

Are we really teaching business planning or are we letting students float their boat?

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Abstract

Entrepreneurial activity is essential for economic growth. Business planning is an integral part of developing and sustaining business activity and idea generation. But what do we refer to when we use the term Business Planning? Many researchers using the term refer to an organization's current status and the direction in which the company will head for the next number of years.

The aim of this paper is to profile the current practice and understanding of the teaching of the double weighted final year Business Plan module to undergraduate level eight BA(Hons) in Business Studies students in Griffith College Dublin and will research the effectiveness of the teaching on the programme from a students perspective. The author will also delve into the teaching approach used on the course and examine its effectiveness. A qualitative methodology is used involving all of the students, both part-time and full time, on the course as well as interviews with a number of supervisors who support the programme and the Business Plan Co-ordinator.

First, the students' views relating to developing a business plan will be explored. Second, the student's relationship with their supervisor is examined. Third, a profile of the current content and delivery of business plan workshops is presented. The discussion then explores the main findings of the exercise including the student's personal experience of working on the Business Plan as well as the role of the Business Faculty in supporting the student in their progress

Introduction

In the final stage of the Bachelor of Arts in Business Studies (Hons) degree programme, students are required to complete a major piece of individual work. Unlike practical and written assignments in Stages I and 2 of their studies, this module has a weighting equivalent to two full Stage 3 modules. The module is specifically designed to advance a number of key programme aims and takes the format of a business plan. In particular, it requires students to research information from a variety of sources, analyse and interpret the data obtained in order to reach appropriate and defensible findings and make suitable recommendations. The size of the project requires the student to integrate data and information from a broad range of industry sources and orientations, for example, marketing, financial and technical sources. The module also requires the student to develop their oral and written communication skills in presenting their findings in both written and oral format to a panel of assessors. It is not the first time that a student will work on an application based module. In their first year of study, the student is required to complete an Integrated Business Project and in their second year of study, they complete an Enterprise Development Project. Both of these modules are group based. What makes the Business Plan Module learning experience unique is that it is not group work and it is not classroom and tutor led. The student works independently under the guidance and support of a supervisor. The supervisor is available to meet with the student throughout the year, but there is no obligation on the student to contact the supervisor. In addition, short work shops are organised through out the year to support the student. The workshops are usually one hour in duration and are on issues that are relevant to business planning, such as developing a business idea, legal issues, finance and research methodologies.

Literature review

According to Brennan, McGovern and McGowan (2007 p 52), “academic institutions are not only important for national and regional economies; they are integral parts of such economies”. This view concurs with the European Union which states that

If it is to make a success of the Lisbon strategy for growth and employment, Europe needs to stimulate the entrepreneurial mindsets of young people,

encourage innovative business start-ups, and foster a culture that is friendlier to entrepreneurship and to the growth of small and medium-sized business... At higher education level, the primary purpose of entrepreneurship education should be to develop entrepreneurial capacities and mindsets. The way to success is to teach students about new sources of self employment and convince them that being a businessman or woman is one way of entering the labour market. (Entrepreneurship in higher education, especially within non-business studies 2008: 10).

Bennett (2006) explores the concept of the skills-training approach. Skills based education seeks to teach people the mechanics of running their own businesses and usually involves instruction on such matters as how to raise finance, the selection of premises, taxation, employment and other legal regulations, elementary book-keeping and marketing problems (p69). Teaching methods usually include case studies, lectures and assigned readings intended to develop the student's critical judgement and capacity to digest, understand and analyse information (Collinson and Quinn, 2002; Davies et al., 2002; Ladzani and van Vuuren, 2002). Assessment and coursework typically comprises written reports and the development of business plans (Hills, 1988). Courses of this nature are popular because enrolees frequently desire practical, highly specific and "hands-on" information about small business management issues (Collinson and Quinn, 2002; Ladzani and van Vuuren, 2002).

Sexton and Bowman (1984) argue that some business courses may be taught by faculty members who have not themselves been trained in business planning and may possess backgrounds in such fields as marketing, organisational behaviour, personnel management, accounting or finance.

Sexton and Kasarda (1991) advance the notion that the two goals of most business education programmes are to prepare people for career success and to increase their capacity for future learning. While a great deal of business knowledge can be taught in the classroom it is difficult to prepare and teach students to deal with the uncertainties that surround business activities.

Garavan and O'Conneide (1994) cite an extensive literature suggesting that "active"

rather than “passive” pedagogical methods were more appropriate for nurturing entrepreneurial attributes. Reflective teaching techniques such as lectures, handouts, required readings, programmed instruction and content-oriented examinations help participants to acquire knowledge about the mechanics of running a business but, the authors argue that they ignore the complexities of the environments in which entrepreneurs actually operate (p 6- 11). Gibb, as cited by Garavan and O’Cinneide (p 9), suggests that it should be possible to move more flexibly towards encouraging students to cope in new ways with the real world, including:

- Learning by doing;
- Encouraging participants to find and explore wider concepts relating to a problem from a multi-disciplinary viewpoint;
- developing participants to develop more independence from external sources of information and expert advice, and to think for themselves – thus giving ownership of learning
- helping participants to develop emotional responses when dealing with conflict situations, and encouraging them to make choices and commitments to actions in conditions of stress and uncertainty.

Bennett (2006 p168) comments that the skills training approach has been criticised on the grounds that it is “passive, mechanistic and contracts with the reality of the entrepreneur operating with intuition and limited information under acute time pressures.” He continues to suggest that active pedagogy “requires the instructor to facilitate, not control the learning process via the employment of learning exercises such as role plays, management simulations, brainstorming, team projects, and participative discussion sessions that do not involve the student simply listening and taking notes”.

Desouza and Awazu (2006) outline the effect of training and education on small to medium sized enterprises (SMEs) and suggest that “the success of a small business or an SME can be linked to how well they manage their knowledge” (p32). They state that “small to medium-sized enterprises (SMEs) are a vital part of any national economy”. According to the Organization for Economic Cooperation and Development, SMEs

comprise about 95 percent of enterprises in a nation, and are responsible for employing 60-70 percent of the workforce (OECD, 2000, 2002). In Asia-Pacific Economic Cooperation (APEC) member economies, SMEs make up 90 percent of enterprises and employ between 32-84 percent of the workforce of individual APEC economies (APEC Committee on Trade and Investment, 2004). Desouza and Awazu (2006 p32) suggest that “knowledge management has been shown to a powerful ingredient in the success of organizations. Organizations who are successful in leveraging knowledge, normally witness increased efficiencies in operations, higher rates of successful innovations, increased levels of customer service, and an ability to have foresight on trends and patterns emerging in the marketplace”.

Research undertaken by Solomon (2007) in the United States, suggests that the traditional teaching method of requiring students to create a business plan is still used and is popular. The findings also show that entrepreneurship educators are increasingly using guest speakers and class discussions more frequently than the traditional approach of class lectures.

Shaw and Fairhurst (2008) compared the learning style of Generation Y and suggests that the learning styles and expectations of this group are very different from earlier generations. Using its experiences of employing Generation Y the paper suggests future graduate schemes need to utilise the latest technology to deliver audio-visually rich, multi-tasking challenges which require a collaborative approach, offer instant feedback whilst at the same time recognising that its participants may not see the need for or indeed take responsibility for their own development or its perceived failings.

The literature and research has developed over the last twenty years to reflect how business modules are being taught and how they have developed. The instructor today is now a facilitator to learning rather than a controller of the learning experience. As educators, the main priority should be on developing students’ abilities to become productive within an organisation and encourage them to develop their reflective practitioner skills so as to add value to a company’s growth and prosperity. Experiential

pedagogy can be considered for the future of the Business Plan module, including participant centred learning, guest speakers and technology

Methodology

This study explores the current practice and understanding of the teaching of the double weighted Business Plan module and will research the effectiveness of the teaching on the programme from a students perspective. The teaching approach used and its effectiveness will also be explored. In order to successfully examine this, the students' views relating to developing a business proposal will be examined as well as the relationship the student has with their supervisor. A study of the current content and delivery of business plan workshops is presented followed by a discussion of the main findings of the exercise including the student's personal experience of working on the Business Plan and the role of the Business Faculty in supporting the student in their progress.

In total eighty students completed this module, sixty four full time and sixteen part-time students. Fifty two full time students and eleven part-time students completed the questionnaire, therefore , $N = 63$. Ten supervisors directed the students. The module was led by a Business Plan Co-coordinator. The author acknowledges that the students come from different cultural backgrounds, but the influence of the different backgrounds is not explored in this research. This researcher considered three important objectives when developing the measures for this research, firstly, to develop a balanced view of the perceptions of the participants. Secondly, to establish a balanced view from the supervisors and co-coordinator and thirdly, for the research to be methodologically sound. A detailed questionnaire was circulated to sixty three students and semi-structured interviews were conducted with four programme supervisors and the programme co-coordinator. The work of Fink (1995) indicated that in non-probability sampling 'the size of the sample should be large enough to yield useful data' (1985:128). A questionnaire was chosen as the most appropriate means of obtaining information from participants because respondents can be targeted in a cost effective method and questions can be asked to meet the aims of the research. Fraenkel and Wallen (1993) state that the way a questionnaire looks is very important in encouraging participants to respond. Of the criteria that Hague (1998) identified, this study will concentrate on drawing accurate

information from respondents and providing a format on which comments and attitudes can be recorded. Prior to embarking on the formal data collection phase, the questionnaire was piloted in order to improve the instrument and to identify any unforeseen errors. The author was interested to find out from the Business Plan Coordinator what he hoped to achieve at the start, how he hoped to achieve the learning outcomes and what methods he used to monitor progress of the module. The author choose a semi structured interview with the coordinator, as the best method for acquiring relevant data and any other feedback and comments that would add richness to the research. This method was also viewed as the most appropriate for acquiring information from the supervisors.

Findings

The questionnaire that was distributed to students was divided into different sections to facilitate easy collection of data for this research. The following sections outline the findings of this research.

Business Plan

Out of the 63 respondents, 81 per cent found it difficult to think of a business plan, 10 per cent did not have a difficulty and the remaining nine per cent had no opinion. All of the respondents suggested that they needed more workshops to assist them at this stage of their project development and 72 per cent of the respondents found the business proposal to be the most difficult part of the Business Plan.

Supervisor

Respondents were asked to give their opinions relating to their relationship with their supervisor. Forty nine percent of the respondents strongly agreed that their supervisor was approachable, 24 per cent disagreed and the remaining 27 percent strongly disagreed. Less than half of the respondents, 40 per cent, found their supervisor to be knowledgeable about their business idea. This concurs with the research of Sexton and Bowman (1984). Forty per cent commented that the supervisor gave them sufficient time to meeting with the student. Thirty percent of the respondents disagreed that the supervisor gave

sufficient time and a further 30 per cent strongly disagreed with this statement. Forty per cent found that it was difficult to meet with their supervisor and 40 per cent also found that supervisors were slow to reply to email communication.

Eight per cent of the respondents never met with their supervisor, 32 per cent met with their supervisor three times and 60 per cent met with their supervisor more than four times during the year. Forty per cent found that their supervisor gave adequate support to the development of the student's business plan, while 30 per cent of the respondents disagreed and 30 per cent of the respondents strongly disagreed with this statement. Forty per cent of the sample found that their supervisor gave them good instructions with the business plan while 60 per cent disagreed and 40 per cent of the respondents found that it was not difficult to contact their supervisor where as 60 per cent of the population found it difficult to contact their supervisor.

An interesting finding is emerging from this data that suggests that more than half of the respondents were dissatisfied with their supervision while 40 per cent of the respondents were satisfied with the supervision they received for the Business Plan module.

Business Plan Workshops

Table 1 identifies the views expressed by the respondents to statements about the workshops that were delivered throughout the year.

Table 1

BUSINESS PLAN WORKSHOPS	Strongly Disagree %	Disagree %	No Opinion %	Agree %	Strongly Agree %
In my opinion, the workshops were useful		30		70	
In my opinion, there were not enough workshops				100	
In my opinion, the workshops were too long		65		35	
How to write a Business Plan was clearly explained to me		70		30	
The first workshop, brainstorming, was beneficial for my business plan		30	40	30	
The financial workshop was beneficial for my business plan		70		30	
The financial models workshop was beneficial for my business plan		70		30	
The market research workshop was beneficial for my business plan		30	40	30	
The workshops gave me guidance on collecting appropriate secondary data for my business plan		70		30	
The benefit of primary research was explained to me in workshops.		30	40	30	

I did not know how to conduct primary research for my business plan		30		70	
Financial information was difficult to acquire for the business plan			30	70	
I had difficulty completing the financial forecasts for my business plan			30	70	
I found financial management difficult to complete				100	
I was able to use Excel when preparing the accounts for the Business Plan		60		40	
The material I covered in the Integrated Business Project in year 1 assisted me to write my business plan		30		70	
The material I covered in Enterprise Development Project in Year 2 assisted me to write my business plan.		70		30	

Table 1 illustrates that there are a number of respondents who were satisfied with the way in which workshops were delivered to them but an interesting finding becomes apparent exemplifying that many of the respondents were dissatisfied in the way they were supported by workshops with 100 per cent of the respondents agreeing that more workshops were needed. Respondents did not find some workshops useful for example 40 percent of the respondents expressed “no opinion” to the statements ‘The first workshop, brainstorming, was beneficial for my business plan’, ‘The market research workshop was beneficial for my business plan’ and ‘the benefit of primary research was explained to me in workshops’. A more startling finding, however, is that 70 per cent of the respondents disagreed with the comments “How to write a Business Plan was clearly

explained to me” and “The workshops gave me guidance on collecting appropriate secondary data for my business Plan” and “The financial workshop was beneficial for my Business Plan”.

Students were asked “in what way will you use business planning skills in the future?” All of the respondents noted that they found the experience a good learning experience. Comments included “I had to complete the work myself and therefore had to think it out”, “The research was difficult but I can now see the benefit of conducting sound research before I go straight in and loose money” and “a business can not survive with out planning, this was a difficult module but I definitely learnt from it”.

Bennett (2006) suggests that skills based training is the best approach for this kind of learning and Collinson and Quinn, (2002), Davies *et al.*, (2002), Ladzani and van Vuuren (2002) propose that teaching methods for skills training modules such as the Business Plan usually include case studies, lectures and assigned readings intended to develop the student’s critical judgement and capacity to digest, understand and analyse information. The data clearly reflects a need to consider these areas in the future delivery of the module.

Semi structured interview with supervisors

The author met with four Business Plan Supervisors to establish their views on guiding the students with their Business Plans. All of the supervisors are part-time lecturers within the Business Faculty and are not in the College every day. When the student is advised who their supervisor is, the responsibility is on the student to make contact with the supervisor. The supervisor was asked about their relationship with the students, One of the respondent commented, “Generally students leave everything to the last minute and then it is too late to get the work done”. Another respondent remarked “we need to have clear goals as to the relationship that should exist between the supervisor and the students, sometimes students think we should be there for them all the time and they forget that it is they that have to complete the Business Plan”.

When the respondents were asked what they would do differently in future years, respondents remarks included “Encourage the students to get working on their Business Plan earlier”, “Encourage the students to attend the workshops” and “Encourage the student to keep away from the internet and try to use some logical thinking when developing their idea”.

Interview with Business Plan Co-ordinator

The author conducted a semi-structured interview with the Module Co-ordinator in order to establish what learning outcomes were to be achieved from the Business Plan module as well as the co-ordinators’ views on the strengths and weaknesses of the module. The first question related to the students’ supervisors. The Co-ordinator response was interesting. “I realise there is a problem with supervisors. There were too many and it is my intention to reduce the number so as that each supervisor would have more students and therefore there would be more focus on the supervision role”. It was also highlighted that it was the student’s responsibility to make contact with the supervisor. In relation to achieving learning outcomes, the co-ordinator commented that the work shops that were provided were tailored to meet the needs of the students and that many students did not attend them and were therefore at a loss when they came close to the Business Plan due date. The co-ordinator also remarked that the Business Plan should *“build upon the student’s learning over the years, rather than depending on case studies and lectures, and from experience workshops were the best method to assist the student achieve the learning outcomes”*.

Conclusion

The absence of research on pedagogies relating to business planning teaching in Ireland is quiet alarming even though there is a very active supply of research relating to the area of teaching entrepreneurship. This paper therefore is unique since it is the first research paper conducted exploring the teaching of Business Planning in tertiary education in Ireland. However business planning is still a popular teaching method, but as Solomon (2007) suggests, it could be supported with guest speakers and class discussions.

The students' views relating to developing a business plan gave an array of feedback. Many of the students had difficulty thinking of a business plan upon which they could focus their attention on (81 per cent). The findings identify that while the majority of students benefited from the module, the methods used to support the students in their task need reviewing in order to maximise the learning outcomes. This is supported by Gibb as cited in Garavan and O'Conneide (1994) who suggests that more flexible approaches could be used to encourage students in dealing with the real world and also by Bennett (2006). The majority of the respondents, 70 per cent, gave negative feedback on a number of core elements of business planning workshops, for example, the financial workshops, secondary research workshops and the workshop explaining how to write a business plan. This would lead the researcher to question the value of completing the Business Plan, if core business planning concepts are not clearly understood by the final year undergraduate students. These findings surprise the author, as the students completed similar modules in year 1 and year 2 of their degree as group work and the main difference is that they are now working on their own initiative. A recommendation to examine the content, delivery and learning outcomes for year one and two as well as year three is recommended.

The research has indicated that from the student's perspective, the relationship between the student and the supervisor is hap hazard. Research conducted by Bennet (2006) suggests that facilitation rather than controlling the learning process is the methodology that should be used for this type of learning experience. Data collected from the supervisors indicates that the supervisors who were part of this sample are also confused about their relationship with the students and that clear codes of practice need to be defined. The module co-ordinator acknowledged this in this research and is proactively changing the process that was employed in the student supervisor relationship.

From the student's perspective the effectiveness of the teaching on this module, that is a series of workshops, needs to be re-evaluated. Research conducted by Solomon (2007) suggests that guest speakers and class discussions are proving beneficial whilst Shaw and Fairhurst (2008) conclude that Generation Y respond better to audio-visually rich, multi-

tasking challenges that require a collaborative approach and offer instant feedback to the student. This should be considered for future delivery of the module.

The overall conclusion that can be derived from this study is that tertiary education in business planning is paramount and an opportunity may exist in the future to link business planning and entrepreneurship education so as that students are encouraged to be more proactive in the full business cycle, that is from idea generation through growth and planning issues for the future success of the business.

While this research indicates that students had some difficulties in the earlier part of the module, students acknowledged the benefit of completing the Business Plan and commented that the Business Faculty did support their work. However, it is clear that a wider study of some of the matters raised is warranted, particularly in the area of workshop delivery and the learning experience and the supervisor student relationship. This research will have to be developed further in order to have an impact on curriculum development. The author suggest that the next stage may be also a broader based study that would examine more fully students' career expectations to be followed up, perhaps, by a longitudinal study that investigates the extent to which these aspirations have been realized. The author concludes that rather than letting students float their boat, the view of Bennet (2006) could be reflected upon where the instructor, or in this case the supervisor, facilitates the learning process with appropriate learning exercises.

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