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Research and Development  
Foundation**

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DEVELOPMENT OF ENTREPRENEURS FOR  
COTTAGE, SMALL AND MEDIUM INDUSTRIES

(PHI/86/018)

PACKAGING OF EXPERIENCES

Part 1

FINAL REPORT

**DEVELOPMENT OF  
ENTREPRENEURS FOR  
COTTAGE, SMALL AND  
MEDIUM INDUSTRIES**

**PHI/86/01**

6 March 1990

PACKAGING OF EXPERIENCES

# TERMINAL REPORT

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P H I L I P P I N E S

for the  
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
acting as the executing agency for the

UNITED NATIONS DEVELOPMENT PROGRAMME

THIS IS ONE OF THE OUTPUTS OF THE "PACKAGING OF EXPERIENCES" SUBCONTRACT UNDER THE PROJECT ENTITLED "DEVELOPMENT OF ENTREPRENEURS FOR SMALL, COTTAGE AND MEDIUM INDUSTRIES" (PHI/36/018)

Purpose of the Project:

To assist the government in developing and building up institutions involved in enterprise and entrepreneurship development through the provision of direct support.

Objectives:

The development objective of the project is to promote employment through the establishment of cottage, small and medium scale enterprises in rural and urban areas.

The immediate objectives are:

1. to establish a nationwide, coordinated and integrated and systematized long-term programme for entrepreneurship development;
2. to promote and develop entrepreneurship through the implementation of pilot programmes among selected subsectors in selected regions of the country;
3. to improve institutional linkages and mechanisms especially for sustained followup support services by appropriate government agencies.

Output: Case studies documenting the innovative approaches of the institutions tasked to pilot sector-specific entrepreneurship development programmes as well as the experiences of the individual beneficiaries of such pilot programmes.

## EXPLANATORY NOTES

### Abbreviations

CASABA	-	Camarines Sur Agri-Business Association, Inc.
CSPG	-	Camarines Sur Provincial Government
CSMI	-	Cottage, Small and Medium Industries
DA	-	Department of Agriculture
DECSMI	-	Development of Entrepreneurs for Cottage, Small and Medium Industries
DS	-	Data Sheet
EDP	-	Entrepreneurship Development Programme
FIT	-	Focused Interview Technique
IFI	-	Igorota Foundation Incorporated
MSI	-	Management Systems International
NEDA	-	National Economic Development Authority
NMYC	-	National Manpower and Youth Council
PEC	-	Personal Entrepreneurial Competencies
SRQ	-	Self Rating Questionnaire
TLRC	-	Technology Livelihood and Resource Center
TREND	-	Training on Enterprise Development
UP-ISSI	-	University of the Philippines Institute for Small Scale Industries
UNIDO	-	United Nations Industrial Development Organization
UNEP	-	United Nations Development Programme
YESDEV	-	Young Entrepreneurs Skills Development

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## PACKAGING OF EXPERIENCES TERMINAL REPORT

The Packaging of Experiences Subcontract is one of the components of the Development of Entrepreneurs for Cottage, Small and Medium Industries (DECSMI) Project (PHI/36/018) funded by the United Nations Development Program. The DECSMI project seeks to develop innovative approaches towards entrepreneurship targeting specific sectors (rural women, youth and technology-oriented entrepreneurs). The Subcontract aims to document these approaches as they are implemented by selected agencies.

### OBJECTIVES

The Subcontract sought to document the innovative approaches of the institutions tasked to pilot target-specific entrepreneurship development programs (EDPs) as well as the experiences of the individual beneficiaries of the pilot programs with a view of sharing these experiences with others who may be interested in replicating such schemes.

### SCOPE OF WORK

The scope of work of the Subcontract was limited to the following tasks:

1. Production of case studies describing successes and/or failures of techniques and approaches used in entrepreneurship promotion and development. The case studies dealt with beneficiaries of successful EDPs with particular focus on the personal entrepreneurial competencies (PECs) as well as other project/program interventions that made them successful.

2. Special attention was given to identification and selection of potential entrepreneurs, training activities, extension services availability of credit, marketing or organizational assistance, capabilities of collaborating agencies and industrial policies.

#### EXPECTED OUTPUTS

1. An audio-visual documentation of experiences of the pilot projects on the promotion and development of entrepreneurship among young people, women in community-based industries and using agri-based technologies in rural communities.

2. Ten (10) case studies illustrating successes and failures of techniques and approaches used in the promotion and development of entrepreneurships in the different pilot programmes.

## ACTUAL OUTPUTS

1. Four (4) audio-visual documentation of the whole project (Development of Entrepreneurs for Cottage, Small and Medium Industries Project) and the three pilot projects implemented by different agencies). Each 20-minute presentation shows the major activities and approaches adopted by the agencies in carrying out the projects.

2. Ten (10) case studies of the individual beneficiaries of the pilot projects and three (3) cases of the institutions which implemented the pilot projects.

## INPUTS

### 1. Budget:

UNDP provided a financial outlay of US\$9,400.00 (P195,000.00) to the Small Enterprise Research and Development Foundation.

### 2. Manpower

Involved in the project are the following:

1. Project Manager
2. Project Associate
3. Two (2) project assistants for the video documentation
4. Eight (8) case writers who prepared the cases on institutions and the individual beneficiaries

### 3. Training:

#### 3.1 Video Production Workshop

One of the project assistants underwent a training program on video production to equip her with the necessary skills and prepare her for the job of videotaping the pilot projects.

#### 3.2 Case Writers Orientation Workshop

An orientation workshop on case writing was conducted to familiarize the case writers on the mechanics of case writing.

### PROCESS

The following activities were undertaken to generate the expected outputs of the Subcontract:

#### 1. Preparatory Activities

These included the preparation of the following:

- project implementation plan
- case writers' guides (Appendix 1)
- video guides (Appendix 2)
- orientation of the case writers on the use of the questionnaire
- simulation/pretesting of case writers' guides
- monitoring forms for use by the project monitors

## 2. Data Gathering/Monitoring

The institutions implementing the pilot projects and their individual beneficiaries were regularly monitored and interviewed. Important events in the pilot projects were used as materials for the audio-visual presentation.

## 3. Case and Script Writing

3.1 The data and information were developed into cases bearing in mind the learning points in the important events experienced and observed among the institutions and individual beneficiaries.

3.2 The scripts for the audio-visual documentaries were prepared highlighting the major activities of the pilot programs and the project as a whole.

## 4. Review and Revision of Cases and Scripts

The cases and the scripts for the video were subjected to review and evaluation by the UP-ISSI project team and the necessary refinements were made by the writers.

## 5. Finalization of Cases and Videos

5.1 Ten (10) cases on individual beneficiaries and three (3) on the institutions were completed.

5.2 Also finalized were three 20-minute audio-visual presentations of the pilot projects and the integrated project.

6. Presentation of Outputs in a Workshop

The cases and the audio visual documentations were presented during a workshop conducted last November 15 to 17, 1989 to share the experiences of the project. The workshop was participated in by delegates from the United Nations Development Programme, United Nations Industrial Development Organization, National Economic Development Authority, Technology Livelihood and Resource Center, National Manpower and Youth Council, Igorota Foundation Incorporated, the Camarines Sur Provincial Government, the Camarines Sur Agribusiness Producers Association, Philippine Association of Collegiate Schools of Business and the private sector. IFI, members of the Philippine Association of Catholic Schools of Business and the private sector.

## FINDINGS AND LESSONS FROM THE DECSMI EXPERIENCES

### 1. Project Design

The three pilot projects had training as their entry point. An Entrepreneurship Development Workshop and a Video Production Workshop for the youth in the mass media industries were conducted. The Technology-based entrepreneurship development program promoted the adoption of matured technologies through technical training on soap making, essential oil extraction, mini-plant operation and basic business planning. The Women Entrepreneurship Pilot Project trained the Sabangan weavers on leadership, group awareness, cooperative pre-membership, entrepreneurship development program and business planning, preventive maintenance, 4-harness loom operation and bookkeeping.

### 2. Selection of Beneficiaries

The applicant-beneficiaries of the pilot projects did not go through selection. There was no basis for acceptance or rejection. The NMYC pilot project beneficiaries were accepted on the basis of their age (due to the identification of youth as the target beneficiary) and all were nominated by key persons and/or institutions. The TLRC/CSFG pilot project beneficiaries were accepted to the project on the basis of their interest and their availability to attend the programs. The Sabangan weavers logically became the



beneficiaries as they were the core of the group that formed the cooperative.

The three pilot programmes administered the selection scheme developed by the Washington-based Management Systems International (MSI) on the applicants after they had been accepted into the programs. Three selection instruments were used to generate baseline data for validating the selection scheme used in this project. These instruments included the Data Sheet (DS), the Self Rating Questionnaire (SRQ), and the Focused Interview Technique (FIT). Samples of these instruments are presented as Appendices 3, 4 and 5.

An impact evaluation study was made to determine the validity of the selection scheme. The findings of this study are contained in a separate report.

### 3. Support Services

Support services after the training programs were supposed to have been made available to the beneficiaries in the areas of marketing, technical, managerial and financial services during their business start-ups or expansion. Periodic monitoring of the beneficiaries was done by the project staff during the course of the project implementation. None of the pilot projects had credit component as part of their project design for the beneficiaries.

#### 4. Effects and Impacts of the Pilot Projects

The pilot projects had impact on both the target beneficiaries and the organizations involved. (The Impact Study output of the DECIMI Project provides a more detailed discussion of these impacts).

##### Among the Beneficiaries

4.1. For the Mass Media Project of the National Manpower and Youth Council, the beneficiaries came to realize the presence of an alternative to employment - that is, entrepreneurship. They also recognized certain entrepreneurial competencies or characteristics that they either possessed or did not have and experienced positive changes in personal entrepreneurial characteristics as a result of their resolve to improve or develop themselves (as shown from the case studies of five subjects). This was brought about by their participation in the Entrepreneurship Development workshop conducted by the Management Systems International.

4.2 The changes in orientation among the beneficiaries of the Mass Media project were brought to bear on their respective careers. For those who continued to pursue their profession in the mass media field, the new competencies they had acquired or strengthened such as self-confidence, persuasion and

networking, commitment to work contract, demand for efficiency and quality, opportunity seeking, etc., significantly improved their efficiency and consequently, their promotion in their jobs. This confirms the belief that the PEOs can be useful also even in employment and career outside entrepreneurship.

For those who went into business, their decision to become entrepreneurs were influenced by their having been exposed to the Entrepreneurship Development Workshop, gaining more self confidence and risk taking as well as opportunity-seeking competencies and being exposed to business opportunities.

4.3 The Sabangan weavers were formally organized into a cooperative after about 20 years operation as a weavers' group. The interventions such as training, group building, technical and financial assistance gave the weavers more self confidence and made them better predisposed towards the ideas of cooperation, self-reliance and the need to conduct their operations in a more business-like manner in order to survive.

The weavers are now more confident in going out and seeking buyers for their products, transacting business with the banks, suppliers and buyers and tapping other sources of assistance. They have also increased the volume of walk-in sales and diversified their product designs. One of the significant

developments is that they are being invited as trainers by other groups in the Cordillera Region.

4.4 Twenty one participants who attended the three programs acquired the skills in soap making, essential oils extraction and business planning. One went into commercial production of soap while a number started small scale essential oil extraction operations.

The participants organized themselves into the Camarines Sur Agri-Business Association (CASABA) and had been approaching other agencies for further assistance.

There is a big market demand for essential oils in both the local and foreign markets. To take advantage of this potentials, they must expand their oil extraction capacities. To do this, they have to solve the problems of supply of raw materials and capital. At present, their combined extraction capacity is so small that they can not assure regular supply to local buyers.

4.5 A number of the beneficiaries from the pilot projects experienced increase in income.

### Among the Organizations Involved

In the case of the agencies that implemented the pilot projects, the intermediate effects were perceived in the following aspects:

#### 4.6 Technology Transfer

The agencies acquired the skills to design and implement entrepreneurship development projects. The selection of beneficiaries using the scheme developed by MSI was found useful and adopted by the agencies in their subsequent projects. NMYC which was exposed to both the Achievement Motivation Model and the MSI technology was so impressed by the latter as to incorporate it in its Training in Rural Enterprise Development (TREND) and Young Entrepreneurs Skills Development (YESDEV) Projects.

For IFI, TLRC and the Camarines Sur Provincial Government, the concept and technology of entrepreneurship development was relatively new and therefore was not previously being integrated in their past development projects. The newly acquired skill has made them more predisposed to the application of the technology in their future projects.

In the case of UP-ISSI, the opportunities to learn another technology of identifying and selecting potential entrepreneurs was an enrichment. DECSMI provided the chance to observe other agencies carry out EDPs, document them, draw lessons and formulate models from these experiences. The evolution of a network of organizations in Luzon, Visayas and Mindanao involved in small enterprise development can be considered as the positive effect of the project. Findings from the impact of the project offered rich potentials for improving and enriching the present EDP design and coming up with a more appropriate design.

The project has also shown that a relatively young organization with practically no exposure to EDP can learn and implement the technology effectively.

#### 4.7 Networking

The idea of complementation and sharing of resources among organizations is now more firmly accepted and recognized as supported by the experiences of the agencies involved in the pilot projects and as demonstrated in the two workshops conducted.

This new attitude towards sharing has the potentials to enhance the success rate as well as cut down the cost of implementing the development projects

GUIDELINES FOR USE OF QUESTIONNAIRE

1. This is not a structured questionnaire. Use this as a guide only. You may omit items in this questionnaire or add questions, or even take a different approach, as relevant to a given case. (However, you will find that this questionnaire is quite comprehensive and has anticipated many of the questions that need to be asked.)
2. This questionnaire is divided into three major parts: the pre-investment; investment; and post-investment parts. You will find that many of the questions repeat themselves in each of the three parts. Such repetition is deliberate in order to compare data/information in these three stages and consequently monitor growth and the intervention(s) responsible for growth, if any.
3. In most of the questions, you are asked to probe. Probing is meant not only to obtain information which the respondent may not readily give but also to look into the personal entrepreneurial competencies (PECs) of the respondent.
4. As revealed in the pilot interviews made, the interviewer has to probe deeply to get into some essential information. For example, when asked about parental upbringing (Question I.B.2 on page 1 of the questionnaire), most respondents would tend to answer that they were raised "with just the right amount of discipline." Here, it is important to ask specific cases or events to get at the accurate picture. (E.g.: Were you permitted/encouraged to go out with friends unchaperoned or to go to school by yourself or to do things for yourself like buying your own clothes, etc.)
5. This questionnaire may be tedious to administer in one sitting. Judge for yourself whether it will be better to split the interview into two or more sessions.
6. Tape the interviews in order to have something to fall back on in case of inadequate notes taking.

UNIDO/UNDP CSMI PROJECT  
INTERVIEW QUESTIONNAIRE  
FOR ENTREPRENEURS

I. BACKGROUND INFORMATION

A. PERSONAL DATA

1. Name \_\_\_\_\_
2. Sex \_\_\_\_\_
3. Home Address \_\_\_\_\_
4. Office Address \_\_\_\_\_
5. Date and place of birth \_\_\_\_\_
6. Civil status \_\_\_\_\_

B. CHILDHOOD EXPERIENCES

1. Are you  
 the first born     the youngest     a middle  
child?  
in a family of \_\_\_\_\_  
(no.)
2. Think of your parents. How would you describe the way  
they brought you up?  
 liberally.     in an authoritarian way.  
 with just the right amount of discipline.

Probe:\*

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\*Probe means to ask questions meant to verify or inquire further  
into the response. Ask "why," "how," "who," "where," "how much,"  
"how many," as necessary. Probing also means asking the respondent  
to cite specific instances/examples to support answers given.



3. Think of your family life while you were growing up. Can you describe an event (or events) that happened then that might have had some profound effect in your growing up?

- death in the family
- separation of parents
- migration of family/transfer of residence
- major accident/sickness
- Others. Please specify \_\_\_\_\_

Probe:

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4. In the years that you were growing up, how would you describe the economic condition of your family?

- Quite well-off
- Moderately comfortable
- We managed, but just so
- Somewhat hard up
- Very difficult.

Probe:

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5. Did you do anything to help your family at this time?

Probe:

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6. As a child, did you engage in any money-making project (however small)?

- Yes
- No

Probe: (Ask particularly: why?)

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C. EDUCATION

1. What is your highest educational attainment? (If post graduate level, include both graduate and undergraduate degrees.)

LEVEL

SCHOOL

\_\_\_\_\_

2. What were your main areas of study?

\_\_\_\_\_  
\_\_\_\_\_

3. Have you attended informal (non-degree) training programs?  
Name them:

TITLE/SUBJECT

NAME OF INSTITUTION

\_\_\_\_\_  
\_\_\_\_\_

4. Think of your life as a student at any level -- grade, highschool or college. Do you recall any event which you might consider as unusual, remarkable or memorable?

- ( ) Academic excellence/honors  
( ) Academic failures/dropping out of school  
( ) Leadership/extracurricular activities  
( ) Others. Please specify: \_\_\_\_\_

Probe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. EMPLOYMENT BACKGROUND

1. Have you ever worked for someone else? Please list down your employment experience from the first up to the present or last job.

EMPLOYER      TITLE/POSITION      INCL. DATES      REASONS FOR LEAVING

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Think about the years that you have been employed. Can you remember anything significant which might have influenced your later actions?

- Feelings of discontent (about compensation, working conditions, sense of achievement, etc.)
- Feelings of pride
- Major accomplishments
- Major failures
- Others. Please specify: \_\_\_\_\_

Probe:

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E. PRESENT FAMILY LIFE

1. Name of spouse \_\_\_\_\_
2. Occupation of spouse \_\_\_\_\_
3. Place of business of spouse \_\_\_\_\_
4. No. and ages of children \_\_\_\_\_
5. Is anyone in your family (spouse, children, relatives) involved in business (including your own)?  
 Yes  No

Probe:

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6. If you have been in business or are presently in business, describe the effects of your business -- both positive and negative in your present family life.

Probe:

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F. PAST ENTREPRENEURIAL EXPERIENCE

1. Have you ever tried to start your own business or any money-making project before (excluding this present attempt/venture) \_\_\_\_\_

2. If so, what kind of business was it? \_\_\_\_\_  
\_\_\_\_\_

When did you start it? \_\_\_\_\_

Why did you start it? \_\_\_\_\_

Probe:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. What happened with this business? \_\_\_\_\_  
\_\_\_\_\_

Probe:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. As of today, which of the following applies to you?

- ( ) Presently in business
- ( ) Will soon start a business
- ( ) Have just terminated a business
- ( ) Almost went into business but changed mind

Probe:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## II. PRE-INVESTMENT PHASE

Think of the time just before you set up your present or latest business. Remember the events that led to the putting up of the business.

1. What were you doing at this time?

- Employed
- Unemployed
- Others. Please specify: \_\_\_\_\_

Probe:

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2. Did any person or institution encourage/assist/support you to set up your business? \_\_\_\_\_  
Who are these persons/institutions? \_\_\_\_\_

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3. How did you know that help was available from that person/institution?

- newspaper/radio/tv ads/announcements
- word of mouth
- Others. Please specify: \_\_\_\_\_

Probe:

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4. Exactly what kind of assistance did you receive from that person/institution?

- Entrepreneurial/managerial training
- Technical training
- Credit/equity
- Technical information/advice
- Managerial information/advice
- Marketing information/advice
- Equipment/machinery
- Raw materials
- Others. Please specify: \_\_\_\_\_

Probe: (In particular, probe in terms of methods used in rendering assistance, terms of credit; fees charged; problems addressed, etc.)

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5. How would you evaluate the assistance given you by these persons/institutions.

- ( ) very useful ( ) moderately useful  
 ( ) just a bit useful ( ) not useful at all

Probe:

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6. What actions did you make -- with or without outside help that led to the setting up of the business?

- ( ) Made project study  
 ( ) Registered business with \_\_\_\_\_  
 ( ) Looked for partners  
 ( ) Borrowed money  
 ( ) Looked for factory/office space  
 ( ) Looked for skilled manpower to hire  
 ( ) Looked for machines/equipment  
 ( ) Applied for license/franchise, etc.  
 ( ) Others. Please specify: \_\_\_\_\_

Probe:

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7. What problems did you encounter in doing any of these activities?

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Probe:

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8. What steps did you take to overcome or minimize these problems?

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Probe:

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9. What were the specific effects of these steps you took (positive or negative or no effect at all)?

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Probe:

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10. Looking back at all these activities, problems and experiences, how do you feel about what you have accomplished and the way you have accomplished them? Do you feel satisfied? Would you have done anything differently?

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Probe:

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11. If outside assistance -- from a person or institution--were available at this pre-investment phase of your business, what would you have wanted this assistance to be?

Probe:

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III. INVESTMENT PHASE

Think of the time that you actually started your business through all the time you were about to operate it or make your first production run.

1. What business is/was this?

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2. Why did you choose this business in particular?

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Probe:

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3. When did you start it? \_\_\_\_\_

4. Describe the way you started the business in the following aspects:

a. Legal form and partners, if any.

Probe:

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b. Startup capital (sources, amount, terms, etc.)

Probe:

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c. Office/plant site and facilities (location, terms of use \* e.g. rent, lease, etc. \*, size, equipment, machinery in terms of type and number, production system, etc.)

Probe:

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- d. Manpower (include office and production workers, include part-time and piece-rate people, method of recruitment, pay scheme, level of skills, etc.)

Probe:

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- e. Market (strategies and channels used, promotion and advertising schemes, pricing, marketing staff, etc. Also ask about the entrepreneurs specific role in the marketing function at this particular stage)

Probe:

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- f. Production (products, production method, process, equipment, staff, etc. Also include the entrepreneur's specific role in the production aspect at this stage)

Probe:

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- g. Finance (financial set-up, records, staff. Also include the entrepreneur's specific role in the finance aspect at this stage)

Probe:

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5. What problems or difficulties did you encounter in any of above areas at this (investment) stage?

Probe:

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6. What steps did you undertake (more or less independently, i.e. without external intervention) to overcome any of these problems?

Probe:

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7. How useful have the measures (you took) been in solving the problems? (Inquire into situation before and after action, cost-benefits, etc.)

Probe:

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8. Did you receive assistance from any person or institution in solving or trying to solve any of these problems? Or did you try to approach a person/institution but somehow did not get the help desired?

Probe:

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9. How useful or effective have these assistance been in actually solving your problems at this investment stage? (Inquire into situation before and after the assistance, cost-benefit, etc.)

Probe:

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10. Looking back at these activities in the investment or start-up phase in all its aspects (marketing, production, financing, etc.), how do you feel about what you have accomplished and how you accomplished them? Would you have done anything differently?

Probe:

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11. Had outside assistance - from a person or institution -- been availed at this stage of your business, what would you have wished this assistance to be?

Probe:

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Questionnaire  
for entrepreneurs

IV. POST-INVESTMENT PHASE

Think of the time that your business started to be a going concern (an operation business) up to the present or the latest developments.

1. What changes--positive or negative--have taken place in your business in the following areas (Focus on why and how these changes took place) since the investment stage:

a. Legal form and partners if any

Probe

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b. Capital (additional infusions of capital, sources, amount terms, etc.)

Probe

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c. Office/plant site and facilities (Include changes in location and facilities, additional equipment of facilities etc.)

Probe:

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d. Manpower (Increased/decreased of employees, skills training of employees, new recruitment method, new pay scheme, etc.)

Probe

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e. Market (changes in strategies, pricing, promotion schemes, marketing channels used, etc.)

Probe

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Ask in particular:

Look at your figures. How much sales do you make in a month in terms of volume and amount? How does this compare with your sales at the beginning? Are you satisfied with this? How much sales would you project, say six or more months from now? How do you plan to accomplish this?

Probe:

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f. Production (changes in production method, layout of plant and facilities, etc.)

Probe

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Ask in particular:

What is your production volume in a month? What is your rate of capacity utilization? How do these compare with your volume/rate of utilization at the start of your operation? Are you satisfied with these? How much volume/rate would project six months or more from now? How do you plan to accomplish this?

Probe:

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f. Finance (changes in financial set-up, new financial records set up, new staff)

Probe:

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Ask in particular:

Look at your profitability figures. What does it show about your profitability.

- Very profitable                       Fairly profitable  
 Marginally profitable             On the verge of bankruptcy  
 Already bankrupt, in fact

How does this compare with your profitability at the beginning of your business?

Probe:

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1. What have you done, are doing or planning to do to improve your profitability?

Probe:

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2. What problems or difficulties did you encounter in any of the above areas (personnel, marketing, production, finance, etc.) at this (post-investment) stage?

Probe:

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3. What steps did you take -- more or less independently -- to overcome any of these problems?

Probe:

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4. How useful have the measure (you took) been in solving problems. (Inquire into situation before and after action, cost-benefit, etc.)

Probe:

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5. Did you receive assistance from any person or institution in solving or trying to solve these problems? Or did you try approach a person or institution but failed to get the assistance desired?

Probe:

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6. How useful or effective have this assistance been in actually solving your problems at this post-investment stage (Inquire into situation before and after assistance, cost-benefit, etc.)

Probe:

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7. Looking back at all these activities in the post-investment phase in all its aspects -- marketing, production finance, etc. -- how do you feel about what you have accomplished and how you have accomplished them? Would you have done anything differently?

Probe:

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8. Had outside assistance been available at this post-investment stage of your business, what would you have wished this assistance to be?

Probe:

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9. What are your plans -- short or long-term -- about your business?

- Expand/grow/diversify
- Continue at present rate
- Close shop
- Start all over again in another line of business
- Go back to employment
- Other. Please specify: \_\_\_\_\_

Probe: (If relevant, ask in particular: What steps have you actually done to translate these plans to a reality?)

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## Appendix 2

### VIDEO GUIDES

#### Suggestions for Documentation

1. The scripted narration (voice-over) shall provide the continuity for the video document. However, as far as possible, the footages should speak for themselves through:

a. Maximum use of action shots - e.g. participants undergoing hands-on training; participants in action inside factory; participants interacting with each other or with resource speakers, etc.

b. Use of testimonials (people talking about their experiences) - e.g. program organizers talking about the objective of their program; a UN expert talking about selection scheme used; participants talking about how the program changed his life.

In other words, the (voice-over) narrator should speak as sparingly as possible.

2. The backdrop of the scene should be well-established. For example, for the TURC project in Camarines Sur, it might be nice to have action shots or testimonial shots against a backdrop of coconut trees or a pile of coconut fruits, etc.

## P R O F I L E   S H E E T

1. NAME \_\_\_\_\_
2. SEX \_\_\_\_\_
3. HOME ADDRESS \_\_\_\_\_ TEL. \_\_\_\_\_  
 WORK ADDRESS \_\_\_\_\_ TEL. \_\_\_\_\_
4. DATE OF BIRTH \_\_\_\_\_
5. FAMILY STATUS (Mark the SINGLE correct response)  
 \_\_\_\_\_ Never married  
 \_\_\_\_\_ Married  
 \_\_\_\_\_ Divorced  
 \_\_\_\_\_ Widowed
6. DO YOU HAVE CHILDREN?
7. LEVEL OF EDUCATION (Mark ALL the correct response (s)).  
 \_\_\_\_\_ Primary  
 \_\_\_\_\_ How many years?  
 \_\_\_\_\_ Secondary  
 \_\_\_\_\_ How many years?  
 \_\_\_\_\_ College/University  
 \_\_\_\_\_ How many years?  
 \_\_\_\_\_ Degrees  
 What were your main subject areas of study?  
 \_\_\_\_\_
8. HAVE YOU EVER TAKEN A TRAINING COURSE? <sup>1</sup> \_\_\_\_\_  
 IN WHAT FIELD? \_\_\_\_\_
9. DID YOUR FATHER OR MOTHER EVER OWN THEIR OWN BUSINESS?  
 FATHER \_\_\_\_\_ MOTHER \_\_\_\_\_  
 IF YES, DID YOU WORK IN THE FAMILY BUSINESS? \_\_\_\_\_
10. DID YOUR RELATIVES EVER OWN THEIR OWN BUSINESS? \_\_\_\_\_  
 IF YES, DID YOU WORK IN THE FAMILY BUSINESS? \_\_\_\_\_

11. THINK OF YOUR CLOSEST FRIENDS. WRITE BELOW THE OCCUPATION OF:

A. NAME \_\_\_\_\_ IS THIS FRIEND IN  
BUSINESS FOR HIMSELF OR  
HERSELF? \_\_\_\_\_

B. NAME \_\_\_\_\_ IS THIS FRIEND IN  
BUSINESS FOR HIMSELF OR  
HERSELF? \_\_\_\_\_

C. NAME \_\_\_\_\_ IS THIS FRIEND IN  
BUSINESS FOR HIMSELF OR  
HERSELF? \_\_\_\_\_

12. DID ANY OF YOUR FRIENDS' FATHERS OR MOTHERS OWN THEIR  
BUSINESSES? \_\_\_\_\_

13. HOW MANY PEOPLE DO YOU NOW KNOW PERSONALLY WHO OWN THEIR OWN  
BUSINESSES? \_\_\_\_\_

14. ARE YOU: (Mark the response that apply to you).

\_\_\_\_\_ Firstborn  
\_\_\_\_\_ Youngest child  
\_\_\_\_\_ Middle child

15. PLEASE LIST YOUR PAST WORK EXPERIENCE BELOW.

EMPLOYER	TITLE/POS'N.	RANK	#YRS. WORKED
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A. \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

16. HAVE YOU EVER TRIED TO START YOUR OWN BUSINESS? \_\_\_\_\_  
IF NO. GO TO QUESTION NO. 18. IF YES. CONTINUE.

WHAT KIND OF BUSINESS? \_\_\_\_\_  
WHAT HAPPENED WITH THIS BUSINESS \_\_\_\_\_

17. ARE YOU AT THE PRESENT TIME IN BUSINESS FOR YOURSELF?

IF NO. GO TO QUESTION 18. IF YES. CONTINUE.

WHAT KIND OF BUSINESS? \_\_\_\_\_  
WHEN DID YOU START THIS BUSINESS? \_\_\_\_\_

HOW MUCH PROFIT DO YOU MAKE EVERY MONTH? \_\_\_\_\_  
(AFTER EXPENSES)

HOW MANY EMPLOYEES WORK FOR YOU? \_\_\_\_\_

18. IF YOU INTEND TO START OR EXPAND A BUSINESS, WHAT KIND OF BUSINESS WILL YOU START OR EXPAND? (Please give details.)

\_\_\_\_\_  
\_\_\_\_\_

19. IF YOU DO NOT INTEND TO GO INTO BUSINESS RIGHT AWAY, HOW DO YOU INTEND TO MAKE USE OF THIS ENTREPRENEURSHIP TRAINING?

\_\_\_\_\_

20. HOW MUCH CAPITAL DO YOU THINK YOU WILL NEED TO START UP OR EXPAND YOUR BUSINESS? \_\_\_\_\_

21. HOW MUCH CAPITAL CAN YOU THINK YOU WILL NEED TO START UP OR EXPAND YOUR BUSINESS? \_\_\_\_\_

\_\_\_\_\_ Your own funds  
\_\_\_\_\_ loans or gifts from family  
\_\_\_\_\_ Loans or gifts from friends  
\_\_\_\_\_ Other sources

22. WHICH ONE OF THE FOLLOWING INGREDIENTS NEEDED TO SUCCEED IN BUSINESS DO YOU THINK IS THE MOST IMPORTANT? (Mark ONE only.)

( ) Money                      ( ) Education                      ( ) Friends  
( ) Motivation                      ( ) Other

23. DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

"It is more important for a job to offer opportunity than security."

( ) Disagree                      ( ) Agree

24. USE YOUR IMAGINATION AND TRY TO THINK OF AS MANY USES AS POSSIBLE THAT COULD BE MADE OF SAWDUST.

1. \_\_\_\_\_ 4. \_\_\_\_\_  
2. \_\_\_\_\_ 5. \_\_\_\_\_  
3. \_\_\_\_\_ 6. \_\_\_\_\_

25. DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

"There are enough opportunities for people like me to start their own business in my country."

- I strongly agree
- I agree
- I disagree
- I strongly disagree

26. IMAGINE THAT YOUR BROTHER OR SISTER HAS SENT YOU \$ 1,000 AS A GIFT FOR YOU TO SPEND AS YOU LIKE. WHAT WOULD YOU DO WITH IT?

First Use \_\_\_\_\_  
Second Use \_\_\_\_\_  
Third Use \_\_\_\_\_

27. IF YOU COULD HAVE YOUR BOSS'S JOB AND SALARY FOR THE NEXT 5 YEARS OF YOUR LIFE, WOULD YOU TAKE IT?

- Yes
- No

28. HOW WOULD YOU DESCRIBE YOUR DESIRE TO START A NEW BUSINESS OR EXPAND YOUR EXISTING BUSINESS? (Mark ONE answer only.)

- I'm not positively sure that I will succeed in business.
- I figure I have as good a chance as anyone in starting or expanding a business
- I'm very interested in doing this and think about it often
- It is the most important thing I think about all the time.

29. AT THIS STAGE, WHAT ARE THE CHANCES OF SUCCESS FOR YOUR BUSINESS? (Mark ONE answer only.)

- 10%
- 20%
- 30%
- 40%
- 50%
- 60%
- 70%
- 80%
- 90%
- 100%

30. LIST BELOW 3 REASONS WHY YOU HAVE CHOSEN TO BE IN BUSINESS FOR YOURSELF.

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_

31. WHAT DO YOU WANT TO LEARN MOST IN THE TRAINING PROGRAM?

\_\_\_\_\_  
\_\_\_\_\_

PEC SELF RATING QUESTIONNAIRE

Instruction:

1. This questionnaire consists of 55 brief statements. Read each statement and decide how well it describes you. Be honest about yourself. Remember, no one does everything very well, nor is it even good to do everything very well.

2. Select one of the number below to indicate how well the statement describes you:

- 5 = Always
- 4 = Usually
- 3 = Sometimes
- 2 = Rarely
- 1 = Never

3. Write the number you select on the line to the right of each statement. Here is an example:

I remain in stressful situations.                    2

The person who responded to the item above wrote a "2" indicating that the statement described him very little.

- 4. Some statements may be similar but no two are exactly alike.
- 5. Please answer all questions.

FBI SELF RATING QUESTIONNAIRE

1. I look for things that need to be done. \_\_\_\_\_
2. When faced with a difficult problem, I spend a lot of time trying to find a solution. \_\_\_\_\_
3. I complete my work on time. \_\_\_\_\_
4. It bothers me when things are not done very well. \_\_\_\_\_
5. I prefer situations in which I can control the outcomes as much as possible. \_\_\_\_\_
6. I like to think about the future. \_\_\_\_\_
7. When starting a new task or project, I gather a great deal of information before going ahead. \_\_\_\_\_
8. I plan a large project by breaking it down into smaller tasks. \_\_\_\_\_
9. I get others to support my recommendation. \_\_\_\_\_
10. I feel confident that I will succeed at whatever I try to do. \_\_\_\_\_
11. No matter whom I'm talking to, I'm a good listener. \_\_\_\_\_
12. I do things that need to be done before being asked to by others. \_\_\_\_\_
13. I try several times to get people to do what I would like to do. \_\_\_\_\_
14. I keep the promises I make. \_\_\_\_\_
15. My own work is better than that of other people I work with. \_\_\_\_\_
16. I don't try something new without making sure I will succeed. \_\_\_\_\_
17. It's a waste of time to worry about what to do with your life. \_\_\_\_\_
18. I seek the advice of people who know a lot about the tasks I am working on. \_\_\_\_\_

19. I think about the advantages and disadvantages of different ways of accomplishing things. \_\_\_\_\_
20. I do not spend much time thinking about how to influence others. \_\_\_\_\_
21. I change my mind if others disagree strongly with me. \_\_\_\_\_
22. I feel resentful when I don't get my way. \_\_\_\_\_
23. I like challenges and new opportunities. \_\_\_\_\_
24. When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want. \_\_\_\_\_
25. I am happy to do someone else's work if necessary to get the job done on time. \_\_\_\_\_
26. It bothers me when my time is wasted. \_\_\_\_\_
27. I weigh my chances of succeeding or failing before I decide to do something. \_\_\_\_\_
28. The more specific I can be about what I want out of life, the more chance I have to succeed. \_\_\_\_\_
29. I take action without wasting time gathering information. \_\_\_\_\_
30. I try to think of all the problems I may encounter and plan what to do if each problem occurs. \_\_\_\_\_
31. I get important people to help me accomplish my goals. \_\_\_\_\_
32. When trying something difficult or challenging, I feel confident that I will succeed. \_\_\_\_\_
33. In the past, I have had failures. \_\_\_\_\_
34. I prefer activities that I know well and with which I am comfortable. \_\_\_\_\_
35. When faced with a major difficulty, I quickly go on to other things. \_\_\_\_\_
36. When I am doing a job for someone, I make a special effort to make sure that person is happy with my work. \_\_\_\_\_
37. I'm never entirely happy with the way in which things are done; I always think there must be a better way. \_\_\_\_\_
38. I do things that are risky. \_\_\_\_\_



39. I have a very clear plan for my life. \_\_\_\_\_
40. When working on a project for someone, I ask many questions to be sure I understand what that person wants. \_\_\_\_\_
41. I deal with problems as they arise, rather than spend time trying to anticipate them. \_\_\_\_\_
42. In order to reach my goals, I think of solutions that benefit everyone involved in a problem. \_\_\_\_\_
43. I do very good work. \_\_\_\_\_
44. There have been occasions when I took advantage of someone. \_\_\_\_\_
45. I try things that are very new and different from what I have done before. \_\_\_\_\_
46. I try several ways to overcome things that get in the way of reaching my goals. \_\_\_\_\_
47. My family and personal life are more important to me than work deadlines I set for myself. \_\_\_\_\_
48. I find ways to complete tasks faster at work and at home. \_\_\_\_\_
49. I do things that others consider risky. \_\_\_\_\_
50. I am as concerned about meeting my weekly goals as I am for my yearly goals. \_\_\_\_\_
51. I go to several different sources to get information to get help with tasks or projects. \_\_\_\_\_
52. If one approach to a problem does not work, I think of another approach. \_\_\_\_\_
53. I am able to get people who have strong opinions or ideas to change their minds. \_\_\_\_\_
54. I stick with my decisions even if others disagree strongly with me. \_\_\_\_\_
55. When I don't know something, I don't mind admitting it. \_\_\_\_\_

CORRECTED SCORING SHEET

Instruction:

1. The Correction Factor (the total of items 11, 22, 33, 44 and 55) is used to determine whether or not a person tries to present a very favorable image of himself or herself. If the total score on this factor is 20 or greater, then the total scores on the ten PECs must be corrected to provide a more accurate assessment of the strength of the PEC scores for that individual.

2. Use the following numbers when figuring the corrected score:

If the Correction Factor Score is:	Subtract the following number from each PEC Score
24 or 25	7
22 or 23	5
20 or 21	3
19 or less	0

3. Use the next page to correct each PEC Score before using the Profile Sheet.



PEC PROFILE SHEET FOR PEC SELF-RATING QUESTIONNAIRE

Instruction

1. Transfer the corrected PEC score to the profile sheet by marking an "x" at the appropriate point on the horizontal line for each PEC.

If the score for Opportunity Seeking is 17, it will appear as follows:

Opportunity Seeking : \_\_\_\_\_ :  
                          0          5         10         15      X         20         25

2. Draw a heavy vertical line connecting the "xs" for each PEC and you have constructed your PEC Profile.

PEC PROFILE SHEET

Opportunity Seeking

Persistence

Commitment to  
Work Contract

Demand for Quality  
and Efficiency

Risk Taking

Goal Setting

Information Seeking

Systematic Planning  
and Monitoring

Persuasion and  
Networking

Self-Confidence

0      5      10      15      20      25

PEC SCORES

DATA SHEET SCORING GUIDE

VARIABLE #1: Age

Points

21 Yrs Old or Above.....	1
20 Yrs Old & Below.....	0

(Question #4)

Age has been found to be an important entrepreneurial variable because below or above a certain age, entrepreneurship slackens or is non-existent. Twenty-one is often the legal age. Below this age, people cannot sign contracts (such as loan contracts) without a countersignature. On the other hand, persons over 45 years of age make poor entrepreneurial candidates because of certain habits and attitudes that mitigate against taking risks and disrupting their present lifestyles. In many countries, however, the tendency is to save money for retirement, at which time people tend to start new businesses. For this reason, people over 45 years of age will not be penalized in the selection process.

VARIABLE #2: Family Situation Index

Married.....	1
Unmarried, divorced or widowed.....	0
Children.....	1
No Children.....	0

Total Possible Pts.....2

(Question # 5 and 6)

Most adults are married, and so are most entrepreneurs. The marital status of an applicant is thus not important in and of itself. However, it is an indication that his or her life is settled or becoming stabilized by having chosen a spouse and established a firm relationship. Marriages with children may also serve as an incentive for higher levels of achievement so as to be able to provide for the future of the family. The importance of a supportive social-emotional network cannot be overstated, especially during the trying start-up phase of a new business.

VARIABLE #3 : Education

3 or more yrs college.....	5
1-2 years of college.....	4
4 years secondary.....	3
Primary or less.....	0

(Question #7)

Contrary to popular opinion, entrepreneurs are not an uneducated lot. Entrepreneurs, by and large, are slightly more educated than the general population. Nonetheless, education in business is not the secret to success in business. Few, if any, studies have ever found a correlation between education of the entrepreneur, and success in business. Education is therefore not all-important, but it appears to be basic prerequisites for entry. While there are no educational requirements for entering business, it appears that persons starting the most businesses in a modern economy have a reasonably high level of education.

VARIABLE # 4 : Technical Training Index

University plus tech. trng.....	6
4 yrs secondary plus tech. trng.....	5
Less than 4 yrs secondary + technical trng.....	4
Primary + technical trng.....	3
Technical trng. only.....	2
No training.....	0

(Questions #7 and 8)

It has been found that most entrepreneurs ready to enter business have at least 2 years of training and 2 years of work experience behind them. In scoring this variable, we're attempting to see if the courses or apprenticeship that would assist in business development regardless of the duration of that course.

VARIABLE #5: Business Ownership Index

Father or mother were owners.....	5
Not in business.....	0
Relatives in business.....	5
Not in business.....	0
	-----
Total Possible Pts. ....	10

(Questions #9 and 10)

The best entrepreneurship development program is the family. The family transfers the values and attitudes that encourage or discourage entrepreneurial behavior in the children of business persons. Although not all children of entrepreneurs become entrepreneurs themselves, early exposure to entrepreneurial behavior in the family is an important part of early business training. Experience indicates that fewer than 25% of all applicants in an entrepreneurship development program will have a father or mother in business, but some 60 to 70 percent will have had an aunt or uncle, or some distant relative in business.

VARIABLE #6 : Experience in Family Business Index

Applicant worked in parent owned business.....	5
Did not work/no parent-owned business.....	0
Applicant worked in family owned business.....	5
Did not work/no family business.....	0
	----
Total Possible Pts. ....	10

(Questions #9 and 10)

This question is a continuation and refinement of the above question of family business ownership. It has been found that being born in a family business counts most if the person got first hand experience working in the family business. It appears that the more hands-on experience at an earlier age the better.

VARIABLE #7: Exposure Index

At least one friend who owns a business.....	4
No friends in business.....	0
Has friends whose families own businesses.....	3
No business ownership.....	0
	----
Total Possible Pts.....	6



(Question #11 and 12)

The greater number of entrepreneur friends a person has, the greater the chance that person will become an entrepreneur. This is also an indicator to measure how much exposure a person had to business persons when he/she was growing up. This question seeks to determine if their surrounding social environment included business persons who could influence them. Non-entrepreneurs were found to have fewer business acquaintances than persons who eventually became entrepreneurs.

VARIABLE #8: Family Rank Order

First born.....5  
Middle or last child.....0

(Question #14 )

This variable is based on cross-cultural data which indicate that first born children are more likely to become entrepreneurs. This may be because first born children are generally higher achievers, and may receive more attention and resources from the family.

VARIABLE #9: Training and Work Experience Index

Training plus work experience.....5  
No training but work experience.....4  
No work experience but has trng.....3  
No work experience and no trng.....0

(Question #8, 9, 10, and 15)

The most successful applicants in many entrepreneurship development programs have had a combination of a least 2 years of work experience and 2 years of technical (or college) training prior to entering business. For persons without previous exposure to the business he or she is going to start, chances of starting and success of such a business are slim.

Lack of experience not only decreased one's chances of success in business, it also greatly diminishes one's chances to borrow funds from banks. The new start-up cannot have a true business track record, but having worked a few years in the industry is the next best thing.

One year experience in the same or related industry counts as work experience. Question #8 must be consulted to determine technical training. Question #15 determines the length and nature of work experience, but Question #9 and #10 indicate practical work experience in a family business if no relevant job experience is evident.

VARIABLE #10: Level of Past Work Experience

- Employed in higher echelon.....2
- Employed in middle echelon.....1
- Employed in lower echelon.....0

(Question #15)

Contrary to popular view, entrepreneurs make good employees before they enter business. Research indicates that entrepreneurs gain invaluable experience working for other people, and they usually do well in these companies. Certain findings also indicate that the higher the level of work experience, the better the performance of the entrepreneur in his or her own business.

VARIABLE #11: Past Business Experience

- Has started a business in the past and  
is currently in business.....9
- Has started a business in past but is  
not currently in business.....6
- Has never started a business before.....0

(Question # 16 and 17)

Past experience in business gives the individual a better idea of what is involved in starting and operating an enterprise, even if that past effort ended in failure. Failures at business are viewed by entrepreneurs as opportunities for learning and improvement of business skills.

VARIABLE #12: Specific business Idea Index

- A specific business is detailed.....7
  - No specific business idea.....0
  
  - Has an idea of monetary needs.....2
  - No idea of monetary needs.....0
- 
- 0

(Question #18 and 20)

These questions are listed on the application form in order to determine whether the applicant is serious about entering business or just "fishing" for another training program. Persons who do not have a business idea upon entering the program do not get the most benefit out of the training program.

VARIABLE #13: Availability of Capital

Has capital available for business...18  
No capital available.....10

(Question # 21)

This is probably one of the most important questions the applicant will answer in the entire selection process. Experience indicates that the applicant who has little capital can still start a business, but the applicant who puts "0" or no capital in this section of the application is a poor prospect for business. Often this does not reflect the financial condition of the applicant, so much as his or her attitude that the government will "provide all the funds for me". The applicant who has at least thought about the financial demands and how he or she will go about obtaining these funds is a better risk.

VARIABLE #14: Ingredient Needed to Succeed in Business

Motivation.....2  
Other answer.....0

(Question # 22)

When asked why they did not enter business, non-entrepreneurs most often cite, "lack of money". Entrepreneurs, on the other hand, cite motivation as the singularly most important ingredient for success in business. While money is a necessary ingredient in the establishment of a business, it is also the most socially acceptable reason to cite if one does not have the motivation for starting a business. Even on-going entrepreneurs use "lack of money", or "lack of access to credit" as an excuse for many of their short-comings. Money has a "panacea" quality about it for both new and established entrepreneurs that is often unfounded.

VARIABLE #15: Opportunity is more important than security

Agreement with statement.....3  
Disagree.....0

(Question #23)

Non-entrepreneurs generally prefer certainty and security in a job, whereas entrepreneurial types generally prefer to have opportunity in a job. Taking risks while minimizing uncertainty is what an entrepreneur thrives on, but he or she expects a commensurate reward for this. While non-entrepreneurs also seek these rewards, they do not seek them to the extent that they would give up their security.

VARIABLE #16: Creativity Indicator

Uses of product	
5 & above uses.....	5
3-4 uses.....	1
2 or less.....	0

(Question # 24)

Innovativeness and creativity have been hallmarks of the entrepreneurial personality. This question allows potential entrepreneurs to express their level of creativity by listing creative uses for a particular local product that is abundantly available. Results of this test indicate that non-entrepreneurs tend to think of fewer uses for a particular product than entrepreneurial types.

VARIABLE #17: Perception of opportunity structure

Agrees there are opportunities.....	2
Disagrees.....	0

(Question # 25)

There are two schools of thought entrepreneurship development. Economists, on the one hand, believe that it is the structure of the opportunities in the environment that determines the entrepreneurial response of a population. No opportunities =no entrepreneurs in this model.

Behavioral scientists on the other hand, believe that there are as many opportunities as there are entrepreneurial personalities. As long as there are entrepreneurs, there will always be opportunities according to this way of thinking. Entrepreneurs seek out opportunities, not vice versa.

The question asks the applicant his or her perception of the economic environment. Less successful entrepreneurs and non-entrepreneurs noted fewer economic opportunities in the environment than successful entrepreneurs. This question also provides a measure of how generally positive and optimistic the thinking of the entrepreneur applicant is.

VARIABLE # 18 : Priority Use of \$1,000 gift

Business use indicated.....	2
Will not use for business.....	0

(Question #26)

This question is not specifically associated with entrepreneurs or non-entrepreneurs. Its purpose is to trip up, or test the sincerity of the applicant to the entrepreneurship training program. If this money is not to be used to start a business,

does this indicate a lukewarm desire to get started? Results of this question can be cross-referenced with "availability of capital" and others to form a series of questions for the personal interview following the written application. Debt structure of the applicant is also often revealed by this question.

VARIABLE #19: Confidence Level of Success

60% to 100% chance of success .....2  
 50% and below.....0

(Question #29)

Entrepreneurs are both moderate risk takers and self-confident individuals. If they do not have over 50% control of the outcome of the ventures they become involved in, they will withdraw from the task or venture. This question asks how confident the trainee is about the outcome of his or her business. Persons who feel they have less than a 50% chance of succeeding most likely don't belong in the program.

VARIABLE #20: Commitment and Readiness

Very strong or strong.....1  
 Average or don't know.....0  
 Would not take boss's job.....2  
 Would take boss's job.....0  
 -----  
 Total Possible Pts. ....3

(Question #28)

This index is also a test of commitment to both business and to the entrepreneurship training program. MSI's experience indicates that this is a good means of identifying those persons who are on a "fishing expedition" of those only casually interested in starting business. The results of this analysis are also useful in forming questions for the personal interview phase of the selection process. This index is slightly altered from the MSI suggested format due to the perceived propensity of the target population to want instant expertise without devoting the time necessary to become proficient in a skill.

### Focused Interview Background

The focused interview is a method of obtaining specific information on how a respondent has acted and thought in five designated situations. These situations are representative of those that everyone has encountered and they can provide a reliable way to determine the extent to which a respondent exhibits the 10 competencies associated with successful entrepreneurship.

### Focused Interview Administration

The focused interview is administered orally. Each of the five situations is presented to the respondent and he is asked to describe in some detail a specific situation from the past that exemplifies it. During the 10 minutes allotted for each situation, the interviewer asks a set of questions intended to elicit as much information as possible about what the respondent did, said, thought and felt.

This section presents general instructions, identifies the five situations to be covered in the interview, and gives the specific questions used to probe for information not given by the respondent.

#### General Instructions

1. Tell the respondent that the purpose of the interview is to get a better understanding of how he has actually gone about handling past situation. Indicate that this information will be useful in making decisions about the purpose of the assessment.
2. Explain that you will ask the person to give detailed descriptions of what he did, said thought about and felt in five situations from his recent past. Specifically, for each situation you will want the person to answer the following:
  - \* How did you first get involve in the situation?
  - \* What weere you trying to accomplish?
  - \* Did you talk to anyone about what you were going to dof yes, describe the conversation.
  - \* Was anyone else involved?
  - \* What was the sequence of things you did?

What was your part in the situation?

4. How did it turn out? Are there any other key points?
5. What did you do to help it develop?
6. Develop your own three to five additional questions associated with each situation.
7. It may be helpful for the respondent to have in front of him or her a handwritten list of the questions that are consistent with the live situation.
8. Indicate you will be asking some notes throughout the interview to help you remember what the person said.
9. If you have a tape recorder, explain why you would like to record the interview and how you remember sections of the interview, and request permission to use it.
10. Stress the importance of the interview. Indicate who specifically will have access to the notes and/or tape.
11. Ask for questions and give whether information is necessary to make the grades and reasons for the interview.
12. Present each situation and spend 10 minutes per situation, either in person or in writing.
13. When necessary, ask the person associated with each question.
14. Let the person know by thanking him when he has given a lot of information, and when you said "thought" and felt in a situation.
15. At the end of the interview, thank the person for the information and give a copy to the person.

Situations for the Focused Interview

For each situation listed below ask the respondent to tell you about a time when

1. He did something on his own.
2. He had to get someone to do something.
3. He had a significant amount of difficulty in getting something done.
4. He was pleased with something he accomplished.
5. He took a risk.



PROBE. WAR TIME - SITUATIONS

11. 9 TIME WHEN YOU WAS PRESENT IN YOUR OWN

- \* How did you first get involved?
- \* What were your thoughts in the beginning?
- \* What were you trying to accomplish?
- \* Did you tell anyone about what you were going to do? If yes, tell me about the conversation.
- \* Was anyone else involved?
- \* What was the sequence of things that you did?
- \* What was your part in this?
- \* How did it turn out?
- \* Are there any other things that you did?
- \* What did you feel about this?
- \* Did you do anything else of this. If so, what specifically did you do?

ALL A TIME WHEN YOU HAD TO GET SOMEONE TO DO SOMETHING

- \* How did you find out they were there?
- \* What were your thoughts at the beginning?
- \* What were you trying to accomplish?
- \* Did you talk to anyone about what you were going to do? If yes, tell us about that conversation.
- \* Was anyone else involved?
- \* What was the sequence of things that you did?
- \* What was your part in this?
- \* How did it turn out?
- \* Were there other key things that you did?
- \* How did you feel and you accomplished?
- \* Who else was involved?
- \* What were you trying to get them to do?
- \* What did you do to get them to do it?
- \* What did you say to them?
- \* What was the response?
- \* How successful were you in getting them to do what you wanted them to do?

IN A LINE YOU HAD A SIGNIFICANT LIFE-CHANGING EXPERIENCE IN GETTING SOMETHING  
DONE

- \* How did you first get involved?
- \* What were your thoughts on the situation?
- \* What were you trying to accomplish?
- \* Did you talk to anyone about what you were going to do?  
If yes, tell me about that conversation.
- \* Was anyone else involved?
- \* What was the sequence of things that you did?
- \* What was your part in this?
- \* How did it turn out?
- \* Were there other key things that you did?
- \* What did you feel you accomplished?
- \* What was the difficulty or problem?
- \* Were there any other things that you did to deal with this problem?
- \* What were you thinking during that situation?
- \* How successful do you think you were in overcoming the difficulty?

4. A TIME WHEN YOU WERE STRESSED WITH SOMETHING YOU ACCOMPLISHED

How did it first get to you?

- \* What were your thoughts at the beginning?
- \* What were you trying to accomplish?
- \* Did you talk to anyone about what you were going to do? If yes, tell me about their contribution.
- \* Was anyone else involved?
- \* What are the elements of things that you did?
- \* What did you feel you accomplished?
- \* What made you feel proud about this accomplishment?
- \* Were there any other key things you did as part of this situation?

5. A TIME WHEN YOU TOOK A RISK

- \* How did you first get involved?
- \* What were your interests in the beginning?
- \* What were you trying to accomplish?
- \* Did you talk to anyone about what you were going to do? If yes, tell us about that conversation.
- \* Was anyone else invited?
- \* What was the sequence of things that you did?
- \* What did you feel you accomplished?
- \* What was the risk?
- \* What were your thoughts about that risk at the time?
- \* Would you do it again? If yes, what leads you to this decision?

## Interview Scoring

Scoring the interview for the 13 competencies takes place during the interview and is done at the end of each situation. To increase the reliability of your scoring and thus give you a more valid picture of the person's use of the competencies, it is important that you review the competencies and indicators prior to each interview.

To further increase the reliability of the scoring use the following criteria:

### Low valid score

Statements beginning with "I" that describe what the respondent did, said, thought, or felt (e.g., "I thought I'd better talk to his boss first.")

Statements in the third person ("I") in which the respondent is describing his involvement in one situation (e.g., "On Thursday morning I called Mr. Ed . . .")

Statements that describe things that do not occur, the actor is unclear about the context of the action as the respondent (e.g., "In the report I did on time . . . my boss always has me write the quarterly reports.")

### You want score

Statements in which the person says "us", "we and I", "our team", etc. (e.g., "We planned it and organized our goals.")

**PROBLEM:** What did the respondent contribute to the group effort? You can't be sure.

Statements that begin: "What I do," "Usually I," "I would," "Typically I," etc. (e.g., "I would try to do that first.")

**PROBLEM:** These are generalizations about how he sees situations and prefers to act. In any one situation a person may or may not act in the typical or desired way. This is too general to score.

These statements about actions, thoughts, interactions, or outcomes in which it is unclear who played what part (e.g., "He was involved in the end.")

**PROBLEM:** All respondents are unclear at some point in describing who did what. Unless the respondent probes to clarify a statement or volunteers more details, he won't get credit for the vaguely described action.

Statements in which the respondent described his activities in detail (e.g., "I asked him to do this and then I set down the... and said... explanation.")

A respondent's characterization of manner of thinking or approaching a situation if he has provided detail on what led up to a particular action (e.g., "I wanted them to see my point, so I decided to make a presentation.")

Statements that include clear explanations of the roles played in a particular situation (e.g., "He was my boss. I told him his ideas were lousy.")

Statements about the pair's feelings, words, or actions that the respondent mentioned in response (e.g., "What were you feeling?" "I got it all down. I'd worked with...")

Statements in which the respondent used nonspecific terms to describe his activity (e.g., "He sat and I got him to explain...")

PROBLEM: You didn't know what he said and therefore felt. The description is too vague; more precise behavioral data are needed to help.

Description of an action without what led up to it (e.g., "I made a presentation.")

PROBLEM: In a richly described case, contextual detail is a sterile piece of information -- it means little. We need to know: What led up to it? Whose idea was it? What was the person thinking?

Statements in which it is unclear who was involved (e.g., "I told him the idea was lousy.")

PROBLEM: A statement is ambiguous if the actors are not specified. For example, telling the interviewer that provides information different from telling all the rest.

Descriptions of contrasting the respondent's stated expectation of what the respondent did, with what he did. ("So you felt he'd...") "Yeah, I did.")

PROBLEM: Even though the interviewer's expectation could be right, the respondent might be giving the expected response to please the interviewer. It is not reliable because you can't be sure that the respondent would have said this had it not been suggested by the interviewer.

Specific reconstruction of dialogue (e.g., "He said he wanted to use the rifle" or "I said, 'The use of a rifle is a violent act'").

Statements about the respondent's feelings or thoughts during the situation being described (e.g., "At that point, I didn't want to deal with him again.")

Statements describing what the respondent did in the past (e.g., "I picked up the report three hours before the meeting.")

The recorded interview script form contains instructions on how to record the interview. It should be dictated by one of the computers.

After recording, the computer will generate a form for each actual situation. The form will contain a list of possible situations for each computer-generated situation. The user will be asked to select the situation that best describes the actual situation. The user will be asked to give a final rating for each situation. The form will be used for data use.

The user will be asked to fill out the Profile Interview Profile Sheet. The user will be asked to fill out that sheet to provide a summary of the interview. The user will be asked to provide a relative rating for each situation.

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Descriptions of the content or topic of conversations without specific dialogue (e.g., "I talked about what was the best way to do it").

PROBLEM: User's intended message or theme does not necessarily match the actual reconstructed dialogue. By contrast, specifies what the person said, uncontaminated by post-hoc interpretation.

Statements of current feelings or thoughts about the past (e.g., "I think it was an upsetting situation.")

PROBLEM: These are after-the-fact verbalizations that include knowledge of how everything turned out. Coding is done to capture the essence of how a person performed (thought, felt, etc.) in the past.

Statements about what the respondent might do in the future (e.g., "I'll pick up the report early next time.")

PROBLEM: There's no behavior since it hasn't happened yet.



INTERVIEW EVALUATION FORM

Name of Interviewe \_\_\_\_\_

Interviewer \_\_\_\_\_

Instructions

Use the following checklist to indicate whether or not the respondent demonstrates various behaviors and thoughts in the situations described in the interview. Whenever the respondent demonstrates a specific behavior and/or thought that represents a PEC for a situation, place a checkmark ( ) under the "Situations" column number associated with the incident being discussed. Thus, when the respondent is talking about a time when he did something on his own, check the spaces under competencies are demonstrated; when the respondent is talking about a time when he had to get someone to do something, check the appropriate spaces under column 2; and so forth.

INTERVIEW EVALUATION FORM, continued

<u>CHARACTERISTICS</u>	<u>SITUATIONS</u>				<u>TOTAL</u>	<u>SCORE</u>
	1	2	3	4	5	
1. OPPORTUNITY SEEKING:	---	---	---	---	---	X 5 = _____
<ul style="list-style-type: none"> <li>- Sees and acts on new business opportunities</li> <li>- Seizes unusual opportunities to obtain financing, equipment, land, work space, or assistance</li> </ul>						
2. COMMITMENT TO THE WORK CONTRACT:	---	---	---	---	---	X 5 = _____
<ul style="list-style-type: none"> <li>- Accepts final responsibility for completing a job for customers</li> <li>- Pitches in with workers or in their place to get a job done</li> <li>- Expresses a concern for satisfying the customer</li> </ul>						
3. PERSISTENCE:	---	---	---	---	---	X 5 = _____
<ul style="list-style-type: none"> <li>- Takes repeated or different actions to overcome an obstacle</li> <li>- Makes a personal sacrifice or expends extraordinary effort to complete a job</li> <li>- Sticks with own judgement in the face of opposition or early lack of success</li> </ul>						
4. RISK TAKING:	---	---	---	---	---	X 5 = _____
<ul style="list-style-type: none"> <li>- Takes what he or she perceives to be moderate risks</li> <li>- Seeks a preference for situations that involve moderate risk</li> </ul>						
5. DEMAND FOR EFFICIENCY AND QUALITY:	---	---	---	---	---	X 5 = _____
<ul style="list-style-type: none"> <li>- Acts to do things that meet or beat existing standards of excellence or improve on past performance</li> <li>- Strives to do things better, faster, or cheaper</li> </ul>						

CHARACTERISTICS	SITUATIONS				TOTAL	SCORE
	1	2	3	4		
6. GOAL SETTING: - Sets clear and specific short-term objectives. - Sets clear long-term goals.					5	
7. INFORMATION SEEKING: - Personally seeks information on clients, suppliers, and competitors. - Consults experts for business or technical advice. - Uses contacts or information networks to obtain useful information.					5	
8. SYSTEMATIC PLANNING & MONITORING: - Develops and uses long-term, step-by-step plans to reach goals. - Evaluates alternative. - Monitors progress and switches to alternative strategies when necessary to achieve goals.					5	
9. PROMOTION AND NETWORKING: - Uses deliberate steps to get to influence or persuade others. - Uses business and personal contacts to accomplish own objectives. - Ability to be persuasive to use personal influence and to develop and use strategies for influencing other people.					5	
10. SELF CONFIDENCE: Has a strong belief in self and own abilities. - Expresses confidence in own ability to complete difficult tasks and meet a challenge.					5	

TOTAL SCORE: \_\_\_\_\_

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