Using Information Technology as an E-Learning Tool to Develop Entrepreneurial Skills of Emerging Businesses in the Western Cape in South Africa

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**ABSTRACT**

The objective of this paper was to demonstrate the use of information technology as an e-learning instrument to develop entrepreneurial skills of entrepreneurs assisted through RED DOOR, a government entrepreneurship support program, with a specific focus on financial management and management accounting skills. Historically, many emerging businesses that have received entrepreneurial support and training from RED DOOR have met with limited success. This study focussed on a longitudinal assessment of a pilot training program implemented by RED DOOR. This study included a sample of 40 entrepreneurs that obtained entrepreneurial training. The methodology involved four phases, namely, knowledge transference, skills application, business simulation and business evaluation. The results indicated that twelve months after the training most participants were successful.

**Keywords:** E-learning, emerging businesses, technical skills, financial management skills, entrepreneurial skills, success.

1. **BACKGROUND**

RED DOOR’s entrepreneurship support is essentially aimed at providing support to emerging businesses. The figure below provides an illustration of a voucher programme management system to support emerging businesses through the RED DOOR program in the Western Cape:

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1RED DOOR is an agency that provides entrepreneurial and business support services in the Western Cape to start-up and existing entrepreneurs. RED DOOR was established by the Provincial Department of Economic Development of the Western Cape.
STEP 2: Diagnostic test
RED Door Centre:
- Business administrator [BA]

Diagnostic test [tool]:
- Personal business profile
- Business viability
- Needs analysis

No
In-Touch
Diagnostic tests
No
BA renders support service
Store data

STEP 3: Voucher process
RED Door Centre:
- Business Administrator [BA]
  Caseida:
- Accredit service providers
- Voucher management

Services:
- Feasibility study
- Business plan
- Mentoring
- Health check

Voucher process:
- Approval - authorisation
- Select service provider
- Payment on completion
- Customer satisfaction

Yes
Database
Providers

No
Approval of voucher

Client deposit initial amount

Yes
Issue voucher to SP
Commence service

No
Store data

Yes
Casida

No
Data Storage

STEP 4: Quality control
RED Door Centre:
- Business administrator
- Customer satisfaction
- Financial institution
  [Business plan]

Quality assurance:
- Business administrator
  [assess quality of services]
- Customer satisfaction
  [rating quality of services]
- Financial institution
  [Success of BP services]

Report from SP
Business plan

Address concerns and redraft BP

Quality check by BA

Customer satisfaction

Casida
Process payment
1.1 Importance of Entrepreneurship

Individuals may participate in entrepreneurship education and training at various points in their lives, and this education and training may take different forms. For example, all primary school pupils receive “Economic and Management Science,” which is not specifically about training in starting a business, but about mainstream management. Entrepreneurship training in this format is not designed to provide training in starting a business. Often the focus is not on getting individuals to start businesses but on imparting theoretical concepts. Many university students enrolling in entrepreneurship programs do not start businesses. In this case it is frequently found that entrepreneurship is offered as an elective course. At the other end of the spectrum, an employer or a government agency may offer training in starting a business to the unemployed.

In this study entrepreneurship education is defined in broad terms as the building of knowledge and skills. Entrepreneurship training is defined as the building of knowledge and skills in preparation for starting a business. Thus, the purpose of entrepreneurship training is very specific, unlike the purpose of entrepreneurship education, which can be much broader.

Complicating the picture further, individuals may receive education in entrepreneurship and/ or training in starting businesses in primary and secondary school, during college or university studies. These courses may be part of a formal education program that grants certificates or degrees, or they may involve non-credit courses. Other informal training programs operating outside the mainstream education system include courses, seminars or other types of training offered by local business organizations, employers or a government agency. The program that RED DOOR offered is a case in point. Some argue that when some individuals are exposed to entrepreneurship, the more likely they will become entrepreneurs (WEF, 2009). Evidence of this can be seen in the higher prevalence of entrepreneurial activity among individuals whose parents have been self-employed or running their own businesses (Henley, 2007). It could be deduced that children of entrepreneurs develop particular perceptions and skills from observing their parents and participating in family business activities. Perhaps some education and training programs can substitute for this learning.

The support strategies implemented by RED DOOR have achieved limited success with regard to creating an enabling platform for emerging businesses in the Western Cape. The economic growth in the Western Cape is currently operating at 2.7% in terms of GDP (Stats SA, 2010).

According to the Global Entrepreneurship Monitor, the entrepreneurial activity rate in South Africa is well below those in similar developing countries even though, owner managed businesses in the Western Cape as well as South Africa in general, is an important component of the economy (GEM, 2010). South Africa continues to have one of the lowest entrepreneurial activity rates in Africa despite the fact that it is not the poorest country on the continent.

2. ENTREPRENEURIAL TRAINING AND EDUCATION

One of the major challenges in a South African context is the development of people. Due to Apartheid and the policies of the Nationalist Government low spending budgets were afforded to the majority of people relating to education. Unemployment is arguably South Africa’s Achilles heel. More than ten years after the end of apartheid, South Africa continues to struggle with the legacy of a system based on privilege for some and the lack of privilege for others. As a result, unemployment continues to impact most heavily on the black population and in particular on the youth who are crowding into the labour market, possibly as a result of greater access to education, increased population and migration from rural to urban areas. Also affected are young people with little education, women and the rural youth (Herrington et al, 2008). This culminated in a large proportion of people that are unskilled and uneducated (Rwigema & Venter, 2004). This has also resulted in the fact that 30% of the adult population in South Africa is regarded as illiterate. The problem is exacerbated by the fact that South Africa has a very low skills base. According to Rwigema & Venter (2004) South Africa has a ratio of skilled to unskilled work force of 1:5 as opposed to 1:2 in developed countries. This phenomenon has implications for the country’s social growth, economic development and global competitiveness.

GEM Report (2009) has indicated that individuals with higher education are more inclined to start a new business venture and progress past the start-up phase. Friedrich (2005) has emphasized that access to entrepreneurship education is critical with a specific focus on critical skills such as financial literacy, record-keeping and marketing. Despite the fact that entrepreneurship education is necessary to induce more start-ups, very little attention is paid to the development of the above-mentioned skills. More contemporary findings suggest that financial management and
accounting skills are critical, particularly in the developmental phases (Schott, 2009). Nieman (2007) argues that there is a gap between the perception of training providers and entrepreneurs in terms of training needs and expectations. Most training providers tend to focus on a wide range of business skills where these skills are necessary to run larger organizations compared to a small enterprise (Nieman, 2007). The training needs for small businesses are different compared to larger organizations, however, in South Africa training providers tend to employ a one-size-fits-all strategy.

Despite the fact that there are a number of entrepreneurship training programs, often these programs fail to meet the real training needs of the entrepreneurs. It has been pointed out that there is a significant gap in terms of the perception of training providers and specific needs of entrepreneurs (Botha, 2006).

2.1 Current State of Entrepreneurship Education in South Africa
Xavier et al. (2012) points out that a large proportion of entrepreneurs in South Africa have no previous experience in managing and operating a business and do not have the necessary experience of the pitfalls in their respective industries. In the target market in which RED DOOR operates, many people with work experience seek opportunities to enter the entrepreneurial arena with no business or managerial experience.

Institutional training still focuses primarily on the training of management skills. Most universities in South Africa have centres for entrepreneurship and/or small business management where certificate courses in various aspects are offered. These courses run from one day to a year depending on the contents. The Potchefstroom University (arguably) through its Small Business Advisory Bureau most probably offers the widest selection of 45 courses ranging from general management to specialized courses in restaurant management and butchery management. Technikon South Africa was the first tertiary institution to introduce a three year National Diploma in Small Business in 1996 in South Africa. This course is also presented by eight other Technikons but Technikon SA remains the “parent” institution responsible for the curriculum development.

The need for entrepreneurship education and training has in itself created entrepreneurial opportunities in the market place resulting in many individuals and enterprises offering courses. The downsizing of major firms and the resultant retrenchments and/or outsourcing have also created opportunities for training of these people to be self-employed. A number of programs are offered specifically for retrenched people. A large proportion of the people who were retrenched from permanent employment, approach RED DOOR for assistance to establish businesses. However, these people have no entrepreneurial training or experience in owning a business.

Most large firms have set aside funds for their social responsibility which are then channeled to any of the training institutions or role players for community projects in particular. Quite a number of these community projects would be entrepreneurship and small business training. Most South African universities expect their lecturing staff to do some form of community work as part of their duties. Quite often a specific community in the catchment area of the particular university and the particular sponsoring firm are targeted for training in entrepreneurship.

A major limitation in entrepreneurship training is the fact that there is little standardization or quality control between training centres and training providers; and there is no overall government policy relating to specific skills required in various types of small businesses (Nieman, 2007). The training centres and providers are offering general skills training rather than specific skills training in order to assist as many people as possible. The training industry is supply driven rather than demand driven (Henry, 2005). Botha et. al (2007) points out that most training providers are merely transferring knowledge to entrepreneurs rather than skills transfer and suggests that this is the real failing of entrepreneurship training programs in South Africa. In addition, training interventions fail to conduct entrepreneurial profiling and to assess motivational levels. In fact many training interventions aimed at promoting entrepreneurship do not take into account the value of motivation as an important ingredient for success (Kelly, 2008).

Entrepreneurial Support Provided by Red Door
To facilitate the implementation of the policies and strategies directed at the development of the small businesses (RED DOOR INDABA, 2008) agencies such as RED DOOR, was established in the Western Cape. The primary policy objectives of RED DOOR are:

- Supportive policy to increase the participation rate of South Africans in starting and running SME’s;
- It needs to support the survival and growth of established businesses;
- Reduce historical inequities.
Against the background of this, the provincial government in the Western Cape has initiated a number of REDDOOR outlets in order to provide business support services and training which are accessible and affordable to potential entrepreneurs in underdeveloped economic areas. At present there is a wide variety of advisers and service providers which offer free, subsidized and fully billed information, advice, services and training to those who wish to establish businesses or to make their enterprises more competitive (MEDS, 2007).

The nature and mandate of REDDOOR management and business advisors at REDDOOR centres render business support services and training to enhance capacity building of entrepreneurs in the following areas:

- Business plan development
- Business health check
- Business mentoring
- Business feasibility study

REDDOOR’s entrepreneurship training programs are specifically aimed at emerging businesses. These individuals are more business owners rather than entrepreneurs due to the fact that they are inherently motivated by necessity rather than opportunity. The primary reason for this is that these entrepreneurs are largely unskilled with very low education qualifications. Starting a business is rather a matter of survival rather than intentionally exploiting real business opportunities.

There are significant gaps that exist between the training provided through the REDDOOR structures and business support that these entrepreneurs need. The current business support and training offered by REDDOOR is by and large supply driven and rarely does it address the real needs of the entrepreneurs. This is largely as a result of the fact that most officials and staff members that are working at the REDDOOR centres have never owned a business before and thus does not possess the entrepreneurial experience to develop capacity through training. Hence, the real training needs and requirements of the entrepreneurs are not properly diagnosed nor understood.

Although REDDOOR has recognized low skills and qualifications to be a major factor underpinning the performance of these entrepreneurs, the quality of the entrepreneurial training tends to be too knowledge-based and very technical. This situation often does not culminate in the entrepreneurs being able to apply the knowledge in their businesses nor does it allow them to develop skills.

According to Basardien (2008) a large proportion of entrepreneurs of emerging entrepreneurs that were assisted by REDDOOR were struggling to survive in their respective industries. The study highlighted three areas where skills of these entrepreneurs were limited. These shortcomings included the following:

- Entrepreneurial skills – this relates to leadership, goal setting, entrepreneurial orientation, willingness to take risks, tolerance for ambiguity, sound human relations, innovation and inner control.
- Technical skills – this covers written, oral communication, organizing skills, decision-making, and financial interpretation and understanding.
- Business skills – this covers venture planning, financial management, book-keeping, marketing, new product development and pertinent challenges associated with each stage of business development.

3. METHODOLOGY
3.1 The Research Problem
There are many training providers rendering entrepreneurship education as well as business support. REDDOOR has supported many emerging businesses through business support services such as business plan development, business health checks, mentoring and feasibility studies, however, the failure rate of such businesses continue to remain alarmingly high. The main reason why REDDOOR has attained limited success is due to the fact that REDDOOR provides generic business support rather than specialized entrepreneurial support and training to the entrepreneurs.

3.2 Research Objectives
The training content focused on three areas, namely, planning, record-keeping and decision-making.
The research objective was sub-divided into three categories:
- To track forty entrepreneurs that have accessed entrepreneurial support through a pilot entrepreneurship training program at RED DOOR
- To determine longitudinal success
- To evaluate the effectiveness of the new training model

3.3 Research Context and Sample Criteria

The Provincial Government of the Western Cape aims to promote and to drive economic development and poverty alleviation in terms of the Provincial Growth Development Strategy (PGDS) and the Micro Economic Development Strategy (MEDS). Against the backdrop of these overarching strategies in growing the economy, RED DOOR was established to provide business support to emerging entrepreneurs. Hence, 16 RED DOOR centres were established in the Western Cape Province in order to make business support services more accessible.

This study entailed a mixed methods approach where quantitative and qualitative techniques were used to gather the data in order to establish the reasons for business failures and to evaluate the programs used to provide entrepreneurship education and training (offered by RED DOOR and the design model).

3.4 Sampling Framework

The sample consisted of SME’s from the services and retail sectors in the Western Cape. The reason for choosing these sectors were that these sectors represent the most common areas that an entrepreneur would start a business in and that many emerging entrepreneurs were located within these sectors. The majority of emerging entrepreneurs were located within the retail and services sectors primarily because of lower start-up capital requirements and low barriers to entry.

The samples chosen for this study were selected from the RED DOOR database. Sample parameters for participation in the study, prerequisites were set which determined the frame of reference for the selection of the sample. The prerequisites for participation were:
- entrepreneurs who received business support and training from RED DOOR
- they had to be responsible for the daily operation of the business
- the business had to be in operation for at least 12 months after the training intervention
- they had to employ at least one employee outside the extended family

3.4.1 Sample

The sample consisted of 40 respondents and was used to conduct an assessment of the training offered to clients through RED DOOR. The participants were initially assessed in relation to success before participating in the training program as a baseline measure. The participants received specialized management accounting training including simulation exercises using the designed training model. The total training time for the program was 12 weeks and included knowledge based training as well as skills application in order to facilitate an effective transfer of skills. The participants were assessed in relation to success 12 months after the training program.
### Table 1– Sample Description

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Percentage %</th>
<th>Number of Years</th>
</tr>
</thead>
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<tr>
<td><strong>Gender:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>35</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>5</td>
<td>13</td>
<td></td>
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<tr>
<td><strong>Line of business:</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Retail</td>
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<td></td>
</tr>
<tr>
<td>Services</td>
<td>15</td>
<td>38</td>
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</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Age of business:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>23</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>17</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td><strong>Average age of business</strong></td>
<td></td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td><strong>Age of entrepreneur:</strong></td>
<td></td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Min = 25, Max = 42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Years of education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; Grade 12</td>
<td>26</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Grade 12</td>
<td>12</td>
<td>30</td>
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<tr>
<td>&gt; grade 12</td>
<td>2</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Working experience</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td>29</td>
<td>73</td>
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</tr>
<tr>
<td>No</td>
<td>11</td>
<td>27</td>
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<tr>
<td><strong>Entrepreneurship training received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>40</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Entrepreneurship support received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>40</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Average years of entrepreneurship experience</strong></td>
<td></td>
<td></td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Management experience</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>3</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>92</td>
<td></td>
</tr>
</tbody>
</table>

### 3.5 Research Procedures

The respondents were subjected to a standardized questionnaire and structured interviews to determine entrepreneurial profiling, entrepreneurial success and the level of technical competencies in the areas of finance and management.

### 4. ENTREPRENEURIAL TRAINING MODEL

The methodology was based on four phases and is illustrated in figure 1 below. The four phases are the following:

- Knowledge transference;
- Training model;
- Simulation;
- Business implementation
4.1 Knowledge Transference
During this phase the participants are provided with the theoretical and conceptual principles relating to the competency identified as being essential to ensure business success. The information relating to the theoretical concepts and principles were presented utilizing powerpoint presentations which enabled the participants to access and review the information in an interactive manner. The concepts and principles were demonstrated through the use of practical illustrations which was linked to an excel platform. The excel platform enabled the participants to experience the application or non-application of the concepts and the consequences and implications within a business situation. Furthermore, the participants were encouraged to experiment with the platform utilizing information specific to the intended business venture.
For example, in pricing strategies the participants were provided with the basic concepts of price setting and alternative pricing strategies. The purpose of this is to present the participants with information and knowledge about the theoretical concepts which are pertinent to conducting a business successfully. Cost base pricing strategies incorporating standard costing principles and fixed cost allocation. Market related pricing strategies incorporating economic conditions and market differentials.

The assessment for this phase focuses on the understanding, assimilation and internalization of the theory by the participants for the purposes of retention and recall when required. This phase therefore focuses on surface learning. To progress to the next phase of the model, the participants were required to obtain a minimum benchmark established to indicate a desired level of competencies for this particular phase.

4.2 Skills Development
During this phase the participants were given case studies and real business scenarios which required the application of the theoretical and conceptual principles gained during the process of knowledge transference. The focus of this phase is to develop the competencies of the participants to apply their knowledge in an effective manner when faced with a range of alternatives. This phase requires the participants to apply their cognitive capacity to construct workable solutions based on sound theoretical principles. The application of the principles are presented in isolation to ensure that the participants to concretize the conceptual issues in a practical manner. The assessment for this phase focuses on the competencies of the participants and thus requires the application of knowledge rather than the discussion and presentation of theoretical issues. This phase therefore focuses on deep learning which is demonstrated through the application of the participants’ competencies. The case studies and business scenarios were linked to an excel platform which was used to reflect the consequences and implications on the business situation resulting from the application or non-application of appropriate theoretical basis. This enabled the participants to experience the application of the principles and the impact it has on the success of the business.

For example, in pricing strategies the participants were provided with a range of alternative price options for goods or services required. The participants were required to establish selling prices for the goods or services taking into consideration the range of costs and profit margins within specified economic conditions.

The assessment for this phase focuses on the application of concepts and principals by the participants in specified business scenarios. This phase therefore focuses on the application of skills and competencies required to apply principles in order to ensure business success. To progress to the next phase of the model, the participants were required to obtain a minimum benchmark established to indicate a desired level of competencies for this particular phase.

4.3 Business Simulation
During the simulation phase the participants encounter real life business simulations incorporating the broader aspects of conducting and managing a business entity. These simulations incorporate the risks and challenges encountered in the real world of business. For example, when an entrepreneur is encountered with a range of purchase opportunity, example, a low price with a large volume or a high price for quality goods with reliable delivery, the entrepreneur needs to make a decision taking into account his business situation, the demand for the goods, his financial position, the risk of theft, the risk of obsolescence and his pricing strategy. The focus of this phase is on decision making in informed and structured manner. The business simulations was implemented in teams and individually in a competitive environment driven by incentives.

The assessment of this phase focuses on the participants’ abilities to integrate the theoretical knowledge, the competencies and skills required to apply the theoretical knowledge in conjunction with the economic, financial and business risks influencing decisions in the business world. This is the true test of the participants’ ability to operate successfully in a sustained manner in the real world. To progress to the next phase of the model, the participants were required to obtain a minimum benchmark established to indicate a desired level of competencies for this particular phase.

4.4 Business Implementation
During this phase the participant is required to implement the skills, knowledge and competencies acquired during the training process in a live business environment. This is the final test to assess the participants’ ability to manage the business successfully in a competitive and hostile environment. During this phase the participants were mentored.
and monitored to determine the manner in which their training experiences were implemented in the business which they have established. This phase of the research is in a process of being completed.

4.5 Success
Firstly, success was a multi-dimensional concept and consisted of the following:

- Subjective success
- Job satisfaction
- Client base growth
- Growth in turnover
- Growth in profits
- Growth in employees

5. RESULTS
5.1 Evaluation of the Training Model

Table 2 - Frequencies

<table>
<thead>
<tr>
<th>N</th>
<th>Skills training</th>
<th>Skills development</th>
<th>Business simulation</th>
<th>Training model</th>
<th>Success t2</th>
<th>Success t1</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>4.30</td>
<td>4.03</td>
<td>3.69</td>
<td>3.80</td>
<td>3.88</td>
<td>3.30</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.491</td>
<td>.729</td>
<td>.728</td>
<td>.560</td>
<td>1.062</td>
<td>.587</td>
</tr>
<tr>
<td>Variance</td>
<td>.241</td>
<td>.531</td>
<td>.531</td>
<td>.314</td>
<td>1.128</td>
<td>.344</td>
</tr>
</tbody>
</table>

Table 1 provides the descriptive statistics in relation to means, standard deviation and variance values. The program consisted of four components and each phase was rated quite favourably reflecting reasonable to moderate achievement.

Table 3 – Correlation Test

<table>
<thead>
<tr>
<th></th>
<th>succ_1</th>
<th>succ_2</th>
<th>Skilltransf</th>
<th>skilldev</th>
<th>bussimulat</th>
<th>trainmodel</th>
</tr>
</thead>
<tbody>
<tr>
<td>succ_1</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.088</td>
<td>.003</td>
<td>-.221</td>
<td>-.297</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.595</td>
<td>.986</td>
<td>.177</td>
<td>.066</td>
<td>.124</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>succ_2</td>
<td>Pearson Correlation</td>
<td>.088</td>
<td>1</td>
<td>.398(*)</td>
<td>.425(**)</td>
<td>.221</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.595</td>
<td>.121</td>
<td>.007</td>
<td>.175</td>
<td>.039</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
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</tr>
<tr>
<td>skilltransf</td>
<td>Pearson Correlation</td>
<td>.003</td>
<td>.398(*)</td>
<td>1</td>
<td>.819(**)</td>
<td>.762(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.986</td>
<td>.012</td>
<td>.000</td>
<td>.000</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>N</td>
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<tr>
<td>Skildev</td>
<td>Pearson Correlation</td>
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<td>.425(**)</td>
<td>.819(**)</td>
<td>1</td>
<td>.737(**)</td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>.177</td>
<td>.007</td>
<td>.000</td>
<td>.000</td>
<td>.016</td>
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</tr>
<tr>
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<tr>
<td>bussimulat</td>
<td>Pearson Correlation</td>
<td>-.297</td>
<td>.221</td>
<td>.762(**)</td>
<td>.737(**)</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.066</td>
<td>.175</td>
<td>.000</td>
<td>.000</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>39</td>
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<td>39</td>
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</tr>
<tr>
<td>trainmodel</td>
<td>Pearson Correlation</td>
<td>.251</td>
<td>.332(*)</td>
<td>.506(**)</td>
<td>.384(*)</td>
<td>.488(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.124</td>
<td>.039</td>
<td>.001</td>
<td>.016</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N</td>
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<td>39</td>
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<td>39</td>
</tr>
</tbody>
</table>

Correlation was used to determine the strength of the relationship between the components of the training program and success. Notably, the components of the training program were positively and significantly correlated to success (t2) after the training intervention with exception to business simulation.
Table 4 – Paired Sample Test

<table>
<thead>
<tr>
<th>Pair</th>
<th>Paired Differences</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>subjsucc1 - subjsucc2</td>
<td>-.208</td>
<td>1.405</td>
<td>.222</td>
</tr>
<tr>
<td>2</td>
<td>jobsatisf1 - jobsatisf2</td>
<td>.019</td>
<td>1.831</td>
<td>.289</td>
</tr>
<tr>
<td>3</td>
<td>client1 - client2</td>
<td>.071</td>
<td>1.119</td>
<td>.177</td>
</tr>
<tr>
<td>4</td>
<td>sales1 - sales2</td>
<td>-.404</td>
<td>1.337</td>
<td>.211</td>
</tr>
<tr>
<td>5</td>
<td>profits1 - profits2</td>
<td>-.504</td>
<td>1.279</td>
<td>.202</td>
</tr>
<tr>
<td>6</td>
<td>staffgrowth1 - staffgrowth2</td>
<td>-.454</td>
<td>1.298</td>
<td>.205</td>
</tr>
<tr>
<td>7</td>
<td>succ_1 - succ_2</td>
<td>.580</td>
<td>1.176</td>
<td>.186</td>
</tr>
</tbody>
</table>

Table 4 presents a paired sample analysis of the success measures in relation to success (t1) and (t2). The Paired-Samples T Test procedure compares the means of two variables that represent the same group at different times. The mean values for the two variables are displayed in Table 4. A low significance value for the t test (typically less than 0.05) indicates that there is a significant difference between the two variables. If the confidence interval for the mean difference does not contain zero, this also indicates that the difference is significant. From the table it is evident that significant differences were found in sales, profits, staff growth (employee growth) and overall success. Significant differences were found for sales (p < .1), profits (p < .01) and staff growth (p < .05).

6. DISCUSSION AND CONCLUSION

The field of entrepreneurship is a dynamic one and much attention is needed on assessing the quality and effectiveness of entrepreneurship education and training. A number of entrepreneurship programs are implemented in South Africa to develop and support entrepreneurs, however, it remains a supply driven industry rather than focusing and addressing the real training needs of entrepreneurs. The existing training and business support model at RED DOOR have not met the real training needs of the entrepreneurs. The main reasons for this is that these entrepreneurs have very low skills and very little education whilst the training content is too theoretical and technical which has resulted in very little or no skills transfer. This section will therefore present the analysis of the piloted training model that consisted of four stages, namely, knowledge transfer, skills application, business simulation and a business evaluation.

The training model designed differed from existing training programmes and models implemented by RED DOOR and other training providers in that it linked knowledge transference and skills development in an integrative manner. The results demonstrate that the entrepreneurs achieved success in relation to sales, profits and staff growth. Overall, there was a difference between success at t1 and success at t2. This training methodology used presents a start in the direction of targeted and more focussed entrepreneurship training interventions. Furthermore, the training model was driven through an IT platform which enabled participants to access the information to satisfy their learning needs and capacity. The training model designed enabled the participants to experience the application or non-application of sound theoretical principles to business scenarios with the resultant consequences and impacts on the performance of the business. This demonstrated the importance of key technical and business skills, such as pricing, record-keeping and budgetary controls, for managing a business in a successful and sustainable manner. The IT platforms used throughout the training model designed allowed the participants to experience the variance, sensitivity and impact analysis on the performance of a business through the application of technical and business skills in the decision-making process.
During this phase the participants were provided with the theoretical and conceptual principles relating to the competency being trained. For example, in pricing strategies the participants were provided with the basic concepts of price setting and alternative pricing strategies in the form of PowerPoint presentations. The purpose of this is to present the participants with information and knowledge about the theoretical concepts which are pertinent to conducting a business successfully.

During this phase, the participants were exposed to the relevant and practical concepts related to their respective industries through the utilization of practical demonstrations based on Excel platforms. The results indicated that by gaining a thorough understanding of the theoretical and conceptual principles upon which technical and business skills can be developed are essential to capacitate entrepreneurs to make informed decisions within a business environment.

The results indicated that through the demonstration of concepts and principles through the use of practical and user-friendly demonstrations, the participants were not only able to remember these principles but were also placed in a position whereby they could understand the significance these principles play on the success of business decisions. During this phase, the participants were given case studies and real business scenarios which required the application of the theoretical and conceptual principles gained during the process of knowledge transference. The focus of this phase is to develop the competencies of the participants to apply their knowledge in an effective manner when faced with a range of alternatives.

During this phase, the participants were exposed to applying their knowledge to alternative business situations with varying economic information. This enabled the participants to develop their skills to identifying information required for decision-making for the application of theoretical concepts. The experience gained through the application of the IT platform developed their skills and competencies through the results obtained and the impact it has on the performance and success of the business.

The results indicated that linking the theoretical knowledge and the application of the knowledge through the development of skills capacitated the participants to implement technical and business skills in a real life situation with minimal trepidation. The results indicated that the training model developed the competencies and skills required specific for their personal and business needs, which would enable the participants to engage in business ventures more confidently which contributes to the enhancement of their entrepreneurial orientation. The results indicated that the application of theoretical knowledge through isolated business scenarios amplified the link between the knowledge transfer and skills development necessary to capacitate entrepreneurs for entry into the hostile, aggressive and competitive business challenges.

During the simulation phase, the participants encounter real life business simulations incorporating the broader aspects of conducting and managing a business entity. These simulations incorporate the risks and challenges encountered in the real world of business. The focus of this phase is on decision making in informed and structured manner. The business simulations was implemented in teams and individually in a competitive environment driven by incentives.

The results indicated that this phase with the competitive nature in which it was implemented developed the participants’ psychological preparation as entrepreneurs in the real world. Furthermore, the results indicated that the business simulations developed the competencies and skills required for decision-making taking into account the economic information and conditions as well as the capacity and resources available at the disposal of the entrepreneur. The fact that the participants were encouraged to utilize the information specific to their specific needs and industries developed their decision-making capacities based on scenario planning. The results also indicated that these business scenarios placed the participants in real life businesses with all the challenges and consequences of decision-making thereby enhancing their entrepreneurial orientation and business psychology in preparation for the final test, namely, establishing their business for sustained future.

In final conclusion, although the final phase of the model, namely, business implementation and monitoring has not been completed, initial results indicate that the businesses established by the participants has a successful and sustained future. We are therefore interested to complete this phase in great anticipation for the final analysis of the results.
REFERENCES


