to the Eurobarometer, in 2009 entrepreneurs were more inclined to start-up a business more so because they saw an opportunity rather than due to necessity (European Commission 2009). According to Chrysostome (2010 p.138) for some ethnic entrepreneurs, seeking business opportunities is part of their culture, so it is almost normal for them to seek business opportunities and to start a business when they are settling down in their host country.

The following section maps ethnic entrepreneurship globally, with specific references being made to European countries and reference will be made to specific push / pull factors experienced by ethnic entrepreneurs in those countries. The next section will then look at these issues from an Irish context.

3.2 EMPLOYMENT

According to the OECD (2011) the contribution of ethnic entrepreneurs to employment creation in OECD countries has been increasing steadily during the period 1998-2008 as is evidenced by Table 3.1 below. However, when you compare ‘foreign-born’ and ‘native-born’ figures it is evident that ‘foreign-born’ have only a slightly higher propensity than natives to become entrepreneurs (12.8% in 2007-2008 for ‘foreign-born’ versus 12.1% for native-born). Krieger (2011) purports that this information demonstrates that, contrary to the general belief, there are no significant differences in entrepreneurial spirit between natives and foreign-born.

| Table 3.1 Evolution of share of self-employment by place of birth in OECD countries % |
|-----------------------------------------------|-----------------------------------------------|
|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Austria     | 6.1         | 6.8       | 8.0       | 8.1       | 7.6       | 8.1       | 9.0       | 9.0       |
| Australia   | 13.7        | 13.6      | 13.0      | 11.5      | 11.1      | 11.0      | 10.7      | 10.0      |
| Belgium     | 16.1        | 15.4      | 14.8      | 14.7      | 13.5      | 12.4      | 11.9      | 12.0      |
| Czech Republic | 22.5   | 24.5      | 24.5      | 24.5      | 24.5      | 24.5      | 24.5      | 24.5      |
| Denmark     | 9.8         | 8.7       | 8.4       | 10.0      | 6.9       | 6.6       | 6.7       | 7.0       |
| France      | 10.4        | 10.0      | 10.9      | 10.6      | 8.3       | 7.6       | 7.8       | 8.0       |
| Germany     | 8.0         | 7.9       | 9.6       | 9.3       | 9.1       | 9.3       | 10.3      | 10.0      |
The two main regions with high overall rates of self-employment are Central and Eastern Europe, with Poland, Slovakia and the Czech Republic leading and Hungary close behind. The over-representation of ethnic entrepreneurs in these countries could be partly due to relatively flexible visa regulations. When one looks at the figures in Table 3.1 above, one would also observe that there is no ‘straightforward trend that can be observed, in either foreign-born or native populations’. Extrapolating the data for foreign-born, one can see that there is a small, though noticeable, decrease in the foreign-born population in Belgium, Greece, Portugal, Sweden and the United Kingdom. In Austria the increase has been about two percentage points, in the Netherlands more than three percentage points and a rather modest increase in Germany (over one percentage point). There are two other interesting observations though. There has been a significant decrease in migrant entrepreneurship in Ireland and Spain from 16.8% to 8.7% and 19.9% to 11.9% respectively. This is an interesting development since, in the same decade, the labour migration into these countries increased significantly.

More specifically Table 3.2 below indicates how dynamic ethnic entrepreneurs are. During the period 1998-2008, the annual number of new migrant entrepreneurs more than doubled in Germany (from 49,000 in 1998-2000 to over 100,000 in 2007-2008) and in the United Kingdom (almost 90,000 per year). There have been also significant increases in Spain (to over 75000 new entrepreneurs per year), Italy (to over 46000) and France (to over 35000).

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>..</td>
<td>4 000</td>
<td>6 000</td>
<td>7 000</td>
<td>..</td>
<td>36 000</td>
<td>34 000</td>
<td>32 000</td>
</tr>
<tr>
<td>Belgium</td>
<td>4 000</td>
<td>3 000</td>
<td>5 000</td>
<td>6 000</td>
<td>23 000</td>
<td>20 000</td>
<td>25 000</td>
<td>25 000</td>
</tr>
<tr>
<td>France</td>
<td>29 000</td>
<td>35 000</td>
<td>38 000</td>
<td>35 000</td>
<td>178 000</td>
<td>164 000</td>
<td>183 000</td>
<td>194 000</td>
</tr>
<tr>
<td>Germany</td>
<td>49 000</td>
<td>55 000</td>
<td>88 000</td>
<td>103 000</td>
<td>445 000</td>
<td>442 000</td>
<td>525 000</td>
<td>571 000</td>
</tr>
<tr>
<td>Greece</td>
<td>3 000</td>
<td>3 000</td>
<td>..</td>
<td>..</td>
<td>46 000</td>
<td>44 000</td>
<td>33 000</td>
<td>26 000</td>
</tr>
<tr>
<td>Italy</td>
<td>6 000</td>
<td>12 000</td>
<td>36 000</td>
<td>46 000</td>
<td>531 000</td>
<td>588 000</td>
<td>530 000</td>
<td>505 000</td>
</tr>
</tbody>
</table>

OECD 12.1% 11.4% 12.7% 12.8% 12.1% 11.8% 12.2% 12.1%
According to the Global Entrepreneurship Monitor Report written by Fitzsimons and O’Gorman (2006), they found that in the UK, ethnic groups were substantially more entrepreneurial than their native-born counterparts. Rates amongst Asians were twice as high as they were in White communities, while the Black African community had treble the rate. Black African women were more entrepreneurial than Black African men and nearly six times more entrepreneurial than white women. Fitzsimons and O’Gorman (2006) also noted that in Canada in 2005, the increase in entrepreneurial activity in the country was primarily explained by the initiatives of immigrants. Comparing 2004 to 2005, early-stage entrepreneurship increased from 10.1% to 13.5% for immigrant Canadians, whilst the trend was stable for all Canadians (8.7% to 8.4%) (Fitzsimons and O’Gorman 2006).

3.3 PROFILE OF ETHNIC ENTREPRENEURS IN OECD COUNTRIES

The International Migrant Outlook report compiled by the OECD (Desiderio and Mestres-Domenech 2011) and the OECD (2010a) report entitled ‘Entrepreneurship and Migrants’ both comprehensively examined the profile of ethnic/migrant entrepreneurs in the OECD countries that were surveyed. The following presents a snapshot of their findings:

- The majority of foreign-born entrepreneurs are aged between 25 and 54, with a greater percentage concentration within the 35-44 age categories (as is evidenced by Table 3.3 below).

<table>
<thead>
<tr>
<th>Country/age</th>
<th>Foreign-Born</th>
<th>Native-Born</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15-24</td>
<td>25-34</td>
</tr>
<tr>
<td>Austria</td>
<td>2.4%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.1%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2.6%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1.9%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.1%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.2%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Spain</td>
<td>3.5%</td>
<td>25.9%</td>
</tr>
<tr>
<td>France</td>
<td>0.9%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Greece</td>
<td>4.1%</td>
<td>31.4%</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.7%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Ireland</td>
<td>1.6%</td>
<td>21.6%</td>
</tr>
<tr>
<td>Italy</td>
<td>3.1%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1.2%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.7%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Norway</td>
<td>3.3%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Poland</td>
<td>1.4%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.7%</td>
<td>35.9%</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.1%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>0.9%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>
Most ethnic entrepreneurs had been in the host country from more than 10 years.

In all OECD countries surveyed, female entrepreneurs were poorly represented. On average only 30% of all entrepreneurs in the OECD are females.

When compared to natives, ethnic entrepreneurs are highly educated, more often to degree level as Table 3.4 identifies.

There are mixed reasons for why ethnic entrepreneurs start a business. Clark and Drinkwater (1998, 2000) found that migrants in the UK choose entrepreneurship to avoid discrimination in paid employment. Similar findings were noted in Sweden by Hammarstedt’s (2006) study, which revealed that discriminatory wages in the wage-employment sector pushed immigrants into self-employment.

Asians are the migrant group most likely to become entrepreneurs in several OECD countries. By contrast, migrants from Latin America, the Caribbean and from African countries are less likely to establish themselves as entrepreneurs (see Figure 3.1 below).
Traditionally, ethnic entrepreneurs mainly catered for their own ethnic enclave. However, the 2010 OECD report identified that this is no longer the case. In Canada, only 1/3 of Chinese entrepreneurs cater to their ethnic market.

Following on from the point raised above, the 2011 OECD report has identified that the majority of migrant entrepreneurs work outside their ‘traditional’ ethnic business sectors. More specifically Desiderio and Mestres-Domenech (2011) identify that:

In Europe (see Figure 3.2 below):
- Wholesale and retail (19%) is the most prominent industry sectors.
- The construction sector accounts for 18%.
- Around 8% work in the professional, scientific and technical sector,
- Around 6% in manufacturing and
- Another 6% in human health and social work.

In the United States (see Figure 3.3 below),
The retail trade accounts for the highest percentage (16%) of ethnic entrepreneurs over the other sectors analysed, 15% work in the construction sector, More than 12% work in non-durable manufacturing goods; 8% in finance and insurance activities and 6% in the transport sector.

Figure 3.3  Foreign and native-born entrepreneurs by industry sector (US)

In Australia (see Figure 3.4 below):
- 21% work in the construction sector;
- 9.5% work in the professional, scientific and technical sector,
- Around 8% in manufacturing and
- Another 8% in the transport sector.

Figure 3.4  Foreign and native-born entrepreneurs and industry sector (Australia)

- High-growth firms account for most of the job growth in many OECD countries. In the United States, highly-skilled ethnic entrepreneurs often are the founders of such high growth firms. More than half of the technology and engineering firms in Silicon Valley in 2007 had an ethnic founder.
- In the OECD countries, 50% to 75% of migrant entrepreneurs employ only themselves. Ireland, the United Kingdom, Spain, Green, Italy and Norway are the countries where the proportion of migrant entrepreneurs who only employ themselves is the highest (around 75%). Between 25% and 50% of migrant entrepreneurs employ other individuals in addition to themselves. The majority of these however employ fewer than ten individuals.
Leading on from the point above, the Desiderio and Mestres-Domenech (2011, p.157) found that every year, migrant entrepreneurs employ an average of at least 2.4% of the total employed population in OECD countries. In relative terms, this contribution to employment is equivalent to 1.5% to 3% of the total employed labour force in most OECD countries. This is evidenced by Table 3.5 below.

Table 3.5  Firms owned by foreign and native-born entrepreneurs by firm size

<table>
<thead>
<tr>
<th>Foreign-born</th>
<th>Native-born</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Austria</td>
<td>50.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>70.7</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>69.2</td>
</tr>
<tr>
<td>Denmark</td>
<td>55.7</td>
</tr>
<tr>
<td>France</td>
<td>65.0</td>
</tr>
<tr>
<td>Germany</td>
<td>52.5</td>
</tr>
<tr>
<td>Greece</td>
<td>74.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>47.3</td>
</tr>
<tr>
<td>Ireland</td>
<td>73.3</td>
</tr>
<tr>
<td>Italy</td>
<td>75.1</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>57.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>65.3</td>
</tr>
<tr>
<td>Norway</td>
<td>77.7</td>
</tr>
<tr>
<td>Poland</td>
<td>68.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>63.5</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>67.3</td>
</tr>
<tr>
<td>Spain</td>
<td>73.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>63.4</td>
</tr>
<tr>
<td>Switzerland</td>
<td>51.9</td>
</tr>
<tr>
<td>UK</td>
<td>73.3</td>
</tr>
<tr>
<td>United States</td>
<td>64.8</td>
</tr>
</tbody>
</table>

In relation to job creation, the OECD Report for 2011 identifies that every self-employed migrant creates on average between 1.4 and 2.1 additional jobs. When one compares this to native job creation, it would appear that ethnic entrepreneurs create relatively few jobs. Though there are exceptions to this general observation as, in the Czech Republic, Hungary, Slovakia and the United Kingdom ethnic entrepreneurs appeared to create more jobs than self-employed natives.

The 2011 report also highlighted that ethnic entrepreneurs don’t just contribute to employment but they also contribute to innovation, aid in increasing the overall level of entrepreneurship which leads to a healthier host-country economy and enhances the host-countries trade opportunities. These contributions can be achieved by:

- In terms of innovation skilled ethnic entrepreneurs are outperforming native entrepreneurs in terms of patenting, licensing and/or commercialisation of ideas.
- Ethnic entrepreneurs can lower trade-related transaction costs by using their knowledge and networks.

### 3.4 BARRIERS AND CHALLENGES ETHNIC ENTREPRENEURS FACE IN EUROPE

While many migrants and people from ethnic minorities are motivated to become entrepreneurs, there are some difficulties that are specific to this group that can prevent them from realizing their business opportunity. Krieger (2011) in reviewing case studies of ethnic entrepreneurs in operation
throughout a number of cities in Europe found that there are barriers and challenges that are common to all potential or existing entrepreneurs regardless of their ethnic origin. However, he did find that there are specific problems that ethnic entrepreneurs do encounter that native entrepreneurs would not experience.

The most pressing problems are access to finance, access to support services and knowledge of such services, language barriers, and limited business, management and marketing skills. Most ethnic minority businesses are relatively small and manager-owned, and they operate in an urban environment (Krieger 2011). Particularly the first generation of migrant and ethnic minority entrepreneurs often start in markets with low entry barriers; low capital and low skill requirements. They operate in a rather competitive environment where price is the main parameter. This results in labour intensive production, long working hours, low wages and so on. In general, migrant and ethnic minority businesses rely less on formal providers of support than the average business as they prefer informal networks for obtaining information and assistance. This is partly due to a general lack of integration into society and a resulting lack of knowledge and lower familiarity with the business culture and the administrative environment. For similar reasons the businesses often obtain capital from family and friends and not from banks or other institutional sources.

3.4.1 Skills and competences

According to Krieger (2011), it would appear more likely that ethnic entrepreneurs will encounter a number of problems and challenges when they lack skills in the language of the host country. This can result in the lack of understanding of regulations, permit requirements, and other necessary steps that are paramount in starting a business. Their lack of familiarity with the rules can lead to them being unable to complete forms correctly, such as tax forms, or understand procedures, forcing them to hire accountants or other experts to act for them. Furthermore, their lack of knowledge of various rules and regulations can result in them being fined for non-compliance. Heibert (2008) found many Canadian migrants who started business and had difficulty adjusting, became frustrated with local regulations and taxes, and ultimately closed their businesses.

Following on from this, language barriers can hinder ethnic entrepreneurs’ ability to communicate with banks, suppliers, customers, and so forth. This often leads the entrepreneur to only being able to service and/or market to his/her own ethnic group and only employ co-ethnic employees. This is supported by Cooney and Flynn’s findings (2008) which illustrated that ethnic entrepreneurs in Ireland tend to operate on the fringes of Irish society and generally appear to only target their own ethnic community.

Krieger’s (2011) research showed that ethnic entrepreneurs with low levels of education also found this to be a hindrance to their business activities. As identified by the OECD (2010a) more education can increase the size of an entrepreneur’s network, his ability to secure capital, navigate regulatory hurdles and enhance his command of the local language. Therefore, the low skilled entrepreneur, who may have a lack of general management, lack of understand of book-keeping and a lack of marketing knowledge, can be faced with insurmountable challenges and barriers as s/he is attempting to start/grow his/her business.

3.4.2 Access to capital

Access to capital also can be a major constraint when it comes to starting or growing a business. The literature identifies that a poor grasp of the host countries language may be linked with barriers to getting capital. Krieger’s (2011) study found that for ethnic entrepreneurs, access to capital is reported as one of the greatest barriers they face. He identifies a number of factors which illustrate why ethnic entrepreneurs get fewer bank loans such as: their inability to write a business plan and their poor knowledge of finances. However the fault doesn’t always lie with the ethnic entrepreneur. Krieger (2011) states that the low level of bank loans can also be explained by the behaviour of the banks and other financial institutions and the way in which they operate including ‘oversensitive risk management and occasionally biased attitudes of bank managers’.
Krieger (2011) reports that, in Austria and Vienna more specifically, banks may have the perception that ethnic entrepreneurs are, in general, less reliable customers, therefore disadvantaging them in receiving finance. The low level of granting bank loans to ethnic entrepreneurs may result in further concentration in low capital sectors where the profitability and the growth potential are much lower. The early findings have indicated that banks need clearer criteria on lending, that they need to clarify the information they provide on how to get loans and there is a need for translators.

3.4.3 Social and business networks
Access to a cohesive social network tends to spur entrepreneurship and foreign nationals tend to form tight social networks with fellow nationals. These networks can facilitate entrepreneurial activity by providing capital, support, knowledge and a supply or customer base (OECD 2010a). Mentoring, access to sufficient capital and a reliable supply of and access to a customer base are often key factors in the decision to undertake an entrepreneurial endeavour. These networks can also make up for the fact that migrants often do not have the contacts and local understanding of regulations and culture that natives often do. Social networks have been known to enhance business relationships and encourage trade. Business networks are however different to social networks and are the more formal forms of networks ethnic entrepreneurs need to be affiliated to. Business networks are important change agents as they are involved in policy making and are oftentimes the ‘voice of the industry’ towards local and national governments. They also provide an excellent way of interacting with peers and can help entrepreneurs expand their customer base.

Ethnic entrepreneurs have the right to belong to mainstream networks and associations, such as the Chambers of Commerce. Krieger (2011) found in the OECD context and Cooney and Flynn (2008) found in the Irish context that in practice ethnic entrepreneurs tend to be heavily under-represented in mainstream networks and associations. Cooney and Flynn (2008) purport that it is ‘self-evident that ethnic entrepreneurs are not even aware of the existence of business associations, let alone that they have thought of joining them’.

3.4.4 Immigration status
The immigration status of the entrepreneur can be a barrier to their business venture. A classic example is in relation to accessing finance. Banks, no matter what the applicants status (i.e. national, non-national), will require a guarantee for a loan. Krieger (2011) found that in Portugal, where those with limited residence or business permits could not provide a reliable guarantee that they would pay loans back to the banks would be more likely not to receive the loan. Even those with long term permits suffered due to banks’ suspicions that they would leave the country.

Therefore, a synopsis of the specific barriers ethnic entrepreneurs in Europe experience includes the following:

- Difficulty integrating.
- Language and administrative problems (visa, work permit, recognition of educational achievements).
- Difficulty accessing financial resources due to the widespread distrust of this cohort.
- Regulatory and legal insecurity.
- Lack of knowledge of the nation’s institutions and culture resulting in an inability to access support networks.
- Insufficient business acumen.
- Poor participation in business and social networks.
- A limited job market in terms of employment opportunities.

Recognising the potential that foreign nationals represent for the promotion of entrepreneurship in Europe, the European Commission has worked for several years on developing policies to foster ethnic and migrant businesses and to ensure that they receive the specific business
support that they need. This leads us into a review of the policies and subsequent best practice that can be found in Europe and around the world.

3.5 POLICIES DESIGNED TO FOSTER ETHNIC ENTREPRENEURSHIP

Entrepreneurship requires wide and comprehensive support to be promoted. To increase the success of entrepreneurial measures, appropriate policies and programmes should be developed to spread the entrepreneurial culture and encourage people to be an entrepreneur. Lundström and Stevenson (2002, p.26) state that entrepreneurship policy can be defined as policy measures:

“... aimed at the pre-start, the start-up and post-start-up phases of the entrepreneurial process. Designed and delivered to address the areas of motivation, opportunity and skill, with the primary objective of encouraging more people in the population to consider entrepreneurship as an option, to move into the nascent stage of taking the steps to get started and then to proceed into the infancy and early stages of a business”.

In the international policy setting, there is an increasing convergence of innovation and entrepreneurship policy. This has emerged due to the changing nature in terms of researchers and academics use of the term ‘entrepreneurship’. It has been referred to more and more as ‘innovative entrepreneurship’ (also known as opportunity entrepreneurship) and not as necessity-driven entrepreneurship (Dahlstrand and Stevenson 2007). Policy measures have also shifted their focus from hard, infrastructure-based programmes to a soft-policy approach focusing on the individual. Many policies are designed with the entrepreneurial system in mind and targeted towards the owner-manager, but most policies, which are aimed at business creation, are directed towards the individual. In this case, the support measures are focused on measures such as training, one-to-one advice and skills development.

The aim of this section is to identify existing policy measures designed to support the development of enterprises by ethnic minorities and to evaluate these measures in order to determine good practices in the area. A number of documents were used to evaluate the policies measures at European level and they include the following (references for which can be found in the bibliography in this report):

1. Promoting Ethnic Minority Entrepreneurship in Europe
2. Orthodox Approach Document
3. Open for Business: Migrant Entrepreneurship in OECD Countries
4. Promoting Ethnic Entrepreneurship in European Cities
5. A Mapping of Ethnic Entrepreneurship in Ireland
6. Entrepreneurship and Migrants
7. Supporting entrepreneurial diversity in Europe – Ethnic minority entrepreneurship/migrant entrepreneurship
8. Entrepreneurial Diversity in a Unified Europe: Ethnic Minority Entrepreneurship / Migrant Entrepreneurship

According to Vonk and Ribbink’s (2008) and the European Commission’s (2000) study of ethnic entrepreneurship policies in Europe they were able to identify 146 policy measures which offered services to ethnic entrepreneurs that led to strengthening their human, social or financial resources which leads to the empowerment of the entrepreneurs. The main focus of these policies was on enhancing the human capital of entrepreneurs through training, counselling and information services. They found that interventions fostering social networking explicitly are small in number, however many promote networking implicitly instead. Fewer measures focus on providing financial services, but in fact, many programmes facilitate access to finance by strengthening the entrepreneurs’ skills and knowledge. Occasionally, measures provide material assistance, for
example incubation units/programmes. Incubation units provide services, business support and programmes designed to support the successful development of entrepreneurial companies.

Nearly half of the policy measures examined by Vonk and Ribbink (2008) and the European Commission (2000) identified that they had a more general focus and they serve both native-born entrepreneurs and ethnic entrepreneurs; the remaining half of the policy measures or support schemes focus entirely on ethnic entrepreneurs. Their study found that there were 63 policy measures which targeted both native-born and ethnic entrepreneurs, 76 targeted only ethnic entrepreneurs and 7 which specifically targeted the Roma Community (Vonk and Ribbink’s 2008). Part of their analysis was to examine the policy measures and the types of services delivered and their delivery mechanisms. Table 3.6 below identifies the results.

Table 3.6  Policy measures, types of services delivered and delivery mechanisms

<table>
<thead>
<tr>
<th>Types of services</th>
<th>Number of measures delivering the service</th>
<th>% of measures delivering the service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>121</td>
<td>83%</td>
</tr>
<tr>
<td>Advice</td>
<td>121</td>
<td>83%</td>
</tr>
<tr>
<td>Training</td>
<td>107</td>
<td>73%</td>
</tr>
<tr>
<td>Networking</td>
<td>96</td>
<td>66%</td>
</tr>
<tr>
<td>Mentoring</td>
<td>84</td>
<td>58%</td>
</tr>
<tr>
<td>Access to finance</td>
<td>79</td>
<td>54%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Delivery Mechanisms</th>
<th>Number of measures delivering the service</th>
<th>% of measures delivering the service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual counselling</td>
<td>110</td>
<td>75%</td>
</tr>
<tr>
<td>Workshop</td>
<td>101</td>
<td>69%</td>
</tr>
<tr>
<td>Publications</td>
<td>73</td>
<td>50%</td>
</tr>
<tr>
<td>Regular events</td>
<td>70</td>
<td>48%</td>
</tr>
<tr>
<td>Electronic platforms</td>
<td>56</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>17</td>
<td>12%</td>
</tr>
</tbody>
</table>

As Table 3.6 above identifies the typical services delivered to ethnic entrepreneurs are in the form of information, advice and training. It indicates that enabling ‘access to finance’ is not a common service offered to ethnic entrepreneurs. The mode of delivery which is most commonly used to deliver the service is ‘individual counselling’ and ‘workshops’, with electronic platforms being the least popular means of delivering the services they provide. Vonk and Ribbink’s (2008) also found that the majority of measures are being implemented by public organisations (47%, n=69); 30% (n=44) by private organisations, 12% (n=17) by NGO’s and the remaining 11% (n=16) by semi-public organisations.

3.5.1  Specific policies by Europe which target all forms of entrepreneurs:

As mentioned above, there are policies that are targeted at all entrepreneurs and those targeted specifically at ethnic entrepreneurs. The following gives a brief review of each.

3.5.1.1  General policies targeted at entrepreneurs

3.5.1.1.1  The Competitiveness and Innovation Framework Programme (CIP)

This programme from the European Union has as one of its objectives to “facilitate access to finance for the start-up and growth of the SME” and to “promote an entrepreneurship and innovation culture”. Among its actions are initiatives to foster entrepreneurship and innovation. On the other hand, The Entrepreneurship and Innovation Programme aims to support entrepreneurship by facilitating access to finance, such as early stage or seed capital.

3.5.1.1.2  European Charter for Small Enterprises

This Charter suggests that one of the ways to improve the situation of the small business in Europe is through the stimulation of entrepreneurship. To carry this out, some of the measures that should be implemented are:
• Strengthening the spirit of innovation and entrepreneurship which enables European businesses to face the challenges ahead,
• Achieving a regulatory, fiscal and administrative framework conducive to entrepreneurial activity and improve the status of entrepreneurs.

3.5.1.2 European policies concerning finance

The DG Enterprise and Industry has developed a set of financing instruments to support entrepreneurs at each stage of their business life:

• Better borrowing environment: the Commission has brought together bankers and small business organisations in order to identify and reduce barriers which the latter encounter when looking for finance.
• More risk capital: Innovative growth-oriented businesses need equity investment. The Commission is seeking to improve the functioning of the single market for equity.
• CIP Financial instruments: the EU provides funding for small and medium-sized enterprises (SMEs) via financial institutions in the Member States. The financial instruments of the CIP help SMEs raise equity and debt finance (this was identified above in section 3.5.1.1.1).
• Global loans: The European Investment Bank and the European Investment Fund also have lending and investment programmes that can benefit small businesses. These programmes can be accessed via financial institutions in the Member States.
• Another financing instrument provided by the European Union is the Jasmine Initiative which aims to provide microcredits and this is discussed in more detail below.

Microcredits are small bank loans (up to €2,500, €10,000 or €25,000, depending on the bank and country) to assist people who have no collateral and/or who have no access to common bank credit. This scheme is quite new to Europe, since it was first propagated in regions such as India, South America or Eastern Europe. Even though the development of microcredit in Western Europe is relatively recent, there are exceptions such as the United Kingdom and France, where it was launched at the end of the 1980s. Microcredit has taken on different forms such as partnerships between non-profit associations and banks in France; public financial institution in Finland or savings banks acting directly or through foundations in Spain.

The European Commission sought to improve the availability of microloans for small businesses and for socially excluded people wanting to become self-employed, such as ethnic entrepreneurs, so the Jasmine financing initiative was founded. It operates on four fronts (RETHe 2010):

€ improving legal and institutional conditions for businesses in EU countries - relaxing interest rate caps, providing access to borrower databases, tax incentives, adapting banking regulation and supervision, applying the single market rules,
€ promoting a positive view of entrepreneurship - improving conditions for self-employed people and very small businesses, encouraging people to become self-employed, offering additional business development services,
€ spreading best practices - training, technical expertise and coordination, and a certification scheme / code of conduct for microfinance institutions,
€ top-up financial capital for micro-credit institutions - with a focus on new and non-bank institutions.

The initiative also recommends setting up a new European-level facility in order to provide expertise and support for the development of non-bank micro-finance institutions. Since 2003, the European Microfinance Network (EMN) has linked many microcredit schemes. Microcredit schemes are especially widespread in the UK, Spain and France. In Ireland and Portugal, there are only few schemes to date. Image 3.1 below highlights the microcredit schemes that are currently available throughout the EU and EEA countries.
In Spain, many banks, such as La Caixa Micro Bank, offer this type of funding and other schemes aimed at groups such as women and immigrants. Furthermore, different public entities, particularly local development agencies, have agreements with banks to fund entrepreneurial projects. Thus, for example, SODERCAN (Cantabria Development Agency) has an agreement with the Banco de Santander or La Caixa, pursuant to which, the projects deemed to be viable by both SODERCAN and the financial institution can obtain a microcredit up to €25,000. SODERCAN assumes 75% of the default risk and the bank 25% (RETHE 2010).

In Portugal, microcredit is available through some banks and especially through the National Association for Access to Credit (ANDC). ANDC creates conditions for people who want to finance an investment project and are not able to access the mainstream credit market.

### 3.5.2 Specific European policies directed to ethnic entrepreneurs

At European level the DG Employment, Social Affairs and Equal Opportunities is in charge of elaborating the policies for target groups such as women, immigrants, seniors, etc. The Employment in Europe report identifies some criteria to boost entrepreneurship among these collectives, especially as an alternative to unemployment. The Young, Women, Ethnic Minority and Co-
Entrepreneurs Report (European Commission 2000) is one of the basic documents concerning these specific target groups in the field of entrepreneurship.

3.5.2.1 Specific programmes oriented towards disadvantaged target groups
The analysis of specific programmes oriented towards disadvantaged target groups, such as seniors, migrants and female entrepreneurs, is not an easy task for two reasons. First, sometimes these programmes do not differ from the general programmes to promote entrepreneurship which results in there being no real difference between any other support and target groups support. The second reason is that the support policies for these groups are deeply intertwined with other policies focussing on the specific target groups as a whole, especially economic, employment and social policies.

In many general policy documents, there is a reference to the promotion of entrepreneurship of specific target groups. However, few action plans reach the operative level because of the afore-mentioned reasons. The most widespread specific programmes for specific target groups include:

- specific information and advisory schemes (sometimes offered in specific languages or at family-friendly hours),
- specific business training (sometimes offered in specific languages or at family-friendly hours),
- specific scholarships grant opinions and funding actions,
- creation of specific networks (female entrepreneurs, migrant entrepreneurs) in order to facilitate exchange of information and skills.

The activities focussing on these targeted groups are usually promoted and implemented by the local development agencies and other local actors. While very few specific programmes could be identified, one leading example from the Basque Country is the Upskilling Business Advisors (UBA) Project. The UBA project was an EU LEONARDO DA VINCI Transfer of Innovation programme sponsored by the European Commission DG Education and Culture. In the Basque Country, the Project was run by Mondragon Innovation & Knowledge (MIK) (RETIE 2008). Unfortunately as of the 28th of September 2010, the UBA project has ceased.

3.5.3 EXAMPLES OF EUROPEAN ETHNIC ENTREPRENEURSHIP INITIATIVES
The following are examples of ‘best practice’ in relation to: access to information services and advice; financial support; micro-credit, assistance with marketing and networking assistance and are based on Krieger’s (2011) findings:

3.5.3.1 Information services and advice best practice examples
As mentioned in section 3.4.1, a significant obstacle for any new entrepreneurs is their lack of familiarity with regulations and procedures when starting their business. Ethnic entrepreneurs are, however, particularly disadvantaged in this regard due to lower education levels and language barriers. In addition, new immigrants may encounter problems due to their particular lack of familiarity with the host country, including being unaware that they might be operating illegally, either because of ignorance of regulations or due to regulations changing without their knowledge. As these problems may be overcome, the following are examples of European Cities that have provided some kind of advice and/or information services on entrepreneurship, and most have some services which directly or indirectly target ethnic entrepreneurs.

Business Agencies are important providers of information, with ethnic business centres playing a particular role in catering to fellow migrants. The Indian and Arab Business Centres in Stuttgart stand out especially in this area, both providing advice to business owners as well as helping them enter the German market. The Arab Business Centre offers
entrepreneurs’ assistance in understanding local and national rules and regulations, provides
contacts with other businesses and helps with marketing strategies.

The Indian Business Centre, in Stuttgart, also helps with legal issues and registration, makes
office space available for businesses, and even extends its help to everyday matters such as
the provision of translation services and help in finding schools for migrants’ children.

In the city of Breda there is a special department which advises entrepreneurs who have no
employees and offer them lower rates for insurance and administrative services, legal advice
and support and lobbies for people who work independently.

In the Copenhagen Business Centre their advice and information services target business
start-ups, which are in their first six months of existence. Their particular advice and
information focuses on taxes, finance, business planning and a consulting focus.

In Sweden, the Sundsvall IFS Radgivningscentrum provides free advice in several languages.
Furthermore, they provide a follow-up service for businesses after the initial start-up phase,
whereby advisers visit each business at least once a year.

In Wolverhampton (UK), the Black Country Enterprise provides advice, support, information
and training. They primarily provide this advice to businesses in all stages of their life-cycle.

In Vienna, a bank which is located in an area which is mainly comprised of immigrants has
employed staff who are fluent in multiple languages.

All of the above are examples of providers of information and advice primarily at the start-
up stage. However there are examples of initiatives which continue to provide advice and
information beyond this stage. Examples of these include centres in Amsterdam and
Wolverhampton. The centres in Amsterdam employ business advisers who are knowledgeable in the
needs of ethnic entrepreneurs and the African-Caribbean Business Association in the UK
(Wolverhampton) provide advice no matter what stage the business is at.

Helpdesks and information points exist in many Business Centres throughout Europe, such
as Wroclaw, Bologna and Vienna, which provide information sheets and guides in various languages.
Finally, there is evidence that some measures may be aimed exclusively at ethnic entrepreneurs,
such as employing consultants in business centres with different cultural backgrounds or who speak
minority languages, as is the case in Amsterdam, Frankfurt and Copenhagen. Advisers at the
Chambers of Commerce in Frankfurt and Stuttgart focus specifically on ethnic entrepreneurs, as
Frankfurt employ an advisor who proactively contacts ethnic entrepreneurs, encourages them to
create training positions and helps out with formalities, while the Stuttgart Chamber employs a
Turkish speaking contact to improve access for Turkish clients. In Terrassa, Spain, they host group
advice sessions on business plans and the advisers spend additional time with ethnic entrepreneurs
at the end of the sessions, as they sometimes require extra help in understanding how the system
works.

3.5.3.2 Accessing financial supports
As identified in section 3.4.2, accessing finance especially in today’s economic environment is a
major challenge for anybody and particularly for ethnic entrepreneurs who are now faced with
possibly a completely different financial environment to what s/he experienced in their home
country. This is why the European Commission has established such policies as the CIP and the
lending and investment programmes devised by the European Investment Bank and the European
Investment Fund. There are specific examples of best practice that one can learn from and these are
explained below.

€ In Wroclaw, start-up businesses can take advantage of the non-repayable subsidies that the
city offers.
€ In the Alsace region, they provide financial guarantees to newly created businesses.
€ In Spain, the area of Terrassa provides ‘quality stamps on business plans’ that are written
with its cooperation.
In Spain, Poland and Holland guarantor services on loans are offered to ethnic entrepreneurs.

€ Tax exemptions are offered in Wroclaw.

€ In Amsterdam they offer subsidies to employers and innovative companies.

€ In Finland they offer payroll support for employees’ wages.

€ In Vienna they offer grants for educational purposes.

€ In Italy they offer loans to refurbish businesses.

€ In Poland, Germany and Sweden they offer grants to start-up businesses.

€ Where entrepreneurs participate and complete training programmes in Italy and Turkey, they can then avail of start-up loans. In Turkey the loans are offered with zero per cent interest.

€ In Spain grants are specifically offered to ethnic entrepreneurs. This practice enables ethnic entrepreneurs to earn six months’ worth of welfare money to establish a business. The only criterion is that the business has to be established in the entrepreneur’s country of origin. A restriction is imposed on the ethnic entrepreneur in that they have to sign papers promising to remain in their country of origin for at least three years.

3.5.3.2.1 **Micro-credit**

As identified in section 3.5.1.2, micro-credit has been introduced in Europe to assist people who have no collateral and/or who have no access to common bank credit. Examples of micro-credit in operation in Europe are as follows:

€ In Italy and in Turin specifically, private banks and the local government make micro-credit available to ethnic entrepreneurs.

€ In Dublin, the First-Step Micro-finance programme offers micro-credit to SMEs which is mainly comprised of ethnic entrepreneurs.

3.5.3.3 **Finding a business location**

Krieger (2011) found that a challenge that many ethnic entrepreneurs face is finding a location, such as office space, manufacturing space and/or a shop. The only identifiable location which assisted ethnic entrepreneurs in finding business premises was Wolverhampton. Indian investors considering moving to this city are assisted through the Wolverhampton India Project. In relation to ‘business incubation units’ the cities of Vienna and Stuttgart offer ethnic entrepreneurs these premises to establish their business.

3.5.3.4 **Assistance with marketing**

As mentioned in section 3.3 ethnic entrepreneurs mainly cater for customers in their own [ethnic] enclave. Krieger (2011, p.47) state that ethnic entrepreneurs need to be ‘encouraged to break out of these captive markets’. It was proposed that to get out of this mind-set, ethnic entrepreneurs need to adopt ‘marketing methods’ to attract customers from all communities.

€ In Finland (Turku) and Germany (Stuttgart), business centres offer advice on expanding into international markets, how to market properly and training programmes on marketing.

€ In Zurich, they provide 10-15 hours of training with external marketing specialists however this is not specifically designed for ethnic entrepreneurs but for all business start-ups.

€ In Helsinki, a marketing and sales programme is offered to ethnic entrepreneurs.

€ In Zagreb, a programme is offered to all entrepreneurs in order to improve their marketing skills. This programme provides training courses and workshops on how to create a brand, an identity and a logo.
3.5.3.5 Networking assistance

In section 3.5.2.1 above, it highlights that in many general policy documents, there are references made to the promotion of entrepreneurship to specific target groups and references were made to the creation of specific networks (such as female entrepreneurs, migrant entrepreneurs) in order to facilitate exchange of information and skills. In Finland, the Association of Helsinki Entrepreneurs has specifically designed a strategy to ensure that ethnic entrepreneurs are part of their association. As Krieger (2011, p.48) identifies ‘initiatives to improve connections between SMEs may be generic, targeting entrepreneurs regardless of origin’. He goes on to give examples of such initiatives. In Wolverhampton, the SME forum provides a platform for networking and discussing issues faced by small businesses. In Zagreb they connect SMEs at local and regional level allowing them to form into competitive clusters.

More specifically there are some initiatives that target all ethnic entrepreneurs, such as in Stuttgart; the organisation SELF supports networking for all entrepreneurs with a migration background. In Wolverhampton there is both the Black and Minority Ethnic Forum and the Minority Ethnic Business Forum of Advantage West Midlands which offers ethnic entrepreneurs a networking forum. Platforms for networking among members of the same ethnic group also exist, such as the Turkish business platform XING in Stuttgart, which connects knowledge-based and academic firms, and the Turkish Association of Young Entrepreneurs in the Netherlands.

As Krieger (2011, p45) identifies ‘networking and working in cooperation within the same industry is particularly desirable as it facilitates the reduction of costs. For this reason industry-specific initiatives for SMEs exist within European cities’. Examples of these include:

- In Frankfurt, Germany, networking opportunities are provided for businesses within the biotech and creative industries.
- In Amsterdam, fashion designers from the Netherlands and Turkey are encouraged to cooperate and jointly organise performances and fashion shows. This is facilitated through the Streetlab Goes Istanbul project.
- In Turin, cooperation between similar businesses and more particularly among ethnic entrepreneurial firms is encouraged so as to reduce costs. An example of this would include the assistance given to Peruvian women. They have been assisted in becoming a Social Cooperative which has resulted in more favourable meetings with the banks and other support agencies.
- In Sundsvall, Sweden, the Project Business Integration tries to find entrepreneurial-minded migrants having: a) language competence, b) knowledge and cultural competence about their countries of origin as well as c) useful contacts and connections with their countries of origin. The aim is to link them with local entrepreneurs (with ethnic entrepreneurs acting as mediators).

3.5.3.6 Assistance on skills development

According to Oliveira (2008, p82), ethnic entrepreneurs are often associated with a wide array of problems, notably a general lack of business management skills and competences, and often also a poor grasp of the host country’s language. The latter holds particularly true for first generation immigrants and especially for the women among them. Section 3.4.1 identifies these problems in more detail. Examples of ‘best practice initiatives’ in operation in Europe would include the following:

- In Sundsvall, Sweden, newly arrived adults are offered the programme ‘Swedish for Immigrants’ which encompasses Swedish language classes and an introductory programme aimed at improving the immigrants’ integration in the local labour market. This offers work experience placements, is full-time and free of charge.
- Similarly in Malmö, OYRA is an organisation, which attempts to compensate for the high rates of unemployment amongst ethnic groups, provides language courses and career coaching to job seekers.
Initiatives just to improve immigrants’ language skills include that of the Adult Education Centre of Raisio (a city in the Turku region), which provides language and Civic Integration Courses; and the Greek language project for mothers and children in Athens.

An initiative which aims at ethnic entrepreneurs rather than just all immigrants is found in Terrassa, where the municipality offers a Catalan language course for Chinese restaurant managers and employees.

Courses in establishing a company are provided, for example, in Frankfurt, where the jobcentre organises pre-formation coaching sessions accompanying the first year of business activity and also in Vienna, where the ‘Start up Service’ of the Economic Chamber organises 160 Start-up Workshops free of charge to entrepreneurs.

Many courses on improving entrepreneurial skills are confined to a particular sector or aimed to improve certain skills. An example of this is found in Turku, where the Turku Adult Education Centre runs a course for aspiring taxi drivers to get a licence to run a taxi business. In Zurich, courses are run which are aimed at supporting young entrepreneurs’ start-ups in the IT sector, financial services and life style businesses. In Breda, training is organised on health and safety, online development and sales, and general skills such as taxes, fixing rates, contracts, networking and acquisition, presentation techniques and negotiating. In Amsterdam, the Entrepreneurs’ Centre provides courses on acquisitions, taxes, book-keeping, writing business plans, marketing, PR, pricing etc. In Frankfurt there are many seminars and courses for entrepreneurs offered by the city on legal regulations, the organisation of labour, marketing, management and business administration.

While most courses are aimed at the general population, more targeted courses also exist for ethnic entrepreneurs. In Stuttgart the organisation SELP runs business seminars for ethnic entrepreneurs. Similarly in Bologna the National Confederation of Craftsmanship organises specific training sessions for foreign entrepreneurs, which aim to develop immigrants’ skills in general management. In the Turku region there is a training course provided by an adult education centre specifically for immigrant entrepreneurs, called a ‘Business Incubator Course’. Copenhagen is also planning to open a National Expertise Centre for Immigrant Entrepreneurship. In Turku special courses for Chinese entrepreneurs are devised, which employ a Chinese interpreter and focus in particular on health and safety regulations. Business events for entrepreneurs with a Turkish background are organised by the Economic Association of Vienna and seminars and instruction courses on specific topics in Turkish are planned for the future. In Stuttgart training sessions in Turkish and Italian are conducted on hygiene and refrigeration standards for local restaurants.

Entrepreneurs can also improve their skills relevant for business through mentoring programmes. Although such programmes exist which target all entrepreneurs, almost all the schemes focus exclusively on migrants, or on disadvantaged neighbourhoods with a high concentration of migrants. One scheme which focuses specifically on migrants is the ‘Mentoring for Migrants’ programme in Vienna. This is organised by the Economic Chamber, the Austrian Integration Fund and the Employment Service and its goal is to support qualified migrants in getting into the labour market. Mentors and migrants are connected for six months for intensive interaction and mutual exchange on the basis of country of origin, language knowledge, the branch of economy and target markets of the enterprise. A considerable number of the mentors are active in the SME sector. The mentors help migrants with innovative ideas to realise their ideas.

In Europe the common services offered to ethnic entrepreneurs include the following:
- Training, Advice, Mentoring, Networking, Access to finance, Information

In Ireland the above are also provided, however in the US more services are provided than what is provided in Europe/Ireland and these include:
- Training, Advice, Mentoring, Information, Networking, Access to grants, Banks loans and other forms of finance, Legal and Regulatory help, Government Contracting and Various other events and government certified programs.
Section Four: The State of the Irish Nation and the Role of Entrepreneurship

4.1 THE STATUS OF ENTREPRENEURSHIP IN IRELAND

Ireland, is at heart, an entrepreneurial nation and entrepreneurship is an active career choice for many Irish people. In the current recessionary crisis it is imperative that Ireland taps into this entrepreneurial spirit, so as to create opportunities, utilise the scarce resources that are there and create the enterprises of the future. Furthermore, Ireland needs to encourage and harness the entrepreneurial spirit and potential of all people living within the country both male and female, those individuals who were born here and those individuals for whom Ireland has become home (Fitzsimons and O’Gorman 2008).

The most recent findings and statistics available from the Global Entrepreneurship Monitor (GEM) for Ireland conducted in 2010 reveal the following about entrepreneurship in Ireland (Fitzsimons and O’Gorman 2011):

- there has been an overall reduction in the rate of early stage entrepreneurial activity,
- a significant reduction in the population of entrepreneurs,
- a significant increase in necessity entrepreneurship; and
- a lowering of entrepreneurial ambition.

In 2003, Ireland had the highest rate of new business start-ups in the European Union (Enterprise Strategy Group 2004). This continued in 2005, when Ireland saw the largest rate of early stage entrepreneurial activity with 9.8% of the adult population either actively planning to establish a new business (5.7%) or had recently set up a new business (4.7%). 2010 reports a significant decline from the high figures of 2005. Now only 2.6% of the population has recently started a new business. In the past, Ireland was in the upper tier of OECD countries for rates of entrepreneurial activity, which was attributed to the Irish economy surpassing other EU countries in terms of its Gross National Product (GNP), Gross Domestic Product (GDP), exports and employment rates (Fitzsimons and O’Gorman 2008; European Commission 2004).

The monthly rate of start-ups in Ireland has significantly decreased. In 2010 it was estimated that approximately 800 people were establishing new businesses each month. However, when you compare the 2010 figures against the 2008 figures one will see a significant decrease. In 2008 it was estimated that approximately 2,800 individuals were establishing new businesses each month.

Fitzsimons and O’Gorman (2011) also report that the reasons motivating people to become entrepreneurs has changed significantly. There was a significant decline in the perception of entrepreneurial opportunities among the general population in Ireland in 2010. Having declined from 46% in 2007 to 27% in 2008, the perception of opportunities has further declined to 23% in 2010. Interestingly what has increased is the perceived ‘necessity’ of entrepreneurship compared to ‘opportunity entrepreneurship’. In 2010, the GEM report for Ireland has found an increase in necessity entrepreneurship in comparison to previous years (Fitzsimons and O’Gorman 2011). As mentioned in section 3.1 above, necessity entrepreneurship can arise for a variety of reasons and one of those reasons might be because it’s the only opportunity for survival (Reynolds et al., 2005; OECD 2010a). This appears to be the case in Ireland. Since there is major unemployment and few job prospects, people turn to ‘necessity entrepreneurship’ rather than ‘opportunity entrepreneurship’. In 2010 it was found that three in every ten entrepreneurs (32%) were motivated by ‘necessity’ rather than by ‘opportunity’. This compares with one in five in 2008 (19%) and almost one in seventeen in 2007 (6%).

With the increase in the level of necessity entrepreneurs has come an increase in the proportion of early stage entrepreneurs that wish merely to create a job for themselves. One in four (23%) of those setting up new businesses do not expect to become employers, as they would prefer to remain a ‘one man band’. Simultaneously, there has been a reduction in the proportion of early stage entrepreneurs with high growth aspirations. This is a significant trend given the
disproportionate impact of high growth new businesses on employment creation and their contribution to economic growth.

Against this background, it is not surprising that the attractiveness of an entrepreneurial career has also continued to decline – just one in two of the adult population (52%) perceive it as a good career choice, compared to two in three (69%) in 2005. Given the decline in the perception of entrepreneurial opportunities and the decline in the perception of entrepreneurship as a good career choice, it is not surprising that the numbers aspiring to be an entrepreneur within the next three years have also significantly declined. The rate has declined from 12.6% in 2005, to 10% in 2008, to 8.4% in 2010.

However, it’s not all bad! Fitzsimons and O’Gorman (2011) have highlighted some positive outcomes that they have found in their study and these include the following:

- Consistent with prior GEM reports, Ireland’s relative rate of entrepreneurial activity remains high compared to EU-15 countries. In 2010 Ireland ranked 2nd of thirteen EU-15 countries.
- Ireland has the highest ranking of all innovation driven economies in terms of innovation among early stage entrepreneurs.
- Relative to the other OECD and EU countries, a higher proportion of early stage entrepreneurs in Ireland have high growth ambitions.
- Knowledge of and use of the main development agencies, namely Enterprise Ireland and the Enterprise Boards (CEBs) by entrepreneurs is high. For both agencies, about one in four had contacted the agency or used its website in the past year.
- The rate of informal investors has increased (from 2.8% in 2008 to 3.8% in 2010) though it is still lower than that of the US (6%) and the average across the OECD (4.7%). The average amount committed by informal investors in Ireland in the last three years (€46,000) is higher than the EU and OECD averages.

4.2 A SNAPSHOT OF ETHNIC ENTREPRENEURSHIP IN IRELAND

The Global Entrepreneurship Monitor (GEM) Reports are annual publications and are one of the most significant and influential (global and national) publications on entrepreneurship. The Irish reports have been published since 2001 and in all that time there have only been two references to ethnic entrepreneurship or minority/migrant business. In the 2005 report, two recommendations were made (Fitzsimons and O’Gorman 2006, p.68) which stated:

*Immigrants should be encouraged into entrepreneurship. Especially those with skills to start a firm and those with links back to C&E Europe.*

*Encourage/support development of micro-enterprises by immigrant population.*

In the 2007 GEM Report for Ireland there was no specific content within the body of the report pertaining to ethnic entrepreneurship except where a profile of three non-nationals was given amongst the profile of six Irish nationals. One entrepreneur was from Moldova, one from the US and the other entrepreneur from Nigeria.

The only significant publications to date that focus on the relationship between ethnic and native entrepreneurs in Ireland are: the *Annual Monitoring Report on Integration 2010* (McGinnity et al. 2011) and the report by Cooney and Flynn (2008) titled: *A Mapping of Ethnic Entrepreneurship in Ireland*. The following subsections identify the key findings and outcomes from these reports.

4.2.1 Trends in migration in Ireland

Historically, Ireland was predominantly a country of emigrants, whereby Irish people relocated to the four corners of the earth. Most recently this was evident in the 1980s which were a decade of high unemployment and high emigration in the Republic of Ireland, peaking in 1989 when over
70,000 left the country (Ni Laoire 2004). However, as a result of growth and prosperity, during the Celtic Tiger years, Ireland attracted more immigrants than it historically did. For example in the period 1995-2000, approximately a quarter of a million persons migrated to Ireland, of whom about half were returning Irish and the rest, either other Europeans or Americans. Another grouping within this broader group was asylum seekers. In 1992 Ireland received 39 applications for asylum, this figure steadily rose to 424 in 1995 and then to 1,179 in 1996 (Ward, 2001).

However, applications proceeded to double and later triple throughout the so called boom years, peaking in 2002 with 11,634 people (Reception and Integration Agency, 2011). People arrived to Ireland through various means such as seeking asylum, return migration and free movement of EU citizens. Student visas, work visas, nuptial visas and family reunification are other means for migrants to come and remain in Ireland. The number of non-EEA nationals registered with permission to remain in the State was estimated at 130,500 at the end of 2011 (European Migration Network, 2012). From this broad range of individuals and circumstances a significant number of individuals made Ireland their home and some are interested in working for themselves.

The most recent figures released from the Central Statistics Office based on the 2011 census is that 13% of the population of the country comes from a heritage other than Irish (Central Statistics Office, 2012). This is a significant change in the Irish landscape.

4.2.2 Employment

Immigration into Ireland was one of the most fundamental economic and social features of the Celtic Tiger and post Celtic Tiger years (Cooney and Flynn 2008). Over the last decade immigration acted as a primary driver of population growth in Ireland. Ireland has taken in more migrant workers per head of population than any other EU nation since the union enlarged (MacCormaic 2008). However in the first quarter of 2008 Ireland moved into recession, with the result that total employment in the first quarter of 2010 fell by 12.5%. McGinnity et al. (2011) identify that of the total workforce (just over 2 million) in 2010, 283,000 were non-Irish nationals. They did find however that the unemployment rate for non-Irish nationals was considerably higher than that of Irish nationals (16.1% compared to 12.7%). Entrepreneurship is a route out of self-employment and the following indicates the 2009 results for self-employment rates by nationality.

<table>
<thead>
<tr>
<th>Table 4.1</th>
<th>Self-employment rate by nationality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Self-employment rate (%)</td>
</tr>
<tr>
<td>Irish</td>
<td>19.4%</td>
</tr>
<tr>
<td>Non-Irish of which:</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>7.8%</td>
</tr>
<tr>
<td>EU13</td>
<td>18.8%</td>
</tr>
<tr>
<td>EU12</td>
<td>10.4%</td>
</tr>
<tr>
<td>Non-EU</td>
<td>2.1%</td>
</tr>
<tr>
<td>All</td>
<td>8.4%</td>
</tr>
<tr>
<td></td>
<td>17.9%</td>
</tr>
</tbody>
</table>

(McGinnity et al 2011, p.17)

Though the above statement indicated that self-employment is a route out of unemployment, Table 4.1 above indicates that self-employment is not a significant source of employment for non-Irish nationals (McGinnity et al. 2011, p.1). Cooney and Flynn (2008) identify a number of barriers to entry to business, including access to credit and to business networks.

4.2.3 Education

As identified in section 3.3, ethnic entrepreneurs within the OECD countries surveyed are highly-educated, more often to degree level when compared to native entrepreneurs (Desiderio and Mestres-Domenech 2011; Heibert 2008). Ireland has a policy of limiting non-EU immigration to highly skilled immigrants which has resulted in the influx of high skilled immigrants and Ireland has
received a higher share of highly skilled immigrants than almost all OECD countries, with a subsequently very low share of lower skilled immigrant groups (OECD 2007; McGinnity et al 2011). Table 4.2 below identifies the highest educational attainment by nationality (McGinnity et al 2011).

Table 4.2  Highest educational attainment by nationality

<table>
<thead>
<tr>
<th>Nationality</th>
<th>No formal to lower secondary (%)</th>
<th>Upper secondary (%)</th>
<th>Post Leaving Certificate (%)</th>
<th>Third level (%)</th>
<th>Total (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irish</td>
<td>38</td>
<td>24</td>
<td>11</td>
<td>27</td>
<td>3,062,800</td>
</tr>
<tr>
<td>Non-Irish of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>17</td>
<td>27</td>
<td>11</td>
<td>44</td>
<td>360,900</td>
</tr>
<tr>
<td>EU13</td>
<td>28</td>
<td>20</td>
<td>9</td>
<td>43</td>
<td>80,000</td>
</tr>
<tr>
<td>EU12</td>
<td>5</td>
<td>23</td>
<td>6</td>
<td>66</td>
<td>38,400</td>
</tr>
<tr>
<td>Non-EU</td>
<td>17</td>
<td>34</td>
<td>17</td>
<td>32</td>
<td>122,300</td>
</tr>
<tr>
<td>All</td>
<td>36</td>
<td>24</td>
<td>11</td>
<td>29</td>
<td>3,423,600</td>
</tr>
</tbody>
</table>

(McGinnity et al 2011, p.21)

The key result that is evident from Table 4.2 above is that almost half of non-EU nationals have third-level education. Extrapolating the third level results even more, indicates that of the 25-34 age category, non-EU nationals are the second highest group with third level education, at 59%, which when compared to that of Irish nationals is 12% higher (see Table 4.3 for the results).

Table 4.3  25-34 year olds by third level qualifications.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Share of 25-34 year olds with third level education (%)</th>
<th>Total population (25-34 year olds) (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irish</td>
<td>47%</td>
<td>589,100</td>
</tr>
<tr>
<td>Non-Irish of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>52%</td>
<td>149,400</td>
</tr>
<tr>
<td>EU13</td>
<td>54%</td>
<td>12,200</td>
</tr>
<tr>
<td>EU12</td>
<td>77%</td>
<td>15,900</td>
</tr>
<tr>
<td>Non-EU</td>
<td>41%</td>
<td>70,600</td>
</tr>
<tr>
<td>All</td>
<td>59%</td>
<td>50,700</td>
</tr>
</tbody>
</table>

(McGinnity et al 2011, p.22)

4.3 IRISH POLICY TOWARDS ENTREPRENEURSHIP

In Ireland, very few if any programmes that focus purely on the development of an enterprise culture could be identified for this study. Most programmes or initiatives are focused around the concept of venture initiation. These invariably focus on the ‘how to’ aspects or on the supports and incentives available to business starters. In common with the situation in relation to general entrepreneurship policy, there are no clearly defined national or regional policies in Ireland regarding the cultivation of a general enterprise culture. It appears that the programmes and activities of the main enterprise support agencies, Enterprise Ireland and the City/County Enterprise Boards, are the main conduits for promoting enterprise development outside of the education sector.

An example of a regional initiative that focuses on ethnic entrepreneurs can be found in the 2005-2011 Development Plan of Dublin City, which represents a statement of intent on the part of those empowered to decide the future direction and development of Dublin City. The plan aims to embrace the emergence of ‘cultural clusters’ and ‘character areas’ oriented towards promoting diversity. As ethnic entrepreneurship is integral to the cultural diversity of Dublin, the recognition of
how diverse cultural influences can inject vibrancy and a cosmopolitan feel into Dublin and renew parts of the city blighted by urban decay bodes well for ethnic economic zones in Dublin and for ethnic entrepreneurs more generally. Put simply, a place is envisioned for immigrants in the future development of Dublin City.

4.3.1 Financial aids in Ireland
In Ireland, Entrepreneurship Policy is nationally based and there are no separate regional policies. The main public financial aids are delivered by two state agencies that operate to national mandates. These are Enterprise Ireland (EI) and the County/City Enterprise Boards (CEBs). Other smaller level funding is provided by local community development groups. These groups provide services in areas of rural disadvantage and mainly operate through the EU LEADER programmes. Physical infrastructure (i.e. incubation centre) is mainly linked to Technical Schools and Universities, as well as to Technology and Science Parks.

4.4 RESEARCH FINDINGS ON SUPPORT PROVIDERS IN IRELAND
As identified in section 1.4 one of the objectives of this study was to analyse the support agencies in the region that support entrepreneurs and more specifically those which support ethnic entrepreneurs. Some 413 emails were issued to organisations that were identified which provide to support entrepreneurs in Ireland. A total of 61 responses were received for this study, which is equivalent to a 15% response rate. The following analysis will present the findings of the support agencies in two sections. Section 4.4.1 will present the overall results for support being given to entrepreneurs. Section 4.4.2 will analyse the results of the study filtered based on those respondents who provide services to ethnic entrepreneurs.

4.4.1 Findings pertaining to all respondents who support entrepreneurs in general
Initially respondents were asked questions concerning their demographics based on their organisational form and their location in Ireland. Figure 4.1 below indicates the organisations the respondents were associated with.

Figure 4.1 Is your organisation/business

Figure 4.1 identifies that there were four types of organisations that responded to the survey. No responses were received from a ‘training organisation’. The most responses were received from ‘a private organisation’ (28%); ‘a government support agency’ (28%) and ‘other’, which accounted for 30% of responses. Only 14% of responses were received from 3rd level institutions. On further examination, the ‘other’ category identified responses from: social enterprises, NGO’s; a European funded business support organisation; a local development company and migrant support agencies. Respondents were located in the four corners of Ireland however there were more respondents from the South and East of Ireland as Figure 4.2 identifies.
The next question was the filter question that identified those respondents who support entrepreneurs on the Island of Ireland and those that don’t. The responses were 84% (n=51) did offer support to entrepreneurs and 16% (n=10) did not. Some 39 respondents identified that they offer training to entrepreneurs. They were then asked to briefly explain what training they provided and Table 4.4 lists the results.

Table 4.4 Training offered by respondents

<table>
<thead>
<tr>
<th>Training offered</th>
<th>Pre start, start up and business development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety Leadership training</td>
<td>Pre start, start up and business development</td>
</tr>
<tr>
<td>Training in areas of business start-up and development</td>
<td>Via Enterprise Board for new and developing small businesses</td>
</tr>
<tr>
<td>VC Funding with an investment model of cash + entrepreneurial hands on experience.</td>
<td>Training in all aspects of business from market research to business planning.</td>
</tr>
<tr>
<td>Training on managing business accounts using online accounting software</td>
<td>22 module Business Training for Ethnic Entrepreneurs in 2010 and 2011</td>
</tr>
<tr>
<td>Start-Up support to Student Entrepreneurs</td>
<td>In the past provided training by ourselves, but now mostly in association with other partners. This would be via info sessions on social finance based issues, sustainability, profitability and investor readiness.</td>
</tr>
<tr>
<td>Training in areas of business start-up and development</td>
<td>Management Development Marketing Start Your Own Business Programme Book-keeping and Accounts ECDL Basic Computers Food Safety and Safety Statements. AutoCAD Web Design</td>
</tr>
<tr>
<td>Start Your own Business and Business Skills training</td>
<td>Management Development Marketing Start Your Own Business Programme Book-keeping and Accounts ECDL Basic Computers Food Safety and Safety Statements. AutoCAD Web Design</td>
</tr>
<tr>
<td>In conjunction with the South Cork Enterprise Board, this month, we are holding a 'Start Your Own Business' training course. Previous courses included: CV Writing &amp; Interview Skills Workshop; Social Media for Business; How to get Paid on Time; PR &amp; Marketing on a Shoestring. We also organise training for our GREENSHOOTS companies. We run the CONNECT Business Network and GREENSHOOTS <a href="http://www.macroom-e.ie">www.macroom-e.ie</a> - Our Programmes</td>
<td>We run a series of start your own business seminars. The Seminars are run over an eight week period (one night per week) twice a year (October - November and February to April). The seminars are provided free of charge in DIT. We also run One Day and Two Day events in conjunction with community organisations and other events with the County Enterprise Boards.</td>
</tr>
<tr>
<td>We deliver a short course - 2 days/4 evenings to individuals wanting to start their own business. We also offer one off three hour sessions on issues relating to business - tax, vat, e marketing etc.</td>
<td>Previously delivered Go for it contract until September 2011, deliver training to pre start, start up and established businesses through a variety of programmes such as Steps to Work, Carrickfergus Borough Council funded Business Improvement Programme.</td>
</tr>
<tr>
<td>I help them to franchise their business and provide on-going support</td>
<td>Short courses in HACCP, food safety, and sensory analysis for the food and drinks industry.</td>
</tr>
<tr>
<td>Master’s programme on entrepreneurship</td>
<td>Business focused training</td>
</tr>
<tr>
<td>Start your own business training One to one mentoring</td>
<td>We offer information sessions and training workshops to</td>
</tr>
</tbody>
</table>
training Other targeted training as required individuals on specific areas such as Business Funding, Export, Public Procurement and others.

Advice on business plans Entrepreneurship master classes Advice and coaching on pitching Skills training -- Accounts, Management, Taxation Start Ups Mentorship Networking Referrals

We offer free consultation, seminars and try to respond to training requests of our clients as required. Offer training on website updating

Through the Irish Franchise Skillnet. Enterprise Platform Programme

Start your own business Manual accounts TAS books Across a range of sectoral areas based on a strategic appraisal of sectoral needs. Details on www.wcdp.ie

Marketing Ideas Generation Green Entrepreneurship Tourism and Tourism Marketing Female Entrepreneurship We offer master-classes to high-performing companies which take the form of successful entrepreneurs taking those with new businesses through their steps to success.

Pre start up with IT Literacy Accounting for small business E/digital marketing Start Your Own Business Seminars FETAC Level 5 Start your own business Taster Programmes Revenue on Line Business Planning Unaccredited programmes

Business Planning Business Diversification Creative Marketing and Selling e-business Social Media Training is individually paid depending on the Course applied for by client

The NovaUCD Campus Company Development Programme (CCDP), which commences each March has run annually since 1996. Since its inception 170 new ventures and 260 individuals have completed the CCDP. The CCDP is a nine-month, part-time enterprise support initiative designed to suit the timetable of busy researchers and academics. It comprises a mix of practical training and consultancy support including 12 half-day workshops, one-to-one advice and consultancy meetings, and a series of networking events.

As is identified by Table 4.4 above support service providers offer both targeted and general training programmes. The targeted programmes were those focused on financial related areas of running a business and self-development courses such as personal skills development. The general training programmes were those focused on business planning; start your own business courses; and business development programmes. Next, respondents who provide support to entrepreneurs (in general) were asked if they provide mentoring. An overwhelming majority (82%) indicated they do and only 18% indicated no. Further explanation of their mentoring support was then provided and this is identified in Table 4.5 below.

### Table 4.5. Mentoring provided to entrepreneurs

<table>
<thead>
<tr>
<th>Mentoring services offered to entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through the Innovation Centre on campus</td>
</tr>
<tr>
<td>Partners are themselves entrepreneurs who have founded, built &amp; sold companies</td>
</tr>
<tr>
<td>I mentor CEOs and other senior managers in both public and private sectors in health and safety leadership</td>
</tr>
<tr>
<td>Mentoring in areas of business start-up and development</td>
</tr>
<tr>
<td>Dedicated mentoring / one to one advisory sessions across a range of areas such as trouble shooting, presenting your case to the bank, renegotiating your banking facilities, sales, marketing, product development, branding, intellectual property, Public Relations, HR and others to meet the needs of applicants.</td>
</tr>
<tr>
<td>We offer mentoring through Tradelinks and smaller local programmes. We also provide a free advice service to individuals needing information on starting or developing their business.</td>
</tr>
<tr>
<td>A Mentor Panel comprising of 15 trained business mentors deliver one to one support to clients. The enterprise officer identifies the individual needs of the client and matches these to an appropriately skilled mentor. This programme has proved very successful over the years and is one of the most beneficial supports either as a pre or post enterprise set up</td>
</tr>
</tbody>
</table>
offered to clients. Some of our clients can experience literacy problems or have been unemployed for a number of years and one to one support is the only way of helping them.

Partas also provides training for the South Dublin County Enterprise Board e.g. Start your own business, Manual accounts and Tas books. Partas is also the lead partner in the WINSENT project which offers support and networking opportunities to social entrepreneurs in Dublin, Meath and Kildare. WINSENT offers training as requested by the clients.

<table>
<thead>
<tr>
<th>One to one mentoring advice on how to best prepare the company for equity investments</th>
<th>We assist with business plans, introduction to markets as well as investor-ready plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeking Grants, Loans Legal and Financial management Business Planning General Advice and one-on-one support and referrals</td>
<td>To loan clients who encounter specific problems facing. We assign a consultant for a number of days to help deal with the matter.</td>
</tr>
<tr>
<td>Mentor participants of programmes. Also mentor one-off requests for guidance /business direction. This may last for several hours for persons not eligible for current support programmes.</td>
<td>Assistance in the product development process including brainstorming, idea generation, new product development, recipe development, focus groups, market research.</td>
</tr>
<tr>
<td>Answer basic questions on franchising. Introduce interested parties to Franchising Consultants who are members of the Association.</td>
<td>We do in the form of specific EU funded projects e.g. we are currently taking part in a European Wide Project Entitled - 'Mentors for Female Entrepreneurs'</td>
</tr>
<tr>
<td>I recommend and sometimes provide business mentoring to keep them on track</td>
<td>Range of business mentors from financial, hr to marketing</td>
</tr>
<tr>
<td>We offer an advisory service which directly assists those companies looking for venture capital or angel financing.</td>
<td>Mentoring is offered in setting up, marketing, Book-keeping and managing a business</td>
</tr>
<tr>
<td>One-to-one supports on an appointment basis for those developing business ideas. Ongoing supports for new enterprises</td>
<td>Face to face mentoring in terms of business start-up, development and expansion Thematic clusters with expertise input Elevation Business Network</td>
</tr>
</tbody>
</table>

Enterprise development advice: Feasibility study Business plan development Company formation Access to sources of finance and investment Business growth Introductions to potential investors (individual introductions to VCs and business angels) Introductions to business advisors (legal, financial, tax, marketing, etc.)

As is evident by the results in Table 4.5 above, most mentoring is provided on a one-to-one basis and in the most cases by volunteer mentors. A number of mentoring relationships are facilitated by City/County Enterprise Boards. The cross tabulation of the results indicate that most of the ‘other’ category (e.g. social enterprise, NGO’s, minority support agencies etc.) provided mentoring to entrepreneurs (n=15); with 3rd level institutions (n=7) and government support agencies (n=9) coming in a close second and third. Private organisations (n=5) and financial institutions (n=1) also provide mentoring to entrepreneurs.

Furthermore, respondents were questioned on the financial assistance/grants offered to entrepreneurs and 48% (n=22) of respondents indicated they did provide this support with the remaining 52% (n=24) indicating they don’t. They were asked to expand on the financial supports they provide and Table 4.6 below indicates the results. Some 24 respondents gave a detailed explanation of their answer. Six respondents indicated that they don’t provide actual finance but do provide financial support and comments included:

**Not directly but we are partners of the Halo Business Angels Network**

**Macroom is a dynamic community enterprise centre, dedicated to helping start-up and growing businesses in the Lee Valley region. We don’t give CASH - but we do give facilities, training and assistance.**

**We do not have any financial assistance specifically provided by our organisation but we act as a signpost for a range of organisations such as Princes Trust, Enterprise Northern Ireland Loan Fund etc.**
We would love to do that but no finance at present.

Only sign-posting to funding and funding application preparation assistance.

We do not offer financial assistance or grants but we do offer advice on where to apply for such supports.

Table 4.6  Finance/grants provided to entrepreneurs

<table>
<thead>
<tr>
<th>Finance/grants provide to entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>VC Finance</td>
</tr>
<tr>
<td>A range of supports including technical assistance, Training, mentoring, Marketing, Networking and Capital Investment (<a href="http://www.wcdp.ie">www.wcdp.ie</a>)</td>
</tr>
<tr>
<td>The University provides funding for appropriate staff-generated projects.</td>
</tr>
<tr>
<td>We administer the Area Enterprise Back to Work Allowance. We have small scale funding towards the cost of Training and Equipment.</td>
</tr>
<tr>
<td>We are the interface with the Enterprise Boards and First Steps. Finance Fior Social Entrepreneurs we are the link to Clann Credo</td>
</tr>
<tr>
<td>Grant aid of up to 50% up to £50,000 for private sector and up to 75% up to £250,000 is available to social economy enterprises (SEEs) through a range of Measures under the Rural Development Programme 2007-2013: Measure 3.1 Diversification into Non Agricultural Activities (private only) Measure 3.2 Business Creation &amp; Development (private and SEEs at up to 50% up to £50k) Measure 3.3 Encouragement of Tourism Activities Measure 3.4 Basic Services for the Economy and Rural Population Measure 3.5 Village Renewal &amp; Development Measure 3.6 Conservation &amp; Upgrading of the Rural Heritage</td>
</tr>
<tr>
<td>Under the Rural Development Programme grant aid is available to micro enterprise (Employing fewer than ten people with a turnover/balance sheet of under €2 million) at the following rates: Capital &amp; Equipment: 50% of costs to a max €150,000 Research &amp; Development: 75% of costs to a max €30,000 (This is subject to meeting certain eligibility criteria) All enterprise projects must display an element of innovation and must not be affected by deadweight or lead to displacement of existing businesses in the area. Ineligible Activities include: Mainstream retail and service businesses, childcare, education, healthcare, housing, nursing homes and horticulture. Normal business operating costs such as insurance cannot be funded.</td>
</tr>
<tr>
<td>For Firms employing 10 or less staff we offer: Priming for firms trading less than 18 months Business Expansion &gt; 18 months Technical/Feasibility Study Website Development Exhibition Grants etc.</td>
</tr>
<tr>
<td>Feasibility, Priming and Business Expansion grants for manufacturing and international traded services.</td>
</tr>
<tr>
<td>€280,000 via the Seedcorn Business Competition split as follows: Overall winner High Growth category €100,000 Overall winner Emerging category €50,000 6 x Regional winners €20,000 each Special award for university spin-out or platform programme €10,000</td>
</tr>
<tr>
<td>Social Finance via interest based loans from €30k - €500k over a max 15 year term. Interest is calculated on a reducing balance basis, no penalties for early redemption. Monthly repayments remain static regardless of any change in interest rate. Lending is provided first and foremost on repayment capacity. Security (not personal guarantees) where available may be sought</td>
</tr>
</tbody>
</table>

Table adapted from 1.3.2.1.1 of Towards a sustainable rural economy. A report by the Rural Development Division, University of Limerick, 2005.
As Table 4.6 indicates, the majority of finance provided to entrepreneurs is ‘grant’ based such as: seed capital funds; priming grants; Rural Development Programme grant and an innovation grant. Only two respondents indicated ‘Venture Capital Funding’. Next respondents were questioned on whether or not they offered networking events/opportunities to entrepreneurs. The results indicate that 70% (n=32) do offer networking events/opportunities and 30% (n=14) do not offer such events/opportunities to entrepreneurs. Table 4.7 describes a typical networking event:

**Table 4.7** Examples of typical networking events

<table>
<thead>
<tr>
<th>Examples of Networking Events Provided Around the Country</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As part of other training activities or programmes but not specific, tailored network opportunities. National and international contacts also provide network opportunities as required.</td>
<td>They vary from general business networking events to those that are specific to particular sector or topic, they are usually run around a workshop, conference or seminar.</td>
</tr>
<tr>
<td>Monthly networking for Incubation Clients in the Centre (Regional Development Centre)</td>
<td>CONNECT Business Network GREENSHOOTS <a href="http://www.macroom-e.ie">www.macroom-e.ie</a> - Our Programmes</td>
</tr>
<tr>
<td>Women in Business Monthly meetings with guest speakers</td>
<td>Lunch with guest speaker e.g. Setting your goals</td>
</tr>
<tr>
<td>We hold events occasionally providing information on what is available in the local area.</td>
<td>We do not specifically offer networking events, however, our seminars allow budding entrepreneurs to meet and interact.</td>
</tr>
<tr>
<td>Through council funded Business Improvement Programme have regular seminars throughout the year providing networking opportunities. Annual Celebration of Enterprise event bringing small local businesses together to network and showcase their products/services.</td>
<td>WINSENT manages and administers the Social Enterprise which is a national network for social entrepreneurs. Meetings held every 2 months. So far, there has been 3 networking events held in Dublin with the next 3 being held outside of Dublin. Venues are yet to be decided.</td>
</tr>
<tr>
<td>To support clients participating on the Back to Work Enterprise Allowance Scheme we provide them with networking opportunities combined with relevant enterprise related training as chosen by the participants. Issues covered included Legal Duties Explained in Everyday Language, Safety and Method Statements, Risk Assessments, Training and Accident Reporting, Health and Safety documents required by owner-managers, details on specific hazards, Details on legal training requirements and an Introduction to the Health &amp; Safety Authority (HSA) and their powers.</td>
<td>E.g. Product Positioning and Product Planning The purpose of this workshop, which will be delivered by Mary Ryan, Product Innovator, is to ensure that attendees can clearly articulate their product’s value to their customers. The workshop also aims to ensure that attendees can implement an optimal go-to-market strategy which is driven by the findings of their market assessment. Date: Tuesday 21 June Time: 9:00 am to 1:00 pm Location: NovaUCD, 1.35</td>
</tr>
<tr>
<td>Venture Capital conference Entrepreneurship master classes Seedcorn final awards ceremony</td>
<td>Workshops, Seminars Events Referrals to other opportunities</td>
</tr>
<tr>
<td>We have a monthly ‘First Wednesday’ club which proves to be very beneficial using a referral system of networking. We also introduce our clients to key influencers in markets as and when required</td>
<td>Yes. With current &amp; past participants for SEEPP - EPP programme. Guest speakers / former participant of SEEPP or regional entrepreneur. Also run joint networking events with others e.g. Chamber or MBA Association</td>
</tr>
<tr>
<td>Regional seminars Annual EXPO and Awards event</td>
<td>With other Entrepreneurs</td>
</tr>
<tr>
<td>Success in Selling information seminar in association with the local chamber of commerce</td>
<td>A seminar or workshop to inform about the benefits of franchising</td>
</tr>
<tr>
<td>Linked with PAUL Partnership and Limerick City Enterprise Board network</td>
<td>Women in business network regional business week networking events annually</td>
</tr>
<tr>
<td>Generally in relation to the West Cork Fuchsia Brand or the FutureWestCork initiative</td>
<td>The University provides networking opportunities through its Knowledge Club initiative.</td>
</tr>
<tr>
<td>Monthly networking for Incubation Clients in the Centre</td>
<td>We are the support service for 52 local businesses, organising</td>
</tr>
</tbody>
</table>
The networking events that are organised appear to take the form of a seminar, workshop and/or a lunch occasion. It would appear that the networking occasions happen on a monthly basis and are formally organised. The networking events are primarily organised by organisations which are in the ‘other’ category (n=14), which includes social enterprise groups, minority groups; NGO’s etc. Following from this, eight government agencies and six 3rd level institutions provided details of their networking events/opportunities along with four private organisations. The one financial institution that replied indicated that they did not provide networking events/opportunities.

The penultimate question in this section asked respondents to identify any additional supports they provide entrepreneurs and Table 4.8 presents the comments based on 33 responses received for this question:

**Table 4.8 Additional services provided to entrepreneurs**

<table>
<thead>
<tr>
<th>Additional services provided to entrepreneurs</th>
<th>Additional services provided to entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>I offer a full range of health and safety and HR consultancy and training services</td>
<td>Top class facilities and an environment that helps them succeed</td>
</tr>
<tr>
<td>Business plan development, advice on areas of business development, etc.</td>
<td>Introductions / referrals to potential customers and access to below market rates for workspace/high tech offices, conference and training rooms</td>
</tr>
<tr>
<td>Mentoring, Board meeting introductions to partners (investors, channels to market)</td>
<td>Access to below market rates for workspace/high tech offices, conference and training rooms</td>
</tr>
<tr>
<td>Online accounting software for entrepreneurs</td>
<td>Monthly IP clinics - Free</td>
</tr>
<tr>
<td>Information Centre and access to other bodies, Business advice, website and on line business directory <a href="http://www.tipperarydirectory.ie">www.tipperarydirectory.ie</a> which offers a free listing to local businesses. We also call out to existing businesses where grants have been paid.</td>
<td>We conduct research in to entrepreneurship and the development of small to medium sized businesses. Dr Thomas Cooney of DIT Aungier Street is our Academic Director</td>
</tr>
<tr>
<td><a href="http://www.macroom-e.ie">www.macroom-e.ie</a> - Our Programmes</td>
<td>We support the HALO business angel network</td>
</tr>
<tr>
<td>We have business units available for rent by small businesses. We also have typing, photo-copying and faxing facilities.</td>
<td>Assistance with business planning and cashflow projections. Information evenings with motivational speakers and service providers e.g. revenue commissioners.</td>
</tr>
<tr>
<td>Trade shows grants Web Design grants</td>
<td>Office space and a variety of other supports</td>
</tr>
<tr>
<td>West Limerick Resources also administers the Back to Work Enterprise Allowance Scheme on behalf of the Department. The scheme is designed to encourage people receiving certain Social Welfare payments in Ireland to become self employed by allowing them retain a percentage of their social welfare payment for up to 2 years.</td>
<td>Advice, support and guidance on Enterprise, Innovation, Export and much more within a European and International basis. We also offer free training seminars, workshops and conferences. We also offer a Business Co-operation partnering tool and a Technology Transfer tool.</td>
</tr>
<tr>
<td>Easy in easy out leases on small business units</td>
<td>Signposting</td>
</tr>
<tr>
<td>Ongoing support over the first few years.</td>
<td>Specialist supports</td>
</tr>
<tr>
<td>The provision of support through the Innovation Centre, informal use of University links into the NI Science Park etc.</td>
<td>Conduct market research for entrepreneurs. Conduct business plans for them</td>
</tr>
<tr>
<td>Our Enterprise Centre offers Enterprise Space We operate the National Foundation for Teach Entrepreneurship programme in the local second level school, helping students set up micro businesses</td>
<td>We provide training, mentoring and business plan support to long-term unemployed people seeking to establish a business as a route out of unemployment.</td>
</tr>
<tr>
<td>The NovaUCD team provides a comprehensive range of enterprise supports to entrepreneurs comprising: Access to a purpose-</td>
<td></td>
</tr>
</tbody>
</table>

**46**
As Table 4.8 indicates there are a range of ‘additional services’ provided to entrepreneurs and these come in the form of: clinics, opening doors and making introductions; business planning advice, provision of business units/incubation centres, grants, facilities and market research.

The last question in this section was the filter question that distinguished the service providers from each other. The question asked: ‘Do you offer any tailor made or specifically designed supports for ethnic entrepreneurs’. The responses to this question overall was very low; whereby only 18% of respondents (n=8) indicated they do and 82% (n=37) do not provide services to ethnic entrepreneurs (sixteen respondents also skipped this question). The following section analyses the responses to those who offer tailor made/specifically designed supports for ethnic entrepreneurs:

4.4.2 Ethnic entrepreneurship support provided

Of those who provide support dedicated to the ethnic entrepreneur (n=8), it was found that the majority (n=5) were specialist organisations such as NGO’s, Migrant Groups, Social Enterprises with the remaining two respondents being a government support agency and one 3rd level institution. Seven respondents identified what kind of specially designed training programme they provide and the responses include:

Start your own business programmes have been offered in foreign languages as needs have been identified.

We offer a programme called “Food Safety Training for Management in the Chinese Food Sector”. We also have information on food safety in different languages.

We provide work-based language skills and start your own business training

We are currently developing a package to launch soon

All kinds of businesses and entrepreneurs are welcome to join our community

Our ‘Start Your Own Business’ seminars are designed specifically for Ethnic Entrepreneurs. 90% of our participants come from Ethnic Communities. We address the challenges facing Ethnic Entrepreneurs and the issues facing Non EEA nationals establishing a business in Ireland.

We have provided start your own business programmes through the Polish language

As the comments above indicate, the supports provided specifically to ethnic entrepreneurs are ‘start your own businesses’ programmes and programmes in ‘foreign languages’. Of the respondents, only 38% (n=3) provide networking opportunities specifically for ethnic entrepreneurs and 62% (n=5) do not. The majority of respondents (75%) provide mentors for ethnic entrepreneurs, with 25% indicating they don’t. Three respondents clarified their mentoring services by stating:

They can avail of the same mentoring service as all clients. Every effort is made to match the needs of the client to an appropriately skilled mentor.
Our service is targeted at minority entrepreneurs, specifically: ethnic, handicapped, over 50, gay, lesbian, bisexual and transgendered. As noted 90% of our participants are from ethnic minorities.

Mentoring is available to everyone.

Moving on from this, respondents were asked if they provide financial assistance/grants for ethnic entrepreneurs and only 38% indicated yes, with the majority (62%) indicating no. The respondents who indicated that they do provide finance stated the following:

Grants are available subject to meeting criteria.

They may avail of the ‘Back to Work Enterprise Allowance Scheme’ and ‘Rural Development Programme’ supports, where eligible.

Only 25% of respondents identified that they do charge for their services, whilst 75% don’t charge. Three respondents provided explanations for their answers:

Services provided by company are free of charge.

The organisation is staffed entirely by volunteers. We provide our services to participants on a pro-bono basis. We believe that increasing the level of economic activity benefits everyone in the longer term.

We charge a small fee for training and mentoring. The courses are highly subsidised.

Next respondents were questioned on whether or not they offer their services in the entrepreneurs own language and the result was a 50:50 split. Most respondents indicated that it would be ‘as the need arises’ they would offer the services in foreign languages. In another situation the respondent indicated that ‘sessions were presented in the native language of the presenter and then it was translated into other languages by co-presenters’. The last question asked respondents if they think there are ‘other services that should be offered to ethnic entrepreneurs’ and 75% indicated yes and 25% indicated no. The six respondents who answered this question expanded on their answers by saying:

Business shadowing and translation support and own language mentoring

Additional support required due to language barriers

Among services and supports available to all businesses in Ireland – ethnic businesses suffer for so many reasons. I suggest targeted approach to ethnic entrepreneurs in terms of services – my organisation can assist in this area based on our vast experiences and lived experience.

Ethnic entrepreneurs should be encouraged to work with domestic Irish companies to identify opportunities to import and export from their home countries. The Enterprise Boards could provide a skill matching service to domestic companies and ethnic entrepreneurs.

Targeted business English and networking supports

More courses in their own language

The last question in the questionnaire was for the respondent to provide any additional comments they would like to provide’ and Table 4.9 identifies the results.
### Table 4.9  Additional comments by respondents

<table>
<thead>
<tr>
<th>Additional comments</th>
<th>I am not aware of anyone in my industry (franchising) who offers specific support to ethnic minorities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a real need for post seed capital funding (+ Euro 2m)</td>
<td>New Communities are entrepreneurial and ready to contribute hugely to Irish economy - example abounds. I think it is time to take them serious and take proactive, strategic approach to empowering and leveraging their impacts. Engagement with their networks and representatives at planning any initiatives must be a priority and not being prescriptive and assumptive of what they need or want!</td>
</tr>
<tr>
<td>The demand for aid and finance generally is exceptionally high at present. Insufficient working capital is a real issue and the lack of credit is a barrier to growth and development. A lot of small business in trouble. A loan guarantee would be helpful for established businesses with insufficient funds. Start-ups particularly the unemployed who qualify for Back Tow Work Allowance from Social Welfare are better off than most.</td>
<td>Several of our 2011 GREENSHOOTS participants/entrepreneurs are ethnically non-Irish, and as with all of our GREENSHOOTS participants/entrepreneurs, their programme of needs, training etc. is tailor made and specifically designed and catered for. Whilst we do run specific programmes targeting ethnic entrepreneurs as an equal opportunity organisation all our programmes are open to all individuals irrespective or race, religion, etc.</td>
</tr>
<tr>
<td>Our funding is very limited and currently at risk of a funding cut of 40%. We are unable to offer tailored programmes to Ethnic groups as the numbers (demand expressed to date) are low in this region</td>
<td>We offer supports to new entrepreneurs in a certain catchment area only, which is located in Dublin city</td>
</tr>
<tr>
<td>Yes - the Traveller Community is engaged a significant amount of black economy activity. Little systematic effort has been made to regularise and legitimise this. This requires fresh thinking on the part of support agencies and some level of engagement which is not restricted to community development or other forms of occupational therapy.</td>
<td>Partas were the lead partner in the Emerge programme which was a three year funded programme assisting migrants who wished to explore the possibility of starting a business in Ireland. This was a 14 week programme twice a week and it was a national project. This funding ceased about 3 years ago. Partas then applied for funding from Skillnets and we ran a successful Emerge Skillnet which assisted ethnic employers and their employees by providing very heavily funded training. This was a two year project which finished 2 years ago. Through our work with WINSENT we work with ethnic social entrepreneurs. Partas is also involved in an EU funded project called e-Sprint which examines the link between the use of ICT in the integration of migrants. This is a new project which commenced in Sep 11. Partas offers support to any person who wishes to start a business and they live in the Dodder Valley Partnership area. We have strong links with the South Dublin County Council and the South Dublin County Enterprise Board.</td>
</tr>
</tbody>
</table>

As the table above indicates the majority of additional comments were related to financial issues which echoes their comments in other questions identified in the questionnaire.
SECTION FIVE: PRIMARY RESEARCH FINDINGS FOR ESTABLISHED ETHNIC ENTREPRENEURS IN THE MIDWEST REGION OF IRELAND

5.1 FINDINGS FOR ESTABLISHED ETHNIC ENTREPRENEURS
The findings for the established ethnic entrepreneurs are based on 36 valid responses, which were received from a survey that was gathered through an online medium (www.surveymonkey.com), by post and/or in person.

5.2 DEMOGRAPHIC PROFILE OF THE ESTABLISHED ENTREPRENEURS
Males accounted for 72% (n=26) of respondents with the remaining 28% (n=10) being female. Over two-thirds of respondents (72%) were married, 14% were single, 11% were living with a partner and 3% were divorced or separated. Figure 5.1 below indicates the country of origin of the respondents.

![Figure 5.1 Country of Origin](image)

The majority of respondents were from Africa (such as Nigeria, Ghana, Democratic Republic of Congo, Sudan, Uganda and Cameroon); India and Pakistan. Those from Europe were mainly from France and Italy and the majority of the Eastern European respondents were Polish. Next, established ethnic entrepreneurs were questioned on how long they have resided in Ireland and Figure 5.2 below illustrates the results.

In terms of residency an overwhelming majority of respondents have resided in Ireland for three years or more (95%). On breaking this down, the highest response rate was for respondents who have resided in Ireland for 9 years or more (50%).

![Figure 5.2 How long have you resided in Ireland?](image)
The entrepreneurs were asked what their reason was for relocating to Ireland, the results of which can be seen in Table 5.1 below.

### Table 5.1 Motivations for relocating to Ireland

<table>
<thead>
<tr>
<th>Motivation for relocating to Ireland</th>
<th>Response %</th>
<th>N=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatives were already living here</td>
<td>65.2%</td>
<td>15</td>
</tr>
<tr>
<td>Came to Ireland to specially start up a business</td>
<td>17.4%</td>
<td>4</td>
</tr>
<tr>
<td>Aware of the supports for foreign nationals</td>
<td>13%</td>
<td>3</td>
</tr>
<tr>
<td>Knowledge of the business environment and its potential for new business</td>
<td>4.3%</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

The ‘Other’ (n=15) category provided some additional findings as well whereby respondents stated reasons such as: ‘to get a better life’ (n=2), ‘for educational purposes’ (n=6); ‘for work’ (n=3); and ‘refugee status and asylum seeker’ (n=4). ‘Family’ was a key motivational factor in influencing the respondents’ choice of Ireland as the place to relocate to. ‘For educational purposes’ was the second most popular reason for relocating to Ireland. Coming to Ireland specifically to look for employment was also a popular motivation for relocating to Ireland. Only 7.1% (n=1) of respondents chose Ireland to relocate to because of their ‘knowledge of the business environment and its potential for new businesses’. Next respondents were asked what their highest educational qualification was and Figure 5.3 below illustrates the results.

![Figure 5.3 Highest educational qualification](image)

As is evident from Figure 5.3, an overwhelming majority of established entrepreneurs had a third level qualification (89%), with the majority having a degree (60%) or a Masters (17%).

### 5.3 DEMOGRAPHIC PROFILE OF THE ENTREPRENEURS BUSINESS

All respondents were the owner-manager of the business. The majority (51%) of businesses were established between 2005 and before 2010 with 21% indicating that they had established the business either in 2010 or 2011. Eighteen per cent established their business between 2000 and before 2005 with the remaining 10% establishing the business pre 2000. Of those who responded (n=34), 79% identified that the business name is registered with 12% indicating that it wasn’t and 9% not wishing to disclose this information. The typical legal structure that the business takes is as a ‘sole trader’ structure (59%, n=20); 21% of respondents have established a ‘limited liability company’, with the remaining 21% as ‘partnerships’.

Eighty-two per cent of respondents indicated that they are working in the business full-time with the remaining 18% indicating they are working part-time in the business. In 37% of cases, respondents indicated that they do not employ anyone else except themselves (n=13) with the
remaining 63% indicating that they have: one other employed (34%); two others employed (14%); three others employed (6%); five others employed (3%); fifteen others employed (3) and in one case (3%) an entrepreneur had 22 people employed.

Respondents were next asked about the number of part-time employees they have and in 39% of cases the entrepreneur had no one part-time employed. In the remaining 61% of cases they had: one person employed part-time (28%); 19% had two people, 5% had three people; 5% had five people and 4% had seven people part-time employed.

The penultimate question in relation to employment strategies of the business, the entrepreneurs were questioned as to how many employees (either full-time or part-time) were related to them. The results indicate that in the majority of cases (53% n=17) none are related to them. Some 32% have one relative working for them; however, in the majority of cases that is their spouse. Three per cent have two relatives working for them; 6% have three relatives and 6% have four relatives working for them.

The last question pertaining to employment asked respondents if the employees are from their own ethnic group or not. Of those who responded 53% (n=19) indicated that they have employees from their own ethnic group; 8% (n=3) have employees from other ethnic groups; 36% (n=13) have Irish employees and 11% (n=4) have employees from other EU countries.

Next, entrepreneurs were questioned if they supply a product and/or service to their customers and 59% indicated that they supply a service, 12% a product and 29% both a product and service. Figure 5.4 below identifies the industry that the business is operating in.

![Figure 5.4 Industry business is operating in?](image)

Figure 5.4 illustrates the results for the industries the respondents are operating in. In some cases entrepreneurs choose two industries such as retail and consultancy. Additionally, ten respondents provided answers in the ‘other’ category and they indicated:

- Travel agent
- Internet Service
- Translation
- Car repair
- Information services
- Distribution & Internet Service
- Internet
- Marketing
- Software Engineering
- Agricultural industry sector
- IT

For those who responded (n=34) they were next asked to choose if their customers were local, national and/or internationally based with the following results: 71% of cases have local customers, 53% identify that their customers are nationally based and 53% also identified that their customers are internationally based. When examining their customer base, 87% have customers from their own ethnic group and/or 94% have Irish customers and/or 85% have customers from other ethnic groups.
In relation to how the entrepreneur differentiates their product or service the most common statement was ‘service’ with 32% of respondents indicating this. ‘Quality’ was also a differentiation factor used by entrepreneurs (29%). Twenty-two per cent indicated ‘price’ and 19% said the ‘product’ itself was a differentiating factor. Some anecdotal responses to support these differentiating factors were:

- Quality of services, patient and work long hours and treat customer well.
- Fresh food, homemade and Halal. Nothing frozen - dough, paste, toppings, sauces all fresh.
- High-end, tailored-made, best supplier in Ireland
- Better quality of product and services. Well trained staff.
- It comes from South America direct. I sell better quantities than even Tesco, Dunnes.
- Quality - it is all fresh.
- Price, speed of service, flexibility and personable individual
- Taste and quality of food. Relaxed environment and good service.
- There is no similar service in the area so we are unique in that way. Our emphasis is on quality.
- We are passionate about our food, provide a very friendly service at a reasonable price.

Next, respondents indicated that they do have an accountant (85%, n=29); a solicitor (59% n=20) and a contact in the bank (71% n=24) that they use. Few entrepreneurs had subcontractors as 76% (n=22) indicated they did not have subcontractors. From the study the findings indicate that the majority of respondents rent the property they use since 78% (n=25) identified this and only 13% (n=4) had a mortgage on the property. Sixty-seven per cent (n=22) of the 33 respondents indicate that they pay rates whilst 33% do not. Some 83% (n=25) pay PRSI contributions whilst 17% (n=5) do not.

The last section of the demographic profile of the entrepreneurs business was to examine the marketing strategy of the business and they were questioned on their marketing plan. ‘The company/business has no formal plan – it's just in my head’ was chosen by 62% (n=21) of respondents, whilst 26% (n=9) have a plan that ‘is prepared that addresses sales targets and overheads’ and 12% (n=4) have a ‘detailed plan produced with clear objectives, targets, activities, resources etc. covering the whole business’.

Finally, the entrepreneurs were asked to choose all the marketing activities that they are currently engaged in and Figure 5.5 illustrates the results.
Figure 5.5 identifies that ‘personal selling’ is the most popular marketing activity engaged by the entrepreneurs with ‘flyers’ and ‘advertising’ coming a somewhat distant second and third. In the ‘other’ category, three respondents identified other forms of marketing activities they are engaged in and they include: ‘mobile texting’, ‘networking’ and ‘word of mouth advertising’. ‘Branding as a marketing activity’ rated poorly on the marketing activities scale along with ‘market research’ and ‘attending trade fairs/exhibitions’. Only 32% of entrepreneurs do ‘online marketing’ and few do ‘direct marketing’ and ‘PR’.

5.4 PRE-START-UP PHASE

A number of questions were posed to respondents on their pre-start-up activities such as how the business idea emerged, market research conducted prior to start-up, the finance strategy adopted to get the business established and the support/training availed of prior to start-up.

An open-ended question was posed to the respondents on how their business idea emerged and Table 5.2 indicates the results (the 35 responses have been grouped into categories. There was one non-response to this question).

Table 5.2 How the business idea emerged

<table>
<thead>
<tr>
<th>How your business idea emerged</th>
<th>N=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saw a business opportunity</td>
<td>16</td>
</tr>
<tr>
<td>Took over an already existing (successful) business</td>
<td>2</td>
</tr>
<tr>
<td>Had a similar business back home</td>
<td>1</td>
</tr>
<tr>
<td>Large number of ethnic minorities/immigrants in the area</td>
<td>6</td>
</tr>
<tr>
<td>Emerged as a result of my education</td>
<td>2</td>
</tr>
<tr>
<td>Started importing products and there was a demand for them</td>
<td>1</td>
</tr>
<tr>
<td>Wanted to be an owner-manager (my own boss)</td>
<td>1</td>
</tr>
<tr>
<td>The idea emerged as a result of talking to other people</td>
<td>2</td>
</tr>
<tr>
<td>Background influences</td>
<td>2</td>
</tr>
<tr>
<td>ANO</td>
<td>2</td>
</tr>
</tbody>
</table>

Following on from this, respondents were asked the reason behind their decision to start a business in Ireland. Table 5.3 indicates the results.
Table 5.3  Factors influencing their decision to start a business in Ireland

<table>
<thead>
<tr>
<th>Factors that influenced their decision to start a business in Ireland</th>
<th>% response</th>
<th>N=</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unable to find suitable work</td>
<td>14.7%</td>
<td>5</td>
</tr>
<tr>
<td>I could not use my skills/qualifications elsewhere</td>
<td>17.6%</td>
<td>6</td>
</tr>
<tr>
<td>Unable to fulfil your career ambitions elsewhere</td>
<td>5.9%</td>
<td>2</td>
</tr>
<tr>
<td>Saw a business opportunity</td>
<td>82.4%</td>
<td>28</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

Therefore, combining the results from Table 5.2 and 5.3 above, it is evident that ‘saw a business opportunity’ was a key factor for their business idea emerging and/or for influencing them in establishing a business in Ireland. Furthermore, respondents indicated that ‘opportunities arose’ in their own ethnic environment since they saw more immigrants coming into the surrounding area and they were demanding products and/or services that were not in existence. Therefore, for some, the emergence of the business idea evolved due to people deciding to reside in the area. Some of the anecdotal responses for this are as follows:

*Saw an opportunity and knew there was a need for it.*

*I saw an opportunity for a business that currently did not exist.*

*I saw a niche in the market*

*People showed a lot of interest for the pof pof cooked by my spouse.*

*Growing number of our community (Muslim) and the need for Halal food for Muslim people*

*Lack of products and services for ethnic minorities*

*I am a beautician and there was no one to provide beauty care for ethnic groups.*

Following on from this, respondents were questioned on whether or not they conducted market research prior to starting the business. Figure 5.6 below illustrates the results.

![Figure 5.6 Market research conducted prior to start-up](image.png)

As can be observed from Figure 5.6, the typical market research that was conducted prior to start-up was ‘talked to potential customers’ and the ‘observation of trends in the market place’. The marketing that entrepreneurs conducted was, in their own words, ‘basic marketing’. One respondent identified that he had
‘Got a sense of the market through networking and carrying out a competitor analysis to see which other companies in Limerick were offering similar services to what I had planned to offer’.

Those who talked to potential customers utilised their family, friends and their networks to gather market research. Anecdotal responses to this included: ‘I talked to the women in the area who are from my community’ and ‘I did a little market research by asking questions to our friends, relatives and caterers. Then, I found what store in town will accept my products’.

Those who ‘observed trends’ commented:

‘The signs were very positive for the business - population of blacks everywhere; people looking for products were going to Dublin’;

‘Basic, statistics of number of people living here in the county’

and

‘Talked to business people. Reviewed the competition and did a feasibility study’.

Two respondents identified that they wrote a business plan

‘I developed a business plan in which market research and the knowledge of customers was required’.

The next question in relation to start-up activities, questioned the respondents on the sources of finance used to start the business. The respondents were given seven categories to choose from and they were asked to indicate the percentage of finance used. Figure 5.7 displays the results.

![Figure 6.7 Sources of finance used to start the business](image)

What is interesting to observe from Figure 5.7 above is the use of ‘personal savings’ so as to fund the start-up of the business, as 73.5% (n=25) indicated this in their response. Very few respondents used ‘government grants and/or investors’ to fund the start-up of their business. Both
‘bank loans’ and ‘loans from family and friends’ were the next most popular source of finance for the business start-up. One respondent indicated that finance wasn’t an issue for her in starting her business as ‘100% of the finance came from family and sources in Thailand’. Another indicated ‘social welfare support’; whilst another respondent indicated that their ‘partner’ supported them financially. A respondent indicated that he ‘receives credit from his suppliers in Brazil and this is based on trust. I couldn’t start up my business without this financial support’. A respondent indicated that ‘rather than these sources of finance not being used, they were not available to me for start-up: that’s why they weren’t used’.

Furthermore, respondents were asked to provide ‘advice’ to someone who is looking to fund their business from the sources listed in Figure 5.7 above and their responses include the following:

Table 5.4 Advice to someone looking to fund their business

<table>
<thead>
<tr>
<th>Recommendations to entrepreneurs looking to fund their business</th>
<th>Try to find about the market that you know e.g. South American food market.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To look for a loan from a bank or related financial institution</td>
<td>Try and reduce costs from the beginning as it might take some time for the money to come in. Don’t buy new items.</td>
</tr>
<tr>
<td>Know the basic rules. Investigate the area and decide to save and request a loan when you make up your mind of what you want to do.</td>
<td>Go for advice. There is good advice there otherwise experience from friends already in business.</td>
</tr>
<tr>
<td>Family/relatives, business partners - level of trust is important because they send money to me.</td>
<td>Be aware of the conditions. Find really cheap rates before starting anything.</td>
</tr>
<tr>
<td>Be aware of the conditions. Find really cheap rates before starting anything.</td>
<td>Have deep pockets - it’s expensive to start up a business</td>
</tr>
<tr>
<td>I would advise any other person to have up to 50% of the money needed to start the business.</td>
<td>Social welfare services were of great assistance however little funds were given.</td>
</tr>
<tr>
<td>Show a valid business plan and in-depth market research (including the most up to date reports, the list of people you have been talking to etc.) Need to show that you have invested in the business</td>
<td>If one is looking for government grants, be prepared to put in the time and wait. If the business can’t wait, or the idea is good, don’t wait for government grants to come through to start it.</td>
</tr>
<tr>
<td>You must first have savings in the bank.</td>
<td>It is difficult</td>
</tr>
<tr>
<td>Do market research find and talk to the bank.</td>
<td>Review what you want to give away - then double it.</td>
</tr>
<tr>
<td>The best advice I can give is to have your own savings or if cannot then at least you need some money in your bank in order to get a bank loan.</td>
<td>Borrow from family and get savings in the bank and have a relationship with your bank manager early on.</td>
</tr>
<tr>
<td>Interact with the bank a long time before you need the money so that they know who you are and you have a history with them.</td>
<td>It is difficult now to gain access to the banks and personal savings will form the main part of your funding</td>
</tr>
<tr>
<td>Be prepared and aware you might not get the money</td>
<td>Use investors who are highly networked</td>
</tr>
<tr>
<td>It is difficult to get money from banks so I used personal savings and had support from family back home</td>
<td>It is difficult. You must have some of your own to invest as this will be where most of your finance will come from.</td>
</tr>
<tr>
<td>One must: First think of an innovative idea that can solve a problem. Have a clear understanding of what it is that the consumers and markets are looking for. Know how and where they are located and who they are. Prepare a business plan which provides a road map to owner/manager, products or service, market research, operations.</td>
<td>The most I can advise is to use your own money. Banks pretend that they will do something but end up wasting your time asking you everything they can till you give up. At least the Credit Union is very straight up with you - if you can save they lend to you. Not with banks: never.</td>
</tr>
<tr>
<td>Start with personal savings because with the recession, its very difficult to get a loan or grant</td>
<td>Check your budget! Do business as you love, and are happy at what you have!</td>
</tr>
</tbody>
</table>

The advice given above is varied. In some instances the advice is not to go to the banks or financial institutions due to the difficulty in getting funds from them in the current economic environment and/or due to the bureaucracy that is involved in getting finance from them. Others have indicated that it is difficult to get finance from these sources however they recommend that one starts having a relationship with the financial institution early on and to start saving with them so as to have some form of credit history. In the majority of cases respondents identified the
importance of going for advice before seeking funds from these sources. One respondent provided some interesting advice, that being to ‘Use investors who are highly networked’.

5.4.1 Training conducted in the pre-start-up phase and advice sought

The last section of the pre-start-up stage examined whether or not entrepreneurs received advice from government support agencies and/or attended training programmes offered by them, on starting up their business. Initially they were questioned on whether or not they met with individuals from a list of bodies and the results can be seen in Figure 5.8 below.

What is interesting to observe is the low rates of responses from respondents in meeting representatives from agencies that were established to assist entrepreneurs. No respondent met someone from the First Step organisation. However, the reason for this might be due to the location of the First Step offices, which are located in Dublin and the respondents businesses are located in the Midwest region of Ireland. The City/County Enterprise Boards were the most popular organisation that entrepreneurs used prior to start-up with 43% (n=15) of respondents indicating that they had met with representatives from this organisation. FÁS were the next most popular agency visited (18.2% n=6) followed by Enterprise Ireland (14% n=5) and Paul Partnership/Ballyhoura/West Limerick Resources (14% n=5). Only 9% (n=3) of respondents have met with someone from Doras Luimni prior to star-up followed by 6% (n=2) and 3% (n=1) of respondents meeting a representative from the LEAP and LEDP programme.

Next respondents were asked if they availed of the services of the Enterprise Support agencies in the region and Figure 5.9 indicates the results of what support they availed of.

![Figure 5.8 Did they meet representatives from these bodies](image)

![Figure 5.9 Support availed of in the planning/starting phase of their business](image)
No respondents used the Enterprise Support Agencies for ‘troubleshooting’. Some 43% (n=15) of respondents had accessed the agencies for guidance and advice. Only 26% (n=9) received training; 15% (n=5) mentoring; 31% (n=11) assistance in writing a business plan; 37% (n=13) advice on accessing funding options and 21% (n=7) support on conducting market research. What was interesting from this question were the anecdotal responses given by respondents on the support services that are available to ethnic entrepreneurs and Table 5.5 below illustrates the results.

### Table 5.5  Views on the support services available to ethnic entrepreneurs

| Mentoring was done with other friends. Troubleshooting - asked many from other businesses in same business. |
| Got in touch with Fás to recruit Halal butcher in the county. |
| These bodies are the ones that need the support - people there can't really help you: they don't know how to run a business because they haven't run businesses themselves. |
| Have many friends in other countries - they know a lot about our business. These are the people I would choose to help with troubled events. |
| I spoke with a family friend who had previously set up a business in the area |
| Paul Partnership provided market research services, Newcastle West support services provided a mentor; Social Welfare Services provided funding |
| I have received all of the above when involved in another business start-up previous to this. |

Three of the nine ethnic entrepreneurs indicated that they would prefer to use their own networks of contacts rather than the services of the support agencies. One was of the opinion that the support agencies are unable to support ethnic entrepreneurs because they were unaware of the issues they face. Conversely two individuals used a variety of the agencies for support during their start-up, whilst another entrepreneur used one specific support agency to assist him during start-up. The overall outcome from this question would indicate that ethnic entrepreneurs are not availing of the services offered by these agencies and there are barriers they feel to using the services.

Entrepreneurs were questioned on whether or not they took part in business training programmes offered by these agencies and only 17% indicated they had, whilst 83% had not. Of those who did attend training programmes (n=6) there were many instances where the same person attended training programmes offered by the agencies listed therefore:

- 3 had attended training programmes offered by the City/County Enterprise Boards;
- 3 attended Paul Partnership/Ballyhoura/West Limerick Resources training programmes
- 2 had attended training programmes at a 3rd level institution
- 1 attended a FÁS training programme
- 1 attended an Enterprise Ireland training programme and
- 1 attended a training programme provided by Doras Luimní.

In the ‘other’ category of this question two entrepreneurs responded by indicating they had either completed a ‘Health and Safety/Manual Handling’ course or an English language course in a 3rd level institution. When questioned on what other support/assistance/training could be provided three responded by indicating:

- More financial support is needed
- Some more advanced training in sales and marketing
- They give all support and assistance I needed except the funds which I want to develop my business with.

For those who did not participate in a training programme offered by the support agencies they were asked their reasons why and Figure 5.10 below indicates the results.
Figure 5.10 Why they did not participate in a training programme

Awareness of such training programmes being in existence and/or being available was the primary reason why 62.5% (n=15) of respondents did not participate in a training programme offered by the support agencies. Some 33% of respondents felt that it did not suit their needs and some of the common needs that emerged were: ‘Health and Safety training needs’, ‘Manual Handling training needs’ and ‘market research needs’. This will be discussed in more detail in the section on skills needs. Seven ethnic entrepreneurs elaborated on their reasons why they did not participate in a training programme:

- They wouldn’t even know how to support me.
- There is no training for ethnic entrepreneurs.
- Already had training. There’s none I need.
- Can’t comment on the cost as I wasn’t aware of the programmes available.
- Had a gut feeling and friends and family were supportive of the idea so I used their experience to help with the idea and business.
- I would imagine the courses are expensive and if they are not tailored to my business ideas then I do not think they will be good for me.
- Poor English when I started the business - didn’t have the confidence to go on a training course

The comments from above would indicate a perception and confidence issue. It was perceived by respondents that the support agencies ‘wouldn’t be able to support them’ and there is no ‘specific training for ethnic entrepreneurs’. Additionally, one individual mentioned to the researcher that she lacked confidence in her English and this was a reason why she did not participate on programmes taught through this medium.

5.5 SKILLS ASSESSMENT

The second to last section of the questionnaire focused on the entrepreneurs skills set. Five questions were posed to the entrepreneur based on their current skillset and their perceived future skills needs. Initially, entrepreneurs were asked to identify their ability (based on ‘I do this very well’ to ‘I don’t know how to do this’) to perform a number of business functions and Table 5.6 presents the results.
The results from Table 5.6 above indicate that respondents believe that their skillset is quite good and there are only a few areas indicated that they need assistance with. Finance is the key area where help is required. Thirty-three per cent of respondents (n=11) identified that they need assistance ‘balancing the books’ and ‘writing a cash flow statement’. Furthermore, in relation to ‘writing a cash flow statement’ 9.4% (n=3) of entrepreneurs identified that they do not know how to write a cash flow statement at all. In the review of previous studies on [general] entrepreneurs, this was a common area that entrepreneurs said they needed assistance on so this finding is not something new. Some 32% of entrepreneurs did state that they needed assistance in ‘designing a strategic plan for the business’, with a further 15% (n=5) identifying that they don’t know how to write a strategic plan.

Another area that indicated a weakness in the entrepreneurs’ skillset included ‘conducting market research’. As identified already in section 5.4, entrepreneurs identified that at the pre start-up phase they only conducted ‘basic market research’ and this would be echoed by the 15% (n=5) of entrepreneurs who identified that they ‘don’t know how to do this’ and/or ‘I need help on doing this’ (21% n=7). What is somewhat worrying is that 44% (n=14) of respondents indicated that ‘branding’ does not apply to them. According to marketing literature (Jobber and Fahy 2009) branding should be conducted on both a product and/or a service.

Entrepreneurs were next posed with a list of tasks and they were asked to rate their ability to perform each task. The ratings were ‘capable’, ‘not capable’ or ‘no opinion’ and Table 5.7 below highlights the results.

### Table 5.7 Capability of performing each task

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Capable</th>
<th>Not capable</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can work productively under continuous stress, pressure and conflict.</td>
<td>100.0% (34)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>I can develop and maintain favourable relationships with potential investors.</td>
<td>52.9% (18)</td>
<td>11.8% (4)</td>
<td>35.3% (12)</td>
</tr>
<tr>
<td>I can see new market opportunities for new products and services.</td>
<td>85.3% (29)</td>
<td>2.9% (1)</td>
<td>11.8% (4)</td>
</tr>
<tr>
<td>I can recruit and train key employees.</td>
<td>82.4% (28)</td>
<td>0% (0)</td>
<td>17.6% (6)</td>
</tr>
<tr>
<td>I can articulate vision and value of the business.</td>
<td>79.4% (27)</td>
<td>5.9% (2)</td>
<td>14.7% (5)</td>
</tr>
<tr>
<td>I can discover new ways to improve existing products/services.</td>
<td>87.9% (29)</td>
<td>3.0% (1)</td>
<td>9.1% (3)</td>
</tr>
<tr>
<td>I can design products/services that solve current problems.</td>
<td>66.7% (22)</td>
<td>6.1% (2)</td>
<td>27.3% (9)</td>
</tr>
<tr>
<td>I can identify potential sources of funding for investment.</td>
<td>55.9% (19)</td>
<td>26.5% (9)</td>
<td>17.6% (6)</td>
</tr>
<tr>
<td>I can create products/services that fulfil customer needs.</td>
<td>91.2% (31)</td>
<td>2.9% (1)</td>
<td>5.9% (2)</td>
</tr>
</tbody>
</table>
What is interesting to see from Table 5.7 is that the majority of entrepreneurs believe that they are capable of performing the tasks listed in the question. The two tasks that they believe they have problems with, both stem from a finance related task i.e. 12% (n=4) believe that they are not capable of ‘developing and maintaining favourable relationships with potential investors’ and 26% (n=9) believe they are not capable of ‘identifying potential sources of funding for investment’. This is obviously an area of concern for some entrepreneurs. Entrepreneurs were next asked what skills they may need to improve on and Table 5.8 identifies the results.

<table>
<thead>
<tr>
<th>Skills they need to improve on</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and sales management</td>
<td>68.8% (22)</td>
<td>31.3% (10)</td>
</tr>
<tr>
<td>Customer relationship management</td>
<td>46.9% (15)</td>
<td>53.1% (17)</td>
</tr>
<tr>
<td>Market research</td>
<td>61.8% (21)</td>
<td>38.2% (13)</td>
</tr>
<tr>
<td>Computer skills (e.g. webpage design, email)</td>
<td>62.5% (20)</td>
<td>37.5% (12)</td>
</tr>
<tr>
<td>Business planning and organisation</td>
<td>67.7% (21)</td>
<td>32.3% (10)</td>
</tr>
<tr>
<td>Financial management</td>
<td>71.9% (23)</td>
<td>28.1% (9)</td>
</tr>
<tr>
<td>Controlling costs</td>
<td>63.6% (21)</td>
<td>36.4% (12)</td>
</tr>
<tr>
<td>Managing your employees</td>
<td>43.8% (14)</td>
<td>56.3% (18)</td>
</tr>
</tbody>
</table>

As Table 5.8 above identifies, in the majority of cases, entrepreneurs believe that they need improvement on all the skills listed in the table above. The most pressing area (72% indicated this as an area of improvement) is ‘financial management’ which echoes the findings in Table 5.6 which also highlighted financial areas that they need help with (i.e. writing a cash flow statement and/or balancing the books). ‘Controlling costs’ (64%) is also an area they need to improve on. The next skill set they need to improve upon is within the marketing field i.e. 69% need to improve upon ‘marketing and sales management’; 62% need to improve upon their ‘market research skills’. Finally, ‘business planning and organisation’ was identified as an area for improvement by 68% and 62% identified ‘computer skills i.e. webpage design, emailing’ as an area for improvement. Respondents also identified ‘other’ areas of improvement and the anecdotal responses include the following:

- **Risk assessment/management and forecasting (sales)**
- **Dealing with online suppliers.**
- **Maybe how to use online marketing communications**
- **Social media - Facebook how to do it. Knowing how to manage growth**
- **Marketing**
- **General business management skills**
- **English skills**

It would appear that online marketing and communications is another area of concern for the entrepreneurs who responded to the study. The final question in this section asked respondents what training/skills they foresee they will need in the future. Table 5.9 indicates the results.
Table 5.9 Training needs they foresee they will need

<table>
<thead>
<tr>
<th></th>
<th>Will need to know how to do this</th>
<th>Will not need to know how to do this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know how to hire/fire employees</td>
<td>37.5% (12)</td>
<td>62.5% (20)</td>
</tr>
<tr>
<td>Understand how to sell/promote online</td>
<td>60.6% (20)</td>
<td>39.4% (13)</td>
</tr>
<tr>
<td>Learn how to grow the business</td>
<td>76.5% (26)</td>
<td>23.5% (8)</td>
</tr>
<tr>
<td>Understand how to internationalise the business</td>
<td>39.4% (13)</td>
<td>60.6% (20)</td>
</tr>
<tr>
<td>Learn how to balance work and life</td>
<td>61.8% (21)</td>
<td>38.2% (13)</td>
</tr>
<tr>
<td>Understand how to write a business plan</td>
<td>56.3% (18)</td>
<td>43.8% (14)</td>
</tr>
<tr>
<td>Learn how to sell my business</td>
<td>44.1% (15)</td>
<td>55.9% (19)</td>
</tr>
</tbody>
</table>

As the table above indicates, ‘knowing how to hire/fire employees’ and ‘how to internationalise their business’ are not areas they foresee they need to learn about in the future. The key areas of interest they believe they will need training on in the future include:

‘learning how to grow the business’, (76% n=26)

‘learning how to balance work and life’, (62% n=21)

‘understand how to sell/promote online’, (61% n=20)

‘understand how to write a business plan’ (56% n=18)

5.6 BARRIERS FACED BY ENTREPRENEURS

The final section of the questionnaire for the established entrepreneurs posed a question on the barriers faced by entrepreneurs. Table 5.10 indicates the results.

Table 5.10 Barriers/challenges faced by entrepreneurs

<table>
<thead>
<tr>
<th></th>
<th>Is a barrier / challenge</th>
<th>Is not a barrier / challenge</th>
<th>Does not apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting access to finance to establish your business</td>
<td>61.8% (21)</td>
<td>32.4% (11)</td>
<td>5.9% (2)</td>
</tr>
<tr>
<td>Getting a bank overdraft</td>
<td>55.9% (19)</td>
<td>35.3% (12)</td>
<td>8.8% (3)</td>
</tr>
<tr>
<td>Availing of grants</td>
<td>64.7% (22)</td>
<td>14.7% (5)</td>
<td>20.6% (7)</td>
</tr>
<tr>
<td>Getting premises</td>
<td>8.8% (3)</td>
<td>55.9% (19)</td>
<td>35.3% (12)</td>
</tr>
<tr>
<td>Writing a business plan</td>
<td>9.1% (3)</td>
<td>75.8% (25)</td>
<td>15.2% (5)</td>
</tr>
<tr>
<td>Knowing where suppliers are</td>
<td>9.1% (3)</td>
<td>51.5% (17)</td>
<td>39.4% (13)</td>
</tr>
<tr>
<td>Transporting products</td>
<td>14.7% (5)</td>
<td>52.9% (18)</td>
<td>32.4% (11)</td>
</tr>
<tr>
<td>Making customers aware that you are in business</td>
<td>35.3% (12)</td>
<td>55.9% (19)</td>
<td>8.8% (3)</td>
</tr>
<tr>
<td>Immigration status</td>
<td>15.2% (5)</td>
<td>51.5% (17)</td>
<td>33.3% (11)</td>
</tr>
<tr>
<td>Doing business in Ireland</td>
<td>24.2% (8)</td>
<td>69.7% (23)</td>
<td>6.1% (2)</td>
</tr>
<tr>
<td>Opening hours expected of you</td>
<td>23.5% (8)</td>
<td>50.0% (17)</td>
<td>26.5% (9)</td>
</tr>
<tr>
<td>Conditions of providing the product/service</td>
<td>8.8% (3)</td>
<td>64.7% (22)</td>
<td>26.5% (9)</td>
</tr>
<tr>
<td>Expected credit to give to customers/suppliers</td>
<td>29.4% (10)</td>
<td>32.4% (11)</td>
<td>38.2% (13)</td>
</tr>
<tr>
<td>Language barriers</td>
<td>17.6% (6)</td>
<td>61.8% (21)</td>
<td>20.6% (7)</td>
</tr>
<tr>
<td>Networking</td>
<td>23.5% (8)</td>
<td>58.8% (20)</td>
<td>17.6% (6)</td>
</tr>
<tr>
<td>Knowledge of customers</td>
<td>20.6% (7)</td>
<td>52.9% (18)</td>
<td>26.5% (9)</td>
</tr>
<tr>
<td>Gap in knowledge of systems i.e. revenue, company registration, social welfare</td>
<td>32.4% (11)</td>
<td>52.9% (18)</td>
<td>14.7% (5)</td>
</tr>
</tbody>
</table>

Three areas emerged as significant barriers for the established entrepreneurs. The most significant one was ‘availing of grants’ with 65% (n=22) of entrepreneurs highlighting this as a barrier/challenge. Next came ‘getting access to finance to establish their business’ with 62% (n=21) of respondents and 56% (n=19) of respondents indicating ‘getting a bank overdraft’. As one can see,
these three barriers are all related to financial management issues, which the majority see as challenges. This was echoed by two respondents who provided the following quotes:

*Grants require one to do certain things that you will never fulfil. Too complicated.*

*Getting a bank overdraft is too stressful.*

The next key significant barrier/challenge the entrepreneurs faced was related to customers. Some 35% (n=12) of respondents identified ‘making customers aware that they were in business’ and ‘expected credit to give to customers/suppliers’ (29% n=10) were highlighted as barriers/challenges. One respondent quoted:

*A lot of business in Ireland is conducted on the strength of personal connections (non-professional or social networks), this can be a huge problem for a new business trying to establish a foothold in the early stages where the business principals are not local.*

Finally, the last key finding was related to information issues as 32% (n=11) indicated that they experienced a ‘gap in knowledge of systems i.e. revenue, company registration and/or social welfare issues’. One respondent related his information gap as being:

*Knowing where your suppliers are: must be online.*

### 5.7 CHALLENGES THEY WILL FACE IN THE FUTURE

The final question in the study asked entrepreneurs to identify what challenges they believe they will face in growing their business. This was an open ended question and Table 5.11 highlights the results.

**Table 5.11 Future challenges pertaining to growing the business**

<table>
<thead>
<tr>
<th>The recession</th>
<th>Financial support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in the product/goods Currency fluctuations Change in government regulations or importation of my products.</td>
<td>Dealing with difficult customers, especially those with bad behaviour, attitude and social problems. These are mainly Irish unfortunately but it is a challenge.</td>
</tr>
<tr>
<td>We need to compete with a very cheap price.</td>
<td>The recession</td>
</tr>
<tr>
<td>Transferring the payment, avoiding the tax, new products</td>
<td>People have no money. Everyone is leaving Europe for Asia. It is a big problem.</td>
</tr>
<tr>
<td>Getting paid by my customers Paying staff</td>
<td>Less tax less rates for City Council Free parking</td>
</tr>
<tr>
<td>Getting new customers because some are now using Skype, Facebook, internet calling on smart phones.</td>
<td>Restricted corporate spending due to economic slowdown</td>
</tr>
<tr>
<td>My service depends on people from my home country if they all leave no one will want it.</td>
<td>The economic climate means customers are not spending as much as they once did</td>
</tr>
<tr>
<td>I do not know how I would go about growing the business as it is a family run company and I do not know if my children will want to keep the business or if I will move into another area of business</td>
<td>Managing my time, making the business profitable, scaling the business while remaining profitable and getting more work</td>
</tr>
<tr>
<td>Financing the business</td>
<td>Availability of credit and cash flow</td>
</tr>
<tr>
<td>market research(survey)</td>
<td>Getting finance</td>
</tr>
</tbody>
</table>

There were two common themes that emerged from this particular question. Theme one was finance related which is linked to theme two, that being economic issues. The key financial issues were related to: ‘pricing’; ‘currency fluctuations’; ‘gaining access to finance’; and ‘availability of cash’. The next theme was economic related such as: ‘the recession’; ‘customers purchasing
power is depleted/gone in some instances’; ‘inability to find new customers’; and due to the economic environment ‘customers from their ethnic enclave may leave the country which can result in little to no demand’.
Section Six: Primary Research Findings for Ethnic Entrepreneurs in the Planning Phase

6.1 FINDINGS FOR POTENTIAL ENTREPRENEURS
A database of sixteen potential entrepreneurs, who were completing a pre-start-up training programme, was provided by Doras Luimní. A questionnaire was emailed to all on the list and six valid responses were received. Additionally the research team were given the opportunity to attend a training session held by Doras Luimní and an additional two questionnaires were completed at this event.

Sixty three per cent of respondents were male and 37% were female. The majority of respondents (88%) were married and the remaining 12% were living with a partner. The country of origin was mixed with the majority of respondents coming from Algeria (3); the Democratic Republic of Congo (2) and the remaining from Latvia, Somalia and Bhutan. Some 37% of respondents have been resident in Ireland for less than three years and 63% of respondents have resided in Ireland for between 6 and 9 years. The respondents indicated that they had either a Diploma or a Degree from University (88%) or had a school level (12%) qualification. All respondents are planning to start up a business in Ireland.

Respondents were asked if they owned a business in their country of birth prior to coming to Ireland. The results indicate that the majority of respondents (75%) have not run their own business in the past whilst only 25% of respondents have run a business in their country of birth. Figure 6.1 below identifies when respondents hope to establish their business.

![Figure 6.1](image)

**Figure 6.1 When they wish to establish their business**

As can be seen by Figure 6.1 above, the majority of respondents expect to establish their business within 12 to 18 months’ time. Next, the respondents were questioned on what influenced their decision to start a business in Ireland and Table 6.1 below indicates the results.

<table>
<thead>
<tr>
<th>Influences for starting up a business in Ireland</th>
<th>Response per cent</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unable to find suitable work</td>
<td>25%</td>
<td>2</td>
</tr>
<tr>
<td>I could not use my skills/qualifications elsewhere</td>
<td>62.5%</td>
<td>5</td>
</tr>
<tr>
<td>Unable to fulfil your career ambitions elsewhere</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Saw a business opportunity</td>
<td>50%</td>
<td>4</td>
</tr>
</tbody>
</table>

As is evident by Table 6.1 above the key influencing factor for starting a business in Ireland was due to the ‘inability to use their skills or qualifications’. Next some 50% of respondents ‘saw a business opportunity’ and this was another driving factor for them to start up in Ireland. Therefore, ‘opportunity recognition’ is an influencing factor for starting a business in Ireland. In the majority of cases (62.5%), the respondents have identified that they aim to establish their business as a ‘Limited Company’, the remaining respondents identified they aim to establish as a ‘sole trader’ (25%), and
the remaining respondent ‘hasn’t decided yet’ (12.5%). All respondents identified that they aim to hire employees, which indicates that these entrepreneurs are the potential employers of the future. Of those who responded (n=6); 17% identified they aim to only hire themselves; 33% themselves and one other full-time employee; another 17% identified themselves and three other full-time employees. The remaining 33% identified that they ‘don’t know exactly how many yet’. To expand on this, respondents were questioned whether or not they would employ part-time employees with 43% indicating ‘Yes’ and 14.3% indicating ‘No’, the remaining 43% indicating that they ‘don’t know or are unsure’. Of those who indicated ‘yes’ their anecdotal responses include:

- Maybe 2 part-time employees.
- Three or four employees
- Three others

Of the intended employees (full-time/part-time) they were next questioned if they intend to hire relatives. Some 43% of respondents indicated they do intend hiring relatives, some 29% said they don’t intend hiring relatives and the remaining 28% were unsure or don’t know. Of those who responded (n=7) 43% indicated they aim to provide a service and 57% aim to provide both a product and a service to the market. Respondents expanded on their answer by identifying what their product and/or service would be:

- Financial services to poor people in developing countries
- Financial services to microfinance in rural areas in developing countries
- Leaflet distribution door-to-door, exporting used cars/farm machinery
- Mediterranean cakes and a friendly service
- Provide fresh and natural and healthy products. Good receiving and welcoming of customers, don’t let them wait (fast service).

Next respondents were questioned on the industries they aim to operate within and, of those who responded (n=4), the majority identified the ‘restaurant and/or food sector’ (50%), with 25% indicating the ‘construction’ industry and the remaining 25% indicating the ‘transport’ industry. More specifically respondents explained their industry sector as being: A coffee shop; a cake shop; a financial institution (micro-finance) and Co-operative and providing micro-financing. Respondents were asked to explain what their distinguishing/unique factors of their product/service will be and table 6.2 below indicates their responses:

<table>
<thead>
<tr>
<th>Distinguishing feature/unique factors of the product/service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional service</td>
</tr>
<tr>
<td>Cakes made by hands with love and art. Friendly services</td>
</tr>
<tr>
<td>My key differentiating factor of my service is the fact that it allows access to financial services and loans especially to poor people in developing countries</td>
</tr>
<tr>
<td>The microfinances will help poor people to get access to loans and they will be able to improve their conditions of life. The business will sell money by lending.</td>
</tr>
<tr>
<td>Price, good service, export business to East Africa – I have the language</td>
</tr>
<tr>
<td>Fresh drinks and welcoming people. Mediterranean cakes with special ingredients and flavours.</td>
</tr>
</tbody>
</table>

How they hope to promote and sell to their customers was the next question asked and they were asked to identify what methods they would adopt and Table 6.3 below indicates the results.
Table 6.3  Promotion and sales techniques to be considered

<table>
<thead>
<tr>
<th>How to promote and sell to your customers</th>
<th>Response per cent</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct selling by sales team</td>
<td>66.7%</td>
<td>4</td>
</tr>
<tr>
<td>Catalogue/direct mail</td>
<td>16.7%</td>
<td>1</td>
</tr>
<tr>
<td>Agents</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Internet</td>
<td>66.7%</td>
<td>4</td>
</tr>
<tr>
<td>Trade fairs/Exhibitions</td>
<td>50%</td>
<td>3</td>
</tr>
<tr>
<td>Customers will frequent the premises</td>
<td>50%</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>0</td>
</tr>
</tbody>
</table>

The top two methods of promotion and selling to their customers were ‘direct sales’ and ‘the Internet’. The next most popular method would be attending trade fairs and exhibitions and customers coming onto their premises. Respondents were questioned if they have the necessary skills to be able to promote/sell their product/service and of those respondents (n=7), they all indicated Yes. Anecdotal responses to this question include:

‘Word of mouth through customers who recommend my work’

‘I have extensive experience acquired from generation to generation’

‘I have a sound experience in banking. In fact, I am a former Branch Manager will BNP and a Bank Organisation Analyst with the Trust Merchant Bank in Congo’

‘I am a former branch manager for 18 years and 11 years’ experience as a bank information analyst. I have experience enough to promote the service’

‘I have an Advanced Certificate in Sales and Marketing Officer for the last 5 years’

Next, respondents were questioned on the sources of finance they aim to use to start up their business and Table 6.4 below indicates their results.

Table 6.4  Sources of finance to be used at start-up

<table>
<thead>
<tr>
<th>Source</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Don’t intend using it (%)</th>
<th>Response count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal savings</td>
<td>66.7%</td>
<td>16.7%</td>
<td>16.7%</td>
<td>6</td>
</tr>
<tr>
<td>Bank loan</td>
<td>57.1%</td>
<td>28.6%</td>
<td>14.3%</td>
<td>7</td>
</tr>
<tr>
<td>Loan from family and friends</td>
<td>25%</td>
<td>50%</td>
<td>25%</td>
<td>4</td>
</tr>
<tr>
<td>Loan from other sources</td>
<td>66.7%</td>
<td>16.7%</td>
<td>16.7%</td>
<td>6</td>
</tr>
<tr>
<td>Government grants</td>
<td>85.7%</td>
<td>14.3%</td>
<td>0%</td>
<td>7</td>
</tr>
<tr>
<td>Investor</td>
<td>50%</td>
<td>50%</td>
<td>0%</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>40%</td>
<td>40%</td>
<td>5</td>
</tr>
</tbody>
</table>

The observations that can be made from Table 6.4 above are that the majority of respondents are intending to apply for ‘government grants’ in order to finance their business start-up. ‘Personal savings’ and ‘loans from other sources’ were the next common responses from entrepreneurs intending to start-up their business. Interestingly, 50% of respondents indicated that they will not be using ‘loans from family and friends’ as a financial source.

The penultimate section of the questionnaire examined the entrepreneur’s views on their skills set and the following section discusses this in detail.

6.2 SKILLS ANALYSIS OF RESPONDENTS

The skills of the respondents were next analysed. It must be noted that only seven respondents answered this section and thus would not be a true representation of all ethnic entrepreneurs who
are in the planning phase. The respondents were posed with a number of skills that are necessary for starting and running a business i.e. marketing, selling, branding, finance, and planning. Initially they were asked to identify how well they do each of the tasks and Table 6.5 below illustrates the results.

Table 6.5  
**Skills set of the respondents**

<table>
<thead>
<tr>
<th></th>
<th>I do this very well</th>
<th>I do this well</th>
<th>I need help on doing this</th>
<th>I don’t know how to do this</th>
<th>Does not apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>42.9% (3)</td>
<td>28.6% (2)</td>
<td>14.3% (1)</td>
<td>14.3% (1)</td>
<td>0%</td>
</tr>
<tr>
<td>Selling</td>
<td>42.9% (3)</td>
<td>57.1% (4)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Branding</td>
<td>14.3% (1)</td>
<td>0% (0)</td>
<td>71.4% (5)</td>
<td>0% (0)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Pricing a product/service</td>
<td>0% (0)</td>
<td>71.4% (5)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Market research</td>
<td>14.3% (1)</td>
<td>28.6% (2)</td>
<td>42.9% (3)</td>
<td>14.3% (1)</td>
<td>0%</td>
</tr>
<tr>
<td>Writing a cash flow statement</td>
<td>0% (0)</td>
<td>57.1% (4)</td>
<td>42.9% (3)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Balancing the books</td>
<td>28.6% (2)</td>
<td>42.9% (3)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Dealing with customer enquiries and complaints</td>
<td>42.9% (3)</td>
<td>57.1% (4)</td>
<td>0% (0)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>Finding suppliers</td>
<td>14.3% (1)</td>
<td>57.1% (4)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Identifying and qualifying subcontractors</td>
<td>14.3% (1)</td>
<td>57.1% (4)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>Managing employees</td>
<td>42.9% (3)</td>
<td>14.3% (1)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Planning for the future</td>
<td>14.3% (1)</td>
<td>57.1% (4)</td>
<td>28.6% (2)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Writing a business plan</td>
<td>28.6% (2)</td>
<td>14.3% (1)</td>
<td>57.1% (4)</td>
<td>0% (0)</td>
<td>0%</td>
</tr>
<tr>
<td>Designing a strategic plan for the business</td>
<td>14.3% (1)</td>
<td>14.3% (1)</td>
<td>71.4% (5)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
</tbody>
</table>

There are a variety of skills that respondents in the planning phase believe they are already capable of doing well i.e. marketing, selling, pricing, balancing the books, finding suppliers and subcontractors, managing employees and planning for the future. However, there were a number of skills that entrepreneurs in the planning phase have identified that they will need help with, such as:

- **Branding**
- **Market research**
- **Writing a cash flow statement**
- **Writing a business plan and Designing a strategic plan for the business**

The above can be easily achieved through a training programme designed by a support agency. Next, entrepreneurs in the planning phase were questioned on their capability of performing a number of tasks and Table 6.6 below illustrates the results.

Table 6.6  
**Capabilities of performing tasks**

<table>
<thead>
<tr>
<th>Task</th>
<th>Capable</th>
<th>Not capable</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can work productively under continuous stress, pressure and conflict.</td>
<td>100% (6)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>I can develop and maintain favourable relationships with potential investors.</td>
<td>71.4% (5)</td>
<td><strong>14.3% (1)</strong></td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>I can see new market opportunities for new products and services.</td>
<td>100% (7)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>I will be able to recruit and train key employees.</td>
<td>57.1% (4)</td>
<td><strong>28.6% (2)</strong></td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>I can articulate vision and value of the business.</td>
<td>71.4% (5)</td>
<td>0% (0)</td>
<td>28.6% (2)</td>
</tr>
<tr>
<td>I can discover new ways to improve existing products/services.</td>
<td>100% (7)</td>
<td>0% (0)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>I can design products/services that solve current problems.</td>
<td>83.3% (5)</td>
<td>0% (0)</td>
<td>16.7% (1)</td>
</tr>
<tr>
<td>I can identify potential sources of funding for investment.</td>
<td>57.1% (4)</td>
<td><strong>28.6% (2)</strong></td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>I can create products/services that fulfil customer needs.</td>
<td>85.7% (6)</td>
<td>0% (0)</td>
<td>14.3% (1)</td>
</tr>
</tbody>
</table>
The results above indicate some very positive outcomes in terms of potential entrepreneurs’ abilities to perform tasks that are required in establishing and running a new business. The two key tasks that were identified by respondents as not being capable in performing were: Recruit and train key employees and Identifying potential sources of funding.

Even though in Table 6.6 respondents identified that they could do ‘marketing’, ‘customer relationship management’, and ‘financial management tasks’, they still indicated that they feel they need to improve on these areas as highlighted by Table 6.7 below.

### Table 6.7 Skills that need improvements on

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and sales management</td>
<td>85.7% (6)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Customer relationship management</td>
<td>85.7% (6)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Market research</td>
<td>71.4% (5)</td>
<td>28.6% (2)</td>
</tr>
<tr>
<td>Computer skills (e.g. webpage design, email)</td>
<td>85.7% (6)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Business planning and organisation</td>
<td>85.7% (6)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Financial management</td>
<td>85.7% (6)</td>
<td>14.3% (1)</td>
</tr>
<tr>
<td>Controlling costs</td>
<td>71.4% (5)</td>
<td>28.6% (2)</td>
</tr>
<tr>
<td>Managing your employees</td>
<td>42.9% (3)</td>
<td>57.1% (4)</td>
</tr>
</tbody>
</table>

Some 86% of respondents identified that they need to improve on ‘marketing’ and ‘sales management’, ‘financial management’, ‘business planning’ and ‘computer skills’. Furthermore, two respondents identified other skills that need improvement: ‘web design’ and ‘to know more about how to import, export and the laws of operating a business’.

Respondents were questioned on the reasons why they decided to attend a training course prior to starting their business and the anecdotal responses below are the results of this question.

- Because I want to put right steps and I wish to succeed in the future and to know about business.
- I have had no training programme
- To improve my selling and management skills
- I have decided to take part in a training programme before starting my business in order to improve the on my skills and to familiarize myself with the Irish situation. The financial institutions being a very risky sector, I need to conduct more research before starting my business.
- To improve my skills and to make me known to investors/donors
- To know the rules and regulations for entrepreneurs

Following on from this discussion on training, respondents were questioned on whether they attended training programmes by support agencies in the region and Table 6.8 below illustrates the results. Doras Luimni is not listed in the table since all respondents emanated from a training programme offered by them.

### Table 6.8 Have you participated in a training programme organised provided by:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>City or County Enterprise Board</td>
<td>14.3% (1)</td>
<td>85.7% (6)</td>
</tr>
<tr>
<td>Paul Partnership/Ballyhoura/West Limerick Resources</td>
<td>28.6% (2)</td>
<td>71.4% (5)</td>
</tr>
<tr>
<td>3rd level institution</td>
<td>28.6% (2)</td>
<td>71.4% (5)</td>
</tr>
</tbody>
</table>
What is evident from this table is the poor take-up by entrepreneurs in the planning phase of the training programmes provided by other support agencies, besides Doras Luimní. Respondents were asked to describe what other support/assistance/training could be provided to them by the agencies listed in Table 6.8 above, and the responses include the following:

*Doras helped Migrants with training and knowledge.*

*How to run a business in Ireland course*

*Steps and keys to success in business*

*Funding or finance*

*Other assistance that could be provided by these agencies are:*

1. *Financial assistance in order to allow me to complete the master studies I apply for at Kemmy business School*
2. *Advice*
3. *International Entrepreneurship Management*

For those who did not take part in a training programme offered by one or all of the support agencies listed in Table 6.8, respondents were asked to identify why they did not partake in those training programmes. Table 6.9 below illustrates their reasons why.

### Table 6.9  If you have not participated in a training programme, was it because:

<table>
<thead>
<tr>
<th>Response</th>
<th>Response (%/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>You were not aware of the training programmes available.</td>
<td>60.0% (3)</td>
</tr>
<tr>
<td>The cost of programmes was too expensive.</td>
<td>20.0% (1)</td>
</tr>
<tr>
<td>The training programmes available were not relevant to your needs.</td>
<td>20.0% (1)</td>
</tr>
<tr>
<td>The timing of the training programme(s) was wrong.</td>
<td>60.0% (3)</td>
</tr>
<tr>
<td>You felt you did not need to take part in such programmes.</td>
<td>20.0% (1)</td>
</tr>
</tbody>
</table>

A key finding from Table 6.9 is the lack of awareness of targeted marketing of the programmes to entrepreneurs in the planning phase since 60% of respondents indicated that they were unaware of training programmes available by the agencies listed. Two respondents provided some additional reasons why they did not participate in a training programme and their anecdotal responses are outlined below:

*On moving to Ireland, I intended to do the Master Studies in International Entrepreneurship Management at UL. For that purpose I need financial assistance, but I was told that I need to have 3 years of residence in Ireland in order to entitled to a grant.*

*About the university: I must been in residence here for 3 years*

The anecdotal responses given by these two respondents would indicate that residency was an issue in taking up the training programmes that were available to them. The penultimate question posed to the entrepreneurs in the planning phase was concerning their future training and skills needs. Table 6.10 below indicates the results.
As is evidenced by Table 6.10 above, it would appear that all entrepreneurs in the planning phase would like to know how to grow their business. This is a very positive outcome even in today’s turbulent economic environment. Furthermore, other training and skills areas identified included: ‘selling online’, ‘how to internationalise the business’, ‘balancing work and life’, ‘how to write a business plan’ and ‘possibly how to sell their business’.

The final section of the questionnaire questioned respondents on the barriers and challenges they have faced whilst planning their business start-up and the section below highlights the results.

6.3 BARRIERS AND CHALLENGES FACED WHILST PLANNING A START-UP BUSINESS

The barriers and challenges entrepreneurs in the planning phase might face in planning their business start-up was the final question in the questionnaire. It would appear from Table 6.11 below that ‘getting access to finance’ to establish their business is their [perceived] major hurdle. This is not an uncommon response from entrepreneurs (be it native-born or foreign-born). However this challenge is even harder for those who might not be aware of the finance available in their host country. The other financial barrier is ‘getting an overdraft’ with 67% indicating that this was a potential challenge. In today’s economic environment, one reads in the national press the difficulties all residents of Ireland have in gaining access to finance from the bank and is therefore a common challenge/barrier to all individuals. The third most common barrier identified is ‘availing of grants’.

Two respondents identified two additional barriers/challenges they might face in starting up the business and those responses are given below:

Challenges I perceive I might face: - the management of politics in the developing countries -
getting access to finance at start-up stage

Main barrier is access to financing at the right time
Section Seven: Discussion, conclusions and recommendations

7.1 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS
This section will present a discussion on the findings of the study and provide conclusions from each section discussed in this report. Following on from this, a variety of recommendations will be posed for representatives of support agencies who provide support/advice/assistance to ethnic entrepreneurs, or for those agencies who are considering providing such support. The structure of this section will be based on the objectives of the study, which are reiterated below. The objectives below have been repositioned so as to reflect the methodology of the research conducted i.e. initially the results of the secondary research will be discussed and then the results of the mixed methods approach (secondary and primary research) will be discussed.

- To examine support services outside of Ireland who provide specific support, advice and assistance to ethnic entrepreneurs.
- To examine what support is currently being offered by bodies in the region for ethnic entrepreneurs and to highlight any gaps that might emerge.
- To examine established ethnic entrepreneurs in the Midwest region, in order to provide a skill set analysis and needs analysis of them.
- To identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business.
- To recognise the contributions established ethnic entrepreneurs are making to the region.
- To research ethnic entrepreneurs in the planning phase and examine their skills set and needs analysis.

7.2 ETHNIC ENTREPRENEURSHIP AND THEIR CHALLENGES
Ethnic entrepreneurship is by no means a new phenomenon, as it is a firm part of any migration, most obviously observed in the United States since the 1880’s and most recently in Europe. The long history of ethnic entrepreneurship in the USA also explains why research in this subject has its roots there. There has been some great debate about the terms ethnic entrepreneurship, migrant entrepreneurship and immigrant entrepreneurship and whether or not they mean the same thing. A review of the literature identifies that the term ‘ethnic entrepreneurship’ is more encompassing than the other two terms that abound in the literature.

A review of the literature has identified that ethnic entrepreneurs face many challenges when they have relocated to a new country and the means of overcoming these challenges is to establish a business. The benefits of ethnic entrepreneurs establishing their own business leads to a positive impact on their family, the community they operate within and in the long-term, to a nation as a whole. This is achieved through creating employment, providing products and services to their market that otherwise would not be provided and providing an enriched community where they reside. The benefits of having ethnic entrepreneurs woven into the fabric of a nation are therefore obvious to be seen and thus services must be provided to them, either tailored services since they will have additional needs in comparison to native entrepreneurs (i.e. lack of awareness of regulations, criteria for establishing businesses) or ‘traditional services’ such as business planning, getting access to funding etc.

7.3 DISCUSSION AND CONCLUSION ON THE MAPPING OF ENTREPRENEURSHIP AND ETHNIC ENTREPRENEURSHIP GLOBALLY
The discussion presented here aims to answer one of the research objectives posed in the study, which relates to the support services outside of Ireland and to provide examples of best practice. Before providing these answers a discussion on the profile of ethnic entrepreneurs in Europe is presented along with the identification of the barriers/challenges ethnic entrepreneurs in Europe face. This leads into the discussion on the identification of ‘best practice’ that was observed globally,
which includes a discussion on the specific initiatives that have been established to support ethnic entrepreneurs in Europe.

7.3.1 Profile of ethnic entrepreneurs from a global perspective

Observations from the review of the literature conducted in section 3 of this study highlight that ethnic entrepreneurs have emerged as a result of necessity or opportunity factors. As alluded to before, necessity entrepreneurship emerges as a result of the ethnic entrepreneur being faced with challenges in the host country. Examples of those challenges include: language barriers, the lack of recognition of academic qualifications, little to no contacts in the market and/or lack of credibility and/or reputation due to being new to the host country. On the other hand, opportunity entrepreneurship occurs when ethnic entrepreneurs see gaps/needs in the marketplace, and have confidence in their ability to meet the requirements of establishing a business and therefore do so. The discussion in this study highlights the fact that the majority of ethnic entrepreneurs are inclined to found a business more so as a result of opportunities arising rather than as a result of necessity.

A key conclusion that can be observed from this analysis is that support providers need to be aware when they engage with an ethnic entrepreneur whether they are necessity or opportunity driven. The reason for this is that both forms of entrepreneurs will most probably have different support requirements. For example most opportunity entrepreneurs will have growth as a key strategy of their business, whereby, necessity entrepreneurs are more concerned about operating the business and providing themselves with a livelihood and are therefore making more of a lifestyle choice.

The research presented in section 3.2 indicates that, from a European perspective, ethnic entrepreneurs do establish businesses and are a very heterogeneous group. Some immigrants will be entrepreneurial and others will not. However, even though they do have a slightly higher propensity to become entrepreneurs when compared to native-born entrepreneurs there is, statistically, no significant differences in the findings. Central and Eastern Europe tend to have higher rates of ethnic entrepreneurship when compared to the other EU and EEA countries observed. There are countries within the EU/EEA which have seen some decrease in ethnic entrepreneurship activity, such as Belgium, Greece, Portugal, Sweden and the United Kingdom and more noticeably in Ireland and Spain where they experienced significant increases in ethnic entrepreneurship in the previous decade. The conclusion from this indicates that European and EEA countries are popular locations for ethnic entrepreneurs to establish their business and policy makers at both a national and European level need to consider this cohort of entrepreneurs when and if policy is being formed.

Interesting findings were presented from the GEM report authored by Fitzsimons and O’Gorman (2006) which highlighted specific nationalities which were more entrepreneurial than their native born counterparts. More specifically, in the UK, Asians were more entrepreneurial and female African women were more entrepreneurial than their native-born counterparts and their African male counterparts.

A detailed profile of ethnic entrepreneurs in OECD countries was provided in the study and a number of key findings emerged from this. The majority of ethnic entrepreneurs are male; aged between 35 and 44 and are highly educated (most often to degree level). There is a trend now that ethnic entrepreneurs are focusing outside of their own ethnic community when it comes to the provision of goods and services and they are typically found in the retail sector and in construction. Historically ethnic entrepreneurs established low-tech and low skilled businesses; however this is changing in some countries. For example, in the US there are a high proportion of highly-skilled ethnic entrepreneurs who established high-growth firms. Ethnic entrepreneurs in the US apply for more patents, licences and commercialise their ideas more so than native entrepreneurs.

Globally, ethnic entrepreneurial businesses would be classified as micro firms since the majority either employ only themselves or less than ten employees (which equates to the EU classification of a micro firm). In the Irish context this is especially true since the distribution of ethnic entrepreneurial firms tends to be greater in the micro size than the medium size (50 or more
employees) with figures such as 73.3% compared to 0.8%. However, when these figures are compared to the native-born entrepreneurs in Ireland there is no significant difference.

The conclusion that can be derived from this analysis of the profile of ethnic entrepreneurs globally is that, on the face of it, there are no significant differences in the profile of ethnic entrepreneurs when compared to native-born entrepreneurs. There are one or two distinguishing features of ethnic entrepreneurs however, such as, they do have a greater propensity to establish high growth firms and do acquire more patents and licences than native-born entrepreneurs. There are some cultures which somewhat drive individuals towards entrepreneurs when they decide to reside in another country and the tendency towards this is more so from Indian and Asian cultures. Another point to note is the tendency of African women to establish entrepreneurial businesses and this should be noted by service providers.

7.3.2 Discussion on the barriers and challenges ethnic entrepreneurs face in Europe
The research presented in section 3.4 refers to the fact that, no matter what ethnic origin one is, there are barriers and challenges that are common to all existing and/or potential entrepreneurs. However, it was found that besides these ‘common’ barriers and challenges entrepreneurs face, ethnic entrepreneurs do encounter specific problems that native entrepreneurs would not experience.

The key barriers and challenges that ethnic entrepreneurs face are knowledge of support services available to them; access to finance, language barriers and limited business, management and marketing skills. When compared to native entrepreneurs, the literature identifies that ethnic entrepreneurs do not tend to use support services but tend to rely on their informal networks for obtaining information and assistance. In a European context, accessing finance from financial institutions is not a strategy most ethnic entrepreneurs take, instead preferring to obtain capital from family and friends. The reason for this could be cultural issues and/or a lack of awareness of what is available, less familiarity with the business culture of the country they are in and/or lack of familiarity with the administrative environment.

Language is a key barrier that ethnic entrepreneurs encounter. Research states that as a result of language barriers, ethnic entrepreneurs often get denied funding from financial institutions due to their inability to complete application forms and/or understand the terms and conditions of the loans being presented to them. Another barrier ethnic entrepreneur’s face is their low level of education which can hinder them in establishing a business; gaining access to networks and being able to understand the regulatory issues, to name a few.

Access to social and business networks is of paramount importance to any entrepreneur, particularly the business networks which are typically seen as the ‘voice of the industry’ and are therefore quite influential. Both in a European and Irish context it was found that ethnic entrepreneurs are quite under-represented in mainstream business networks. It was found that in the Irish context the reason for non-membership of such networks was a lack of awareness of their existence.

7.4 DISCUSSION AND CONCLUSION ON THE POLICIES DESIGNED TO PROMOTE ENTREPRENEURSHIP AND ETHNIC ENTREPRENEURS
There has been a fundamental shift in the design of policies targeting entrepreneurs in Europe. Policy measures have also shifted their focus from hard, infrastructure-based programmes to a soft-policy approach focusing on the individual. Many policies are designed with the entrepreneurial system in mind and targeted towards the owner-manager, but most policies, which are aimed at business creation, are directed towards the individual. In this case, the support measures are focussed on measures such as training, one-to-one advice and skills development.

Researchers have found that, at a European level, there are some 146 policy measures which are targeted at the ethnic entrepreneur. Sixty-three of the policy measures targeted both
native-born and ethnic entrepreneurs, 76 targeted only ethnic entrepreneurs and 7 specifically targeted the Roma Community. The basis behind these policies is to strengthen the human, social or financial resources of the ethnic entrepreneur which will ultimately lead to their empowerment.

Policy measures lead to services being provided to ethnic entrepreneurs and the typical services include: information; advice, training; networking; mentoring and access to finance. It was found that measures fostering social networking were small in number, however many measures promote networking implicitly instead. Fewer measures focus on providing financial services, but in fact, many programmes facilitate access to finance by strengthening the entrepreneurs’ skills and knowledge. Occasionally, measures provide material assistance, for example incubator services.

The delivery of services to all entrepreneurs took the form of individual counselling and workshops, which were the most popular, to publications, regular events and electric platforms, which were the least popular.

It is important to distinguish between measures that aim to promote small entrepreneurship in general and group-specific measures that focus on the promotion of ethnic entrepreneurship in particular. Section 3.5.1 focused on specific European polices targeting all forms of entrepreneurs. The Competitiveness and Innovation Framework Programme was specifically designed to facilitate access to finance for entrepreneurs at start-up and growth stage. The European Charter for Small Enterprises aims to encourage innovative start-ups; provides a regulatory, fiscal and administrative framework to improve the status of entrepreneurs and it enhances entrepreneurship through encouraging education and training. At European Commission level there is a specific role targeting entrepreneurship and which is through the DG Enterprise and Industry. The DG has developed financing instruments to support entrepreneurs at all stages of the enterprise life cycle. Through the Commission, the DG has created a better borrowing environment for entrepreneurs; they have improved the equity market for entrepreneurs and it provides funding for entrepreneurs through financial institutions throughout the member states of the EU. Through the DG of Enterprise and Industry, the European Investment Bank and European Investment Fund have created lending and investment programmes for the benefit of the entrepreneur.

Finally another financial instrument created at European level was the provision of microcredits for entrepreneurs, through the Jasmine Initiative. Through this initiative, the European Commission is aiming to improve the availability of microloans for entrepreneurs. Similar practices have been evident in the UK and France since the 1980’s and more recently in Finland and Spain. As a result of these practices one has seen the emergence of specific microcredit organisations and public entities stimulating this form of credit to entrepreneurs.

At European level there is the European Microfinance Network which currently has a wide variety of schemes available throughout the EU. Unfortunately in Ireland there is only one scheme available - FirstStep. Other countries with only one scheme on offer are: Russia; Sweden, Finland; Croatia; Romania; Albania.

Section 3.5.2 focused on the specific European policies directed at ethnic entrepreneurs. From the review of these policies it was evident that the policies are the same for all but are offered in the ethnic entrepreneurs own language and are amended to suit the ethnic entrepreneur. Additionally, the targeted policies encourage the formation of networks amongst ethnic entrepreneurs.

The key conclusion that can be observed here is that at European level it has been noted that finance is a key issue for entrepreneurs, both native-born and ethnic and therefore have instigated steps to overcome this problem. It is imperative that the Irish government, its representatives and support agencies in the country consider the microcredit scheme as a possibility of providing finance to entrepreneurs in the country.
7.5 DISCUSSION AND CONCLUSION ON BEST PRACTICE AND LESSONS THAT CAN BE LEARNT

Several EU and EEA countries have implemented support measures targeted at ethnic entrepreneurs, in order to ensure that they have the same opportunities as native entrepreneurs, to start and expand a business. With regard to best practice a number of salient points stand out:

- Local and national focus. The operational scope of the measures varies and does not necessarily correspond to the policy level. Since large concentrations of ethnic entrepreneurs are mostly found in large cities or in metropolitan areas, quite a number of the good practices are located here (Bremen, Brussels, Hamburg, Helsinki, London, Madrid, Rotterdam.)

- Social and economic focus. Some of the measures are part of a governmental policy to reach the most vulnerable or deprived groups, like the Roma (the Hungarian case), the unemployed (the French case) or recently arrived immigrants or asylum seekers (the Belgian case). In some cases the measure focuses more generally on the labour market position of immigrants by providing general professional training (Q.net in Germany; NYP in Finland).

- Not exclusively targeting immigrants. Half of the programmes target ethnic entrepreneurs specifically; the other half targets the general public but with significant ethnic participation. Some of the programmes are generic, since they are targeted at ‘vulnerable’ groups including ethnic entrepreneurs (the French project) or ethnic entrepreneurs and women (as in the Dutch programme Kleurrijk Ondernemen). Others focus on specific groups (the Roma in Hungary) or a limited number of ethnic groups (like Turks and Russians in the Q.net programme in Germany).

- Diverse set of services - but often training. While most training programmes are aimed at the general population, more targeted courses also exist for ethnic entrepreneurs, varying from individual counselling to training courses, workshops, mentoring and (access to) credit. More specifically, in Sundsvall (Sweden) they offer work experience programmes free of charge and the organisation SELP runs business seminars for ethnic entrepreneurs. In Frankfurt they provide training to ethnic entrepreneurs on business formation. In Copenhagen there are plans to open a National Expertise Centre for Immigrant Entrepreneurship. Many programmes on improving entrepreneurial skills are confined to a particular sector or aimed at improving certain skills. An example of this is found in Turku, where the Turku Adult Education Centre runs a course for aspiring taxi drivers to get a licence to run a taxi company. Some countries have specialized in tailor-made services in small projects like Cre’Action in France and Kansenzones in the Netherlands; others provide a large range of services targeting broader populations (the two British cases).

- Mentoring. Although mentoring programmes do exist which target all entrepreneurs, there is evidence to indicate that almost all the schemes focus exclusively on migrants, or on disadvantaged neighbourhoods with a high concentration of migrants. One scheme which focuses specifically on migrants is the ‘Mentoring for Migrants’ programme in Vienna.

- Assistance with marketing. Ethnic entrepreneurs need to be encouraged to think outside of their own ethnic community in terms of customers. In order to encourage this, business centres in cities such as Turku and Stuttgart, offer advice on expanding into international markets, how to market properly and training programmes on marketing. In Zurich, Helsinki and Zagreb marketing training and/or access to marketing consultants are made available to ethnic entrepreneurs.

- Networking. Besides providing training and coaching services a number of projects promote social networks of entrepreneurs. Some programmes include networking as one of its targets (e.g. Frankfurt; Amsterdam, Sundsvall, Turin and Stuttgart). In others it is an unintended result of the programme. The German Unternehmer ohne Grenzen explicitly aims at promoting the incorporation of ethnic entrepreneurs into relevant local business networks and representing their interests to local policy makers.
Information and service providers. Numerous countries have specifically designed business associations and/or centres established to assist ethnic entrepreneurs (i.e. in Sweden there is the Sundsvall IFS Radgivningscentrum; in Denmark there is the Copenhagen Business Centre and in the UK more specifically in Wolverhampton there is the Black Country Enterprise Centre). Additionally, in Germany there is a targeted business association established to assist Indians and Arabs. In Holland, the city of Breda has a specifically designed department to assist ethnic entrepreneurs.

Language. In Amsterdam, Terrassa (Spain) Frankfurt and Copenhagen business centres provide consultants who are fluent in minority languages and are aware of ethnicity issues and cultures.

Finding a location support. Few programmes focus on assisting ethnic entrepreneurs in finding a physical location for their business. The only programme that specifically provides this service is provided in Wolverhampton through the Wolverhampton Indian Project. Several programmes provide incubation centres (e.g. the British ELSBC; the Finnish NYP; the Hungarian case) or facilitate investment in the business premises or other fixed assets (the Roma-programme; Kansenzones in the Netherlands).

Financial services and support. Assistance in getting access to finance is a service provided by many programmes. In Wroclaw and the Alsace region, financial support is provided through the provision of non-repayable subsidies and the provision of financial guarantees. Other financial supports take the form of: tax incentives; guarantor services on loans; loans and grants. An interesting initiative is the ELSBC’s Muslim Loan Fund which, recognizing the Muslim prohibition on usury, asks borrowers to make donations instead of charging interest.

Microfinance support. Some service providers provide micro-credit themselves (Lanzadera in Spain) or a personal budget to start-up (Kleurrijk Ondernemen).

The conclusion that can be derived from this analysis of support service providers is that there is a plethora of ‘common services’ being offered throughout the member states of the EU. The service providers in an Irish context need to review their own service offerings to ethnic entrepreneurs using the examples given here as a benchmark for their services.

7.6 DISCUSSION AND CONCLUSION ON THE IRISH CONTEXT AND IRISH SUPPORT PROVIDERS

Ireland has a long history of being an entrepreneurial nation, as evidenced by the discussion contained within section 4. However, in more recent years, the figures for business start-up have somewhat declined when compared to the figures from 2003 and 2005. Furthermore, there has been a significant change in people’s perception of entrepreneurial opportunities. Studies have identified that more people are establishing an entrepreneurial venture due to ‘necessity’ rather than due to opportunity. The rationale for this is evident due to the fact that there is a major [global] recession resulting in high levels of unemployment, leading to poor job prospects and therefore people see self-employment as the only opportunity other than immigration.

When one however compares the Irish entrepreneurial situation to its EU counterparts; Ireland ranks 2nd out of fifteen countries studied; has the highest ranking of all innovation economies in terms of innovation among early stage entrepreneurs; Irish start-ups have high growth aspirations compared to OECD and EU countries; Irish entrepreneurs utilise the services of development agencies within the country and though lower than the EU and OECD average, there has been an increase in the rate of informal investors and a higher than average investment commitment made by these informal investors.

Ireland does lack publications that specifically focus on the ethnic entrepreneurship situation. Only two publications have been identified - Cooney and Flynn (2008) and McGinnity et al (2011), which discuss this topic in any detail. McGinnity et al (2011) and Cooney and Flynn (2008) highlight that Ireland was a country of choice for many immigrants during the 21st century. Of total employment in 2010 some 14% of the total workforce were non-Irish nationals. It was found by
McGinnity et al (2011) that some 75,600 non-EU foreign nationals categorised themselves as being ‘self-employed’. The profile of the self-employed non-EU foreign nationals was also described by McGinnity et al (2011), which highlighted that they were highly-educated.

Similar to the EU findings, Ireland has very few, if any, programmes that focus solely on the provision of financial aid to entrepreneurs. The main public financial aid that is provided in Ireland is delivered through Enterprise Ireland and the County/City Enterprise Boards.

In order to answer the research objective: to examine what support is being offered for ethnic entrepreneurs and to highlight any gaps that might emerge, a study was conducted on the support providers in Ireland. Support providers were defined as any organisation or body that assisted entrepreneurs and/or ethnic entrepreneurs on the Island of Ireland. A 15% response rate was received (n=61). The findings were presented on two levels: level one examined all the responses to the survey and level two extrapolated the findings for those who supported ethnic entrepreneurs. The following discussion presents the findings on these two levels.

The respondents represented government agencies; private organisations; third level institutions and a financial institution, with ‘other’ having the highest response rate (comprising of social enterprises; NGO’s; migrant support agencies; a development company; a European funded business support organisation). All provinces of Ireland were represented in the study, with more responses from the South and the East of Ireland. Some 84% (n=51) of respondents identified what type of training they offered entrepreneurs.

Service providers on the Island of Ireland offer both targeted and general training programmes to entrepreneurs. Targeted programmes focused on the financial related areas of running a business and self-development courses such as personal skills development. The general training programmes focused on business planning; start your own business courses and business development programmes. The majority of service providers provide mentoring services; which is mainly provided by volunteer mentors on a one-to-one basis with the entrepreneur.

Of the service providers (n=46) who responded to the question concerning financial assistance/grants offered to entrepreneurs, only 48% provided this to entrepreneurs. The majority of those who provided details of their financial support to entrepreneurs indicated that they provided a grant. However, very few if any support agencies provided access to venture capital funding for entrepreneurs. Networking events/opportunities are provided by the majority of service providers, which take the form of seminars, workshops or lunchtime meetings. Networking events are usually held on a monthly basis and are formal in their structure. Service providers also offer ‘additional services’, which take the form of assisting entrepreneurs with introductions, clinics, access to incubation centres, market research facilities and business planning advice.

Of those who responded (n=37) only 18% (n=8) offer specialised services to ethnic entrepreneurs. Most of the respondents who provided specialised services took the form of migrant groups, social enterprises and NGO’s. Only two government agencies and one third level educational institution identified that they provide specialist support to ethnic entrepreneurs. The type of programmes they offer were primarily focused on a ‘start your own business course’ and/or a work-based language skills programme. Few support providers deliver networking opportunities specifically for ethnic entrepreneurs. There was an even response of Yes/No to the question about whether their services were offered in the entrepreneurs own language. Only three out of the eight ethnic support providers, provide financial assistance/grants to ethnic entrepreneurs which is a very poor result. A desire to provide more financial support to ethnic entrepreneurs was highlighted in the final question of the study.

What can be derived from this analysis and in comparing these results with the EU analysis, one can conclude that Irish service providers need to provide additional services to ethnic entrepreneurs so as to be on par with their EU counterparts. At a minimum, service providers in Ireland should provide the following: general and targeted training programmes; services through minority languages; mentoring (with native born and ethnic entrepreneurs); marketing assistance; networking (implicitly at least if not explicitly); assistance with finding a business location; open doors to the Business Incubation Centres affiliated with 3rd level institutions and provide assistance...
in getting access to finance either through a microcredit scheme operated by the service provider themselves or liaising with the financial institutions on packages to offer ethnic entrepreneurs. Furthermore, service providers in Europe encourage ethnic entrepreneurs to join local business networks such as the Chambers of Commerce a practice which is not as common in Ireland. Therefore, it is recommended that ethnic entrepreneurs should join such associations. One such group which could benefit ethnic entrepreneurs in the Midwest Region, especially in today’s economic climate is the SMILE resource organisation, which aims to ‘encourage the exchanging of resources between its members in order to save money and develop new business opportunities (www.smileexchange.ie).

7.7 DISCUSSION AND CONCLUSION ON RESEARCH FINDINGS FOR ENTREPRENEURS IN THE PLANNING PHASE

The aim of this discussion is to provide answers to the research objective which aimed to ‘examine ethnic entrepreneurs in the planning phase and examine their skills set and needs analysis.

The majority of respondents who participated in the ‘planning phase’ study were male; who were married; they are well educated as the majority had qualifications to degree level and the majority of respondents have been residing in Ireland for more than six years. Two thirds of respondents have never run their own business so this will be their first venture into entrepreneurship. One of the key reasons why they are establishing their own business was because they indicated that they ‘could not use their skills/qualifications elsewhere’. This would indicate that these potential entrepreneurs are experiencing what Volery (2007, p.2) states as ‘blocked opportunities in the labour market’ even though they are highly qualified and educated individuals. Half of the respondents identified that they are going to establish their business as a result of ‘spotting a business opportunity’ which may indicate a preference for ‘opportunity entrepreneurship’ rather than ‘necessity entrepreneurship’, which ties in with the findings of the Eurobarometer report (European Commission 2009). However, it does run contrary to the findings of the GEM report for Ireland 2010 which highlighted the emergence of ‘necessity entrepreneurship’ during that timeframe rather than ‘opportunity entrepreneurship’.

Establishing a ‘limited liability company’ was the preference of the respondents followed by a ‘sole trader’ structure. All the potential entrepreneurs intend to hire employees in the future. The main sector of interest for the entrepreneurs in the planning phase was the ‘restaurant and/or food sector’. The proposed promotion and sales techniques the potential entrepreneurs envisage adopting is through ‘direct selling’ and the ‘internet’. It would appear that the majority of potential entrepreneurs were confident in their ability to promote and sell their products/services in the future. Most of the reasoning for this was based on their prior work experience and/or their academic qualifications. However, it should be noted that if potential entrepreneurs are not academically qualified or they don’t have work experience in their sector, the support agencies should consider providing a sales and promotion training programme so as to overcome any weakness in this area.

The findings of this study highlight the intended use of ‘government grants’ to finance the start-up of the entrepreneurs business. Furthermore, half of the respondents also intend using ‘bank loans’ as a means of financing the start-up business.

The majority of potential entrepreneurs are confident in their skills necessary for establishing and running a business. However, they did identify a gap in their knowledge and understanding of how to: ‘brand’ a product/service and how to ‘conduct market research’. Planning functions such as ‘business planning’ and ‘strategic planning’ were two other areas were some potential entrepreneurs highlighted they anticipate needing help on. Though not in the majority, ‘writing a cash flow statement’ was highlighted as a skill they will also need help performing.

The budding entrepreneurs identified positively with the business tasks that were asked within the questionnaire. They indicated that they were capable of working under ‘continuous stress, pressure and conflict’, they can ‘see new market opportunities for new products/services’,
they are capable of ‘discovering new ways to improve existing products/services’, and they can ‘create products/services that fulfil customer needs’. Only a small minority highlighted that they are not capable of ‘developing and maintaining favourable relationships with potential investors; ‘able to recruit and train key employees’ and ‘identify potential sources of funding for investment’.

Interestingly though, even though the entrepreneurs were confident in their skillset in relation to marketing and CRM they still identified that they needed to improve on them. Other skills related areas that they need to improve on include: computer skills; cost management; financial management; conducting market research and ‘business planning’. It must be observed that these skills are not specific to ethnic entrepreneurs but are skills that are required by all entrepreneurs no matter what their ethnic origin.

The potential entrepreneurs provided their rationale for participating in the training programme they attended through Doras Luimní. It would appear that in most cases they wanted to improve their skills set but also to gather knowledge and understanding of how to do business in the Irish market.

The findings provide some worrying results in relation to participating in training programmes offered by other training/support providers. Only one entrepreneur in the planning phase identified that they had participated in a training programme provided by either Enterprise Ireland or the City County Enterprise Boards. Six entrepreneurs identified they have not participated in training programmes by these agencies. Only two entrepreneurs have attended training programmes offered by Paul Partnership/Ballyhoura/West Limerick Resources; 3rd level institutions in the region and FÁS. Their reasons being: they were unaware of the training programmes offered by these agencies; they thought the timing of the programmes was wrong and in another case, a respondent identified that the programme was not relevant to their needs.

Though the potential entrepreneurs highlighted that they have good selling skills; they did indicate that there was room for improvement. The majority of respondents stressed the need for understanding how to sell/promote online. This also links in with the areas they need improving on i.e. computer skills - web design. All respondents stressed the need for training on how to ‘grow their businesses’. Furthermore, 80% of respondents (n=4) emphasised the need for understanding how to ‘internationalise their business’ in the future. A minority of those who responded (n=7) identified the need to understand how to ‘write a business plan’ and ‘learn how to sell their business’.

Significantly, all those who responded to the barriers and challenges question (n=6), indicated that ‘getting access to finance to start-up their business’; ‘getting a bank overdraft’ and ‘availing of grants’ are issues they believe they will face in the future.

To conclude, the entrepreneurs in the planning phase who participated in this study are well educated, are confident in their skill set and anticipate going into business in the future. In relation to their training needs for the future, support providers in the region need to recognise that there are a set of skills they anticipate they need training on and they include: computer training in relation to online selling and marketing, financial and cost management, market research and business planning. Additionally, since the entrepreneurs in the planning phase indicated a weakness in their skills set in relation to both branding and market research this will need to be addressed. A key conclusion from this analysis also indicates a desire by the entrepreneur to fund the business through grants and/or bank loans. However, the financial environment in Ireland has radically changed and therefore alternative sources of funding should be made aware to the entrepreneur.

7.8 DISCUSSION AND CONCLUSION ON THE FINDINGS FOR ESTABLISHED ENTREPRENEURS

A survey was administered to established ethnic entrepreneurs throughout the Midwest region of Ireland. This survey was conducted so as to answer the remaining three research objectives: ‘to examine established entrepreneurs in the Midwest region in order to provide a skills set and needs analysis of them; ‘to identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business; and to ‘recognise the contributions they are making to the region’.
A total of 36 responses were received resulting in a response rate of 49%. Males accounted for the majority of respondents with only 28% being female. The majority were married and originally came from either Africa or Asia. Some respondents were originally from mainland Europe, from Russian, South American and Asia. The respondents are highly educated with some two-thirds indicating that they have a degree and 17% have a Masters. An overwhelming majority of respondents have resided in Ireland for 3 years or more with half indicating they have resided in Ireland for 9 years or more. Family played a big part in the reason why the respondents decided to move to Ireland with 65% indicating this as their reason. A small minority choose Ireland to reside in with the sole purpose of starting up a business. Of the responses, four were originally asylum seekers.

The businesses established by the entrepreneurs are somewhat new with the majority having established their business during the height of the Celtic Tiger. However, what is interesting to note is that over a fifth of respondents have started their business during the recessionary crisis that has been with us for the past two years.

According to the Companies Registration Office (www.cro.ie) ‘registration of a business name is obligatory if any individual or partnership or anybody corporate carries on business under a name other than their own true names’. The majority of respondents have registered their business name, which implies that they have named their business other than that of their ‘true surname’. Twelve per cent have not registered their business name and this might be due to the fact that their business name does not differ from that of their ‘true surname’ and 9% did not wish to disclose this information.

Interestingly, of the established entrepreneurs, 59% have taken the sole trader position as their legal structure compared to only 25% of entrepreneurs in the planning phase who wish adopt this structure. Choosing a limited liability structure has been adopted by only 21% of the established entrepreneurs whereby 62% of entrepreneurs in the planning phase wish to adopt this structure.

For the majority of established entrepreneurs the business is their sole source of employment, with 82% indicating this. It also appears that in the majority of cases the entrepreneur has more than themselves employed in the business since 63% indicated this. Therefore, maintaining these businesses is of crucial importance to the region since ethnic entrepreneurs are sources of employment for people in the region. It is also interesting to note that ethnic entrepreneurs employ people outside of their family since 53% of respondents identified that their employees were unrelated to them. However, it would appear that ethnic entrepreneurs tend to employ people within their ethnic groups as 70% indicated this in the study.

Most established entrepreneurs operate within the services sector which is not surprising since the manufacturing sector has seen major decreases in the most recent past, with costs rising and the availability of cheaper labour abroad. As with the entrepreneurs in the planning phase, the ‘restaurant/food sector’ is the most common sector the established entrepreneurs are operating in, with the ‘retail’ sector coming in a close second along with the ‘personal services sector (i.e. hairdressing and cleaning)’. What is worrying however from these findings is that these sectors would not be considered to be the ‘high growth sectors’. On reviewing the demographics of the entrepreneurs in Ireland who have established ‘high potential start-ups (HPSU’s) it would appear that few if any had an ethnic founder (Birdthistle et al 2010). What can be interpreted from this is that ethnic entrepreneurs in Ireland are not displaying similar findings to those in the US whereby most high tech entrepreneurial businesses had an ethnic founder. This needs to be encouraged in the Irish context.

In the majority of cases, established entrepreneurs identified that their customers are local. However, when one analyses the customer groups it would appear that they are a mix of customers from their own ethnic group, Irish customers and customers from other ethnic groups. When one analyses the sectors in more detail it would appear that those offering professional services tend to have more customers from their own ethnic groups rather than Irish and/or customers from other ethnic groups. This was explained by the fact that, for example, in the hairdressing instance the respondents identified that hairdressing for African women is different to that of Irish women.
Service and quality were key differentiating factors used by the established entrepreneurs. Some indicating that personal service, warm greetings and providing fresh produce makes all the difference for their business.

It was beneficial to find that in the majority of cases, established entrepreneurs had an accountant who assisted them along having with a contact in the bank to call upon should the need arise. Few if any entrepreneurs had subcontractors.

In relation to the established entrepreneurs marketing activities the majority are involved in personal selling, which is a very time consuming task. However as mentioned above, established entrepreneurs do believe this ‘personal’ element is a key differentiating factor for them. Advertising, online marketing and brochures were the other most popular marketing activities of the established entrepreneurs. As with the entrepreneurs in the pre-start-up phase, few established entrepreneurs expressed ‘branding’ as a marketing activity they were engaged with. This situation needs to be rectified.

In the majority of cases (n=28), the established entrepreneurs saw a business opportunity and decided to establish their business as a result of that. Few respondents identified that they had no other choice (i.e. unable to find suitable work n=5; unable to use their skills/qualifications n=6) however this could be as a result of the majority of businesses being established during the boom period, where opportunities were plentiful. On the issue of market research at pre-start-up phase, established entrepreneurs identified that their market research was fairly basic and basically involved talking to ‘potential customers’, which typically comprised of their family, friends and/or members of their own network. Unfortunately, this in itself does not give a clear, indicative picture of the market place and therefore would not be thorough enough to give an understanding of the market demand, competition, trends and most importantly the need for the product/service.

In relation to the start-up capital used by the established entrepreneurs, 73.5% of respondents indicated that they used personal savings to fund their business start-up. Combined with this, on a very small percentage, were bank loans and loans from family and friends. Very few, if any established entrepreneurs, used government grants and/or investors to fund their start-up. This is in stark contrast to the proposed funding strategies by the entrepreneurs who are currently in the pre-start-up phase, who have every intention of using government grants and bank loans and/or overdrafts to fund their start-up. They do also intend using personal savings as well. In exceptional cases they have identified getting a loan from family and friends as an option as well.

Some key advice provided by the established entrepreneurs for someone looking to source funds for their business included: be cognisant of the fact that getting finance from the financial institutions is [currently] very difficult and this is true for any individual looking for funding from the banks and is not specific to ethnic entrepreneurs. Others encouraged the use of their own finance and/or establish a credit history with a bank so that they can understand your ability to manage finances.

With reference to whether or not the established entrepreneurs had met with representatives of government agencies and/or other support agencies, the results are quite alarming. The only body with some significant numbers indicating that they had met with representatives was the City/County Enterprise Board with 15 established entrepreneurs indicating this. Between one and three respondents had identified that they had met with someone from the following agencies/organisations: Doras Luimnín; FÁS; LEAP; LEPD; and Paul Partnership/Ballyhoura/West Limerick Resources. The author of this study talked with the owner-manager of over fifteen businesses personally and they identified that they were unaware of the majority of these agencies/bodies. This indicates a significant communications gap that exists. Based on the results of the study, the one micro-credit scheme that is in operation in Ireland - First Step; indicate that no one in the study met a representative from this organisation, this however might have been because of their location: Dublin.

Of those who did utilise the services of the government/support agencies the most common reason was for advice and guidance. Established entrepreneurs did use the organisations for advice on accessing funding options and assistance in writing a business plan. Few used their services for
training, mentoring and for assistance on market research (even though this is an area they highlighted as being a weakness). In the open ended question one or two respondents identified that they did not use the services of these organisations because they felt that the service providers were unaware of their specific needs, challenges and barriers.

Few established entrepreneurs have attended training programmes provided by the organisations listed in the survey. This is a major issue since training can provide an entrepreneur with the tools and skills that he/she may not already have. Of those who indicated ‘other training programmes’ a number highlighted they have attended Health and Safety training courses and Manual Handling courses, as well as English proficiency programmes. The Health and Safety and Manual Handling courses were primarily completed by entrepreneurs who were in the restaurant and/or food sector.

Why established entrepreneurs did not attend the training programmes provided was also asked of the respondents. Like the entrepreneurs in the planning phase, an overwhelming majority of established entrepreneurs were unaware of the training programmes available and there was consensus that the training programme was not relevant to their needs. This again highlights a communications gap between the support/government agencies and this cohort of entrepreneurs.

Established entrepreneurs were in agreement that they sell and market their products/services very well, with only a small minority indicating that they need help on this. The key business tasks where they do require assistance are: ‘branding’; ‘conducting market research’; ‘writing a cash flow statement’; ‘balancing the books’; ‘writing a business plan’ and ‘designing a strategic plan for the business’. These areas of concern echo the views of the entrepreneurs in the planning phase as well. What is interesting to note is that most support agencies/government bodies already provide ‘generic’ training programmes that would overcome the skills deficits in these business tasks. However, since the established entrepreneurs indicated they were unaware of certain training programmes offered by these institutions, established entrepreneurs would not be aware that they can get training on these business tasks in the Midwest region.

The established entrepreneurs believed that they were very capable in performing tasks such as: managing stress; seeing new opportunities; recruiting and training employees; design a vision for the business; identifying ways to improve the business; solving problems; creating products/services that fulfill customer needs. Only a minority of respondents identified that there were tasks which they are not capable of completing and these included: ‘developing and maintaining favourable relationships with potential investors’ and ‘identifying potential sources of funding for investment’.

Even though entrepreneurs highlighted their capability of performing a variety of business tasks, they still identified the majority of these tasks need to be improved upon. These tasks include: ‘marketing and sales management’; ‘market research’; ‘computer skills’; ‘business planning and organisation’; ‘financial management’ and ‘controlling costs’. In a minority of cases they identified CRM and controlling costs as areas they believe they need to improve upon. In the anecdotal responses, a few entrepreneurs also highlighted the need for improvement in their ‘online sales and marketing’ skills along with understanding how to ‘interact with social media techniques i.e. Facebook’. These findings are similar to the findings of the entrepreneurs in the planning phase.

The future training needs identified by the established entrepreneurs indicated that the majority of respondents will not need to know how to do the following: ‘know how to hire/fire employees’; ‘understand how to internationalise the business’ and ‘learn how to sell the business’. There were some key areas they do require training in the future and these are key operational issues that are fundamental to the running of a business in the 21st century. These areas include: ‘understand how to sell/promote online’; ‘learn how to balance work and life’; ‘learn how to grow the business’ and ‘understand how to write a business plan’. Interesting over three quarters of the respondents identified that they would like to grow their business since they indicated that need to know how to do this, therefore this is a key training/learning area for the future that should be met by the service providers in the region.
Of 17 barriers and challenges posed to the established entrepreneurs, six were identified as being barriers/challenges for at least a third of the respondents. Four of these were finance related i.e. ‘getting access to finance to establish the business’, ‘getting a bank overdraft’, ‘expected to give credit to customers/suppliers’ and ‘availing of grants’. The remaining two barriers/challenges are ‘making customers aware that they are in business’ and ‘gap in knowledge of systems i.e. revenue, company registration and social welfare’.

Finally the established entrepreneurs were asked to highlight the future challenges they believe they will face pertaining to growing the business. We are aware from the question on ‘their future training needs’ that the majority (76%) of established entrepreneurs identify that ‘learning to grow their business’ is an area they will need to learn about. The majority of challenges highlighted in the last question however were macro issues (i.e. environmental related) rather than micro issues (such as pertaining to the skills of the entrepreneur). The key challenges in growing their business stems from the current economic climate and the impact it has had on consumers propensity to buy and the availability of finance/capital. These macro issues are outside of the control of the entrepreneur and the support agencies however since there is a desire to ‘learn how to grow their business’ one could infer that these businesses are not lifestyle businesses (i.e. little to no interest in growing the business beyond itself) therefore providing the established entrepreneurs with the toolset required to grow their business would mean that when the economy changes (for the better) one would hope that these entrepreneurs would have the knowledge and understanding of how to grow their business.

In conclusion, established entrepreneurs are making contributions to the region in terms of employment, providing products and/or services that are required in the market place, making PRSI contributions and enriching society as a whole. The needs analysis conducted of the entrepreneurs echo the training needs of native-born entrepreneurs as well therefore there is evidence to show that tailored training programmes for established ethnic entrepreneurs is not needed. However, what is needed is better communication from the support agencies/government bodies that these programmes are in existence and are available for ethnic entrepreneurs to participate in. A number of barriers and challenges were highlighted by the established entrepreneurs, however one can interpret that these barriers and challenges are more macro-driven than micro-driven i.e. driven by environmental conditions rather than a deficit in the entrepreneurs skillset to perform business tasks.

7.9 RECOMMENDATIONS OF THE STUDY

It is recommended that since there are some cultures where opportunity entrepreneurship is more prevalent it would be worthwhile to conduct more research on this so as to pinpoint the cultures whereby this would be true and then be cognisant of this fact. Typically countries which would display this type of culture would be within the Asian. It would be also worthwhile targeting specific supports to black African women since research has identified that in the UK they were six times more likely to establish a business than their native-born counterparts and their male African counterparts. This might be a target group that has been ignored in the Irish context and should be considered in the future.

Since, in some countries, ethnic entrepreneurs occupy the ‘high-growth’ arena, it is recommended that further research be conducted into understanding the contribution of ethnic entrepreneurs to innovation and high-growth firms in an Irish context. Because innovation is one of the key components to sustainable growth and job creation, a better understanding of this relationship would be useful to policy makers and support agencies in the country.

A number of key barriers and challenges were highlighted in the study. One key challenge was the language barriers ethnic entrepreneurs’ face when accessing capital from financial institutions. A number of recommendations are being posed to overcome this. Firstly, support agencies in Ireland should offer ‘business’ English to non-native English speakers and contained
within that programme would be a specific focus on the documents typically used to access capital from financial institutions. Secondly, support agencies in Ireland should liaise with financial institutions and inform them that there is a need for certain languages to be catered for within their institution. It would appear that Irish financial institutions might be open to this initiative since a number of banks in Ireland have Polish speaking employees who assist Polish applicants for finance. Alternatively, where possible agreement could be reached by the support agency and the financial institution, that a translator would be able to be part of the negotiations so that all information is properly given to the applicant and that the financial institution are fully cognisant of the applicants business idea, should the applicant be unable to express his/her business idea fully through the medium of English. Furthermore, the support agencies in the region could lobby the financial institutions to provide literature in a variety of languages.

A recommendation to overcome the lack of integration into society, as found in the European study, could be to ensure that other groups such as the Chamber of Commerce is aware of newly established firms by ethnic entrepreneurs and ensure that they are invited to the events organised by such groups. This could take the form of a ‘newsletter’ being distributed (in hard and/or soft copy) on a quarterly basis to such groups informing them of developments by existing and/or potential entrepreneurs.

Where education is a barrier to the entrepreneur, it is recommended that all ethnic entrepreneurs should be encouraged to complete some form of study so as to be able to overcome this challenge. Additionally, it would be worthwhile informing the ethnic entrepreneur of the benefits of establishing their business as a team of entrepreneurs rather than being a ‘solo’ entrepreneur whereby team members can complement the skills deficits if they are apparent. Furthermore, entrepreneurs who are wishing to establish their own business, they should be required to complete a skills assessment and be aware of their skills gap before they establish their own business. This barrier can also be overcome by encouraging the ethnic entrepreneur to tap into the ‘skills based resources’ from the likes of the City/County Enterprise Boards who provide a series of training initiatives for entrepreneurs at the various stages of business development.

In order for ethnic entrepreneurs to be aware of the business networks that are out there, it is recommended that a database of business networks in the region be formulated and make this information readily available to existing entrepreneurs and those entrepreneurs in the planning phase. Furthermore, an information sheet on the ethnic entrepreneurs could be forwarded to the business networks in the region, informing them of new entrants to the marketplace and why they might be of relevance to the business network.

Government rules, regulations and practices help shape ethnic minorities’ self-employment trajectories. Policy debates and interventions influence the emergence of entrepreneurial opportunities and the further development of ethnic businesses. These policy frameworks may consist of policies removing barriers for ethnic entrepreneurs or measures promoting their interests and aspirations. This study provides a portrait of the situation as it was in 2011. Updating the current portrait is a necessity given the growing importance of ethnic minorities in Europe; a society that will become structurally more diverse in the future. Continued updating is essential for effective policy making and the subsequent adjustments of programmes in the promotion of entrepreneurship. Therefore it is recommended that on a bi-annual basis a review of the EU policies on entrepreneurship and ethnic entrepreneurship is conducted by support agencies and government bodies and to reassess their initiatives with these policies in mind.

Both public and private stakeholders have a role to play to guarantee equal access to credit for ethnic and native entrepreneurs. This would help ethnic entrepreneurs to emerge from traditional occupations confined to the lower segments of markets and expand to high-value activities, with subsequent greater contribution to their host country economies. It is evident from the review on European policies for entrepreneurs that several countries have taken on board microfinance schemes. However, in an Irish context, this is lacking since only one scheme is available in Ireland i.e. FirstStep, which is located in the Dublin region. It is recommended that support
agencies and government bodies in Ireland review the microfinance schemes of other countries so as to identify ‘best practice schemes’ that could be used as a benchmark for the introduction of additional schemes. A list of schemes has been provided in Image 3.1 of this report, which can be used as a starting point.

In relation to entrepreneurs in the planning phase of their business, for which Doras Luimni has immediate access to, the following are a series of recommendations that can be implemented. The findings of the study have identified that the majority of entrepreneurs in the planning phase aim to establish their business as a ‘limited liability company’ therefore it is imperative that a training programme on Company Law is offered since this is a preferred legal structure identified by the current cohort of budding entrepreneurs associated with Doras Luimni. A training programme on how to register your business name would also be worthwhile, since adopting a ‘sole trader’ structure was also a preference for some respondents.

Additional legal training is recommended in the area of Employment Law since all entrepreneurs in the planning phase intend to hire employees in the future. Training on the law pertaining to the Protection of Employees (Part-Time Work Act of 2001) should also be explained since they intend hiring part-time employees in the future too. Furthermore, incorporated within this training programme should be content on how to design adverts for job vacancies should the entrepreneur wish to advertise in the press; content is also required on how to write a job description since Irish law states that within two months of employment, a job description needs to be provided to all employees.

Since the ‘Restaurant and/or food sector’ was the preferred industry of the potential entrepreneurs, it would be worthwhile considering offering a HACCP and/or Health and Safety course to them.

Government grants will be mostly used by the potential entrepreneurs as identified in the findings of this study. It is therefore fundamental that at the planning phase of the business, the agencies that provide government grants to start-up businesses are directly contacted by ethnic support groups/agencies so as to assist in opening the doors to these agencies for the potential entrepreneurs. Additionally, representatives of these agencies should have a regular ‘slot’ on the pre-start-up training programmes that are offered by the support agencies so as to ensure networking with these agency representatives. Representatives from financial institutions should also be invited to talk to potential entrepreneurs who are involved in pre-start-up training programmes, since half of the potential entrepreneurs identified utilising bank loans and/or bank overdrafts as a form of start-up finance. A recommendation for the government agencies and the financial institutions, is that since language is oftentimes a barrier for ethnic entrepreneurs, the agencies should consider providing their forms/documents in a variety of minority languages.

Branding and market research are integral parts of the marketing function of a business. Since the study highlights that entrepreneurs in the planning phase will need help/assistance in this area in the future, it is recommended that a training programme should be offered on how to conduct these important functions. This training programme should not be tailored to train ethnic entrepreneurs how to communicate with solely customers from their own ethnic community but should also train them how to communicate with potential customers from other ethnic groupings (i.e. Irish/EU customers). This could assist in enabling the ethnic entrepreneur to break outside of their captive markets, which is something that the OECD (2010) and Krieger (2011) pinpoint as being of fundamental importance for the ethnic entrepreneur.

Poor communication about the training programmes that were available to start-up entrepreneurs was emphasised by entrepreneurs in the planning phase. It is recommended that a concerted effort should be put into the communication strategy so as to consider ethnic entrepreneurs as participants on these training programmes. This could be achieved through accessing the database that is available by the Immigrant Council of Ireland of all the Migrant Led Organisations that are on the Island of Ireland. Contained within this database are the contact details of individuals, who could be contacted about the training event and they could then be
requested to forward on the details to their members. Additionally, in Ireland there are now specialised publications such as newsletters, newspapers, blogs, in minority languages, that could be also targeted for the dissemination of this information.

An area of training lies in ‘how to grow your business’ as it was stressed as an area of concern for the future. Therefore, a follow up programme should be provided to those entrepreneurs who have participated in the pre-planning training programme on how to grow their business. Other foreseeable training areas also include: ‘how to write a business plan’; ‘how to balance work and life’; and ‘how to sell your business’ were also identified as areas they would like to garner knowledge on in the future.

It is recommended that training programmes encompassing a focus on: marketing and sales management; customer relationship management; marketing research; IT; business planning; financial management; cost controlling and managing employees should be communicated to potential entrepreneurs. It must be recognised that most government agencies, like the City/County Enterprise Boards, already offer such programmes (those programmes listed here and in the above paragraph). However, since the study highlights that most entrepreneurs in the planning phase were unaware that such training programmes were offered by other support agencies, full communication and co-operation between ethnic support groups and the government agencies and other training agencies should be encouraged. This could be achieved through email communication between the agencies and their clients and/or through a news bulletin written in the entrepreneurs own language so as to overcome any language barriers that might exist.

It is also recommended that, for those who have participated in training programmes associated with Doras Luimní and with other support agencies, they could be asked to participate in a mentoring role for new up and coming entrepreneurs. This would enable the sharing of experiences, knowledge and provide each other with additional support. This initiative could be called ‘Back-up your buddy’.

In general, support measures for ethnic entrepreneurs should extend to the various phases of business development and not only the start-up phase. More effort should be put into the implementation of programmes on the development of personal entrepreneurial skills (leadership, risk taken, how to deal with the failures, etc.) and on the personal follow-up of the entrepreneurs even after the legal setting-up of its company.

In relation to established entrepreneurs, few female respondents were from an African background. Even though evidence provided in this report indicates that in the UK black African women are more entrepreneurial than their native-born counterparts, this study was unable to identify a large number of established African female entrepreneurs in the region. Support agencies and government bodies need to investigate why this is the case in the Midwest region of Ireland.

In relation to the established entrepreneurs skillset it is evident that they are exceptionally talented in a variety of skills required to run and operate their business. However it is recommended that support agencies focus on branding in a training programme since this was a deficiency in their skillset.

Furthermore, there is little awareness, knowledge and understanding of agencies that exist to support entrepreneurs. This is a serious communications gap that exists and must be rectified. This can be achieved through a concerted, targeted marketing campaign by support agencies and government bodies.

The established entrepreneurs were identified to be operating within the service sector with a particular focus on the restaurant/food sector. Since this was a common sector that entrepreneurs operate in (as it was common to both pre-start-up entrepreneurs and established entrepreneurs) it is recommended to ensure that on an annual basis there is a HACCP training programme, a Health and Safety course and a Manual Handling course. However there is a serious concern that these are not high-tech, nor high-growth sectors, which are proven to be the [sustainable] businesses of the future. It is recommended that support agencies and government bodies rectify this situation as these businesses are the businesses that are needed. In order to achieve this, assistance and advice
needs to be given to ethnic entrepreneurs who display ideas which are of a high-tech, high growth nature.

On examining the established entrepreneurs’ pre-start-up activities it was evident that little market research was conducted at this stage. It is therefore recommended that potential entrepreneurs should be encouraged to conduct market research and this research should extend beyond their own ethnic community.

Mentoring is not a service they have utilised from the support agencies and this is a service that entrepreneurs at all stages of business development should be encouraged to participate in. This could be achieved through having monthly mentoring sessions available to ethnic entrepreneurs.

Few established entrepreneurs have attended training programmes provided by support agencies and/or government bodies in the region. It is recommended that they (support agencies and/or government bodies) identify who the community leaders are in each of the ethnic communities; who are the ‘self-appointed leaders’ are and who are the businesses people in the region that ethnic entrepreneurs emulate. By identifying these individuals the agencies can then do a targeted communications campaign to them, informing them of the training programme, mentoring sessions and other events that are happening. One would then envisage that this information would be disseminated to ethnic entrepreneurs. Furthermore, communication about training programmes could be translated into the minority languages and also disseminated this way.

A number of established entrepreneurs identified having issues with maintaining relationships with investors and identifying sources of funding for investment. This is a common issue that entrepreneurs face either at start-up or even whilst in business. By providing a microcredit scheme to established entrepreneurs this would overcome the latter concern they have. In order to maintain relationships with financial institutions, support agencies in the region could learn from the EMERGE programme and the influence they had on Allied Irish Bank and the Bank of Ireland. Due to the ‘enthusiasm of EMERGE participants at the pre-enterprise stage, Bank of Ireland (Galway, Eyre Square branch) were convinced to put together a loan package scheme specifically designed to support ethnic entrepreneurs’.

Furthermore, support agencies and government/development agencies should compile the following, and have it as a leaflet available to entrepreneurs, so as to overcome the barriers to finance entrepreneurs experience: a list of venture capitalists (they can be sourced from http://www.ivca.ie/) and a list of business angels (which can be sourced from http://www.irishinvestmentnetwork.ie/business-angels and representatives from these groups could be invited to speak at a training programme provided to entrepreneurs. Additionally the likes of www.fundit.ie should be promoted at training programmes as well as this is another source of funding for entrepreneurs.

It is recommended, as per the recommendation made for the entrepreneurs in the planning phase, that established entrepreneurs be encouraged to join business associations and the Chambers of Commerce in the Midwest region. The likes of the SMILE organisation should also be communicated to the entrepreneurs.

In relation to specific training requirements, it is recommended to focus on upskilling established entrepreneurs in the following areas as these were highlighted as areas they will need help on, either now or in the future: online selling; growth strategies; branding; market research, finance management, controlling costs and business plan writing.
Annex: Case Studies
I am originally from Uganda and I have lived in Ireland for about ten years. I am married, my wife is from Dublin and we are now living in Ennis, County Clare. I went to school in Uganda, university in the US and Ireland. I have a Masters in International Entrepreneurship Management from the University of Limerick.

The inspiration for my product came from seeing two lads on a bike. I was wondering what was going on? One guy was steering the bike and he had some ‘sticks’ in his hands. I asked the guy ‘what is that ‘stick’ and what are you going to do with it?’ The guy told me that the ‘stick’ was a hurley and it was what they use to play with. The guy on the back of the bike had a big bag and two helmets in his hands. I asked the guys are there not any bags you can use to take away the ‘pain’ of having to transport all that equipment? They said no and as a result of this, it was my starting point! I knew I had to find out whether there was a market there. My business is a bag which is particularly useful for hurlers, camogie players but not limited to them. The product can be used by hockey players, baseball players, any sport really!

I did however have to take a step back because my background is in IT. As I looked around I realised that the University of Limerick offered a course in Entrepreneurship and it was by completing this programme I was able to get insights into starting a business; developing a new product, and understanding how to research the market. I was able to understand what it takes to bring a new product to the market, what it means to manage the process and to get into business itself. This whole environment was useful to me.

When I was starting up, I tapped into the supports that were available for entrepreneurs in the region. Through a lecturer in UL I was taught about the support agencies in the region such as Doras Luimni, the Enterprise Boards and the like. There was a programme in Limerick Institute of Technology (LIT) called the LEAP programme which I applied for. I presented my idea to a panel and they decided to grant me a space in the Enterprise Acceleration Centre in LIT. This was a key part of my journey as I had the idea; I conducted the market research now I needed to develop a prototype. In order to develop the prototype I applied for a grant from Enterprise Ireland and I got it so I progressed to develop the prototype.

Since developing the prototype, the LEAP programme had finished, so now I had to start the marketing of the prototype. However before doing this I decided to patent the product which I was successful in getting done. I have been able to show the product to customers: parents, clubs etc. I have been really successful in making sure that I know this is what people want. I have been to tradeshows and I think this product solves a problem since it consolidates all the necessary equipment for a hurling player in one sports utility bag. My product is unique and I am at the stage where I need to put it to the market. Because of the LEAP programme I was able to make contacts in the marketplace.
One of the key success factors for me is seeing the final product and I have to say ‘culture’ has been a key influencing factor for me as well. Sport is in the blood of an Irish person and hurling is part of their identity. Knowing the product meets the customers’ needs is a critical success factor for me. Having the capability of doing the business is another key success factor for me. Stepping back has really helped me; learning the process was crucial as well. The other critical success factor would be the people you have around you. It is very important for producing something like this. The technical people have the knowledge of new product development and the industry informants have critical information for me. I think the next success factor is having finance – I don’t think this is number one or number two but is something that emerges as a result of other success factors operating. I personally was able to available of financial support from the Enterprise support agencies, which helped me a lot. That is why I believe that having the right product that meets the needs and satisfaction of the consumer must come first.

I faced many challenges on start-up. To tell people you are developing a product for hurling, they look and say ‘You don’t even know how to play hurling’: this then makes it a cultural challenge. But it’s not a barrier it’s just a challenge for me: on the one hand to let people know that an outsider can be the one to spot the problem, while on the other hand facilitate target marketing in the process of developing the solution. To overcome this challenge I tell them that I have the passion and enthusiasm for sport and I can identify with another sportsperson, whether it’s hurling or any another sport. In fact I myself played collegiate and professional soccer and Taekwondo and I am now Chairperson of Clare Intercultural Futsal League, which is affiliated with the Football Association of Ireland. Funding is a challenge, despite the fact that I had the knowledge of where I could go for finance; I still had to develop a prototype, develop a product and convince the Enterprise Board that I could get some funds from the Priming Grants that were available. I think interfacing with a manufacturer comes with both barriers and challenges. The challenge here is the language barriers, time zones, and distance. You have to be ready to be both encouraged and discouraged! People will do both! Either way I usually just get more enthused and excited especially when one tells me you can’t do it. The next challenge is to give your time to everything. As a start-up entrepreneur trying to do everything is a challenge.

The advice I would give anyone starting a business would be to know who you are and what makes you happy, what makes you motivated and what you like to do. You need passion. The second thing to know is if you have the means to support yourself. It could be family and friends to start with; they need to share your ambition and your vision. You need an encouraging partner as it keeps you going, keeps you ambitious and enthusiastic. It is not easy to rely on state agencies; I think they are there to facilitate you. The state agencies may give you the money to design a prototype but you still need to find the people to develop the prototype, design it, and do the patent application – I still had to manage, operate, organise, and plan, even maybe control as I was the one in charge. Be ready to do everything! You are the roadmap, you need to get people to see that vision and articulating it is important and this is where the business plan comes in. I would encourage start-ups to develop a business plan as it can be your roadmap to the market, it helps to clarify what the product is, informs you how you are going to operate in the market, who you are going to do it with: then you have a road map a person can follow if you are going to work with.

So this is where I am now – the product has been developed and I have gone through the stages of researching the market, the production process and marketing the product. I am now involved in the commercialisation stage.
I am from the Democratic Republic of Congo. I arrived in Ireland in 2002 and I have a degree in Agri-Culture Science. In the Democratic Republic of Congo I have worked in Plant Breeding Laboratories (cytogenetics and biotechnology). I have worked in Belgium where I was working on tissue cultures and plant stress tolerance and in Austria on the micro-propagation of plants and cultivating tropical crops in greenhouses.

I started the business with two other individuals in 2005. We were on our way to Cork and we were discussing business and I discussed my idea, which was based on my own experiences. When I was in Austria I saw that they were cultivating the tropical crops or vegetables in the greenhouses and I asked why we can’t do this in Ireland. Even in Belgium I saw sweet potatoes, bananas even cassava being grown in the greenhouses.

We started the project in Limerick and we found a place in Murroe where we could grow crops. Doras Luinni put me in touch with Paul Partnership who subsequently gave us a Mentor for the business plan. I think writing the business plan was a wonderful experience as it gave me confidence and made me comfortable with the idea. Paul Partnership was curious to see what was going on and they were able to understand it through the business plan. Paul Partnership then put us in touch with Tipperary Leader Group for the finance. The Tipperary Leader Group was very impressed with the project, they had a fund that we could use; but at that time I did not have my status. They did agree to fund the project though but not me due to my status issues.

When I got my status sorted I went to the Social Welfare but the money they gave us was very small so we decided to do the first step: to show that what we were saying was not just the theory but it can be a reality! We went to Murroe and we got an allotment space in Murroe and we grew tropical vegetables in Ireland. The Lord Mayor of Limerick and some politicians visited us as they were very interested to see what was being grown in Murroe.

The key barrier we had was the lack of funds. If we had the money we could extend the Polly tunnels and then produce on a larger scale. The financial crisis in Ireland has made things hard for us. However it is good to know that we can bring tropical seeds to Ireland, sow them and have tropical fruit and vegetables grown here. We still have plenty of seeds so we will hold onto them until we get more funds.

The advice I would give entrepreneurs considering starting up a business in Ireland is to use their experiences and strengths. I had my knowledge and experience from the Democratic Republic of Congo where I was working in research and when I was in Belgium and Austria I saw how they grew the vegetables in those climates. Also I would recommend they think properly about the business they want to start, they need to study the feasibility of the business and they need to ask themselves ‘do they have the skills to do the business?’ Entrepreneurs need to look at their background and skills as they will need these to succeed in business.

So the status of the business is we have the feasibility study conducted thus we know we can grow tropical fruit and vegetables in Ireland. When the economy improves and if the time allows us to do it, we will start this business.
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