



Reviewing the BDS Debate from Multidisciplinary Insights: A Proposed Framework for Supporting Entrepreneurial Creativity

Vik Naidoo - Senior Lecturer, Swinburne Uni of Technology

Mark Kelly - Development Economist, Australian Federal Government

Janti Gunawan – Lecturer, Sepuluh Nopember Institute of Technology

The views expressed in this paper are those of the authors and do not represent the official views of the Australian Federal Government

Entrepreneurship defined



- ❑ Schumpeter's gales of creative destruction
- ❑ A creative act that initiates economic activity



The link between creativity and entrepreneurship is well embedded



Policy support for entrepreneurship

- ❑ In international development, Private Sector Development (PSD) strategies aimed at supporting MSMEs
 - Numerous intervention mechanisms such as microfinance, infrastructure development and what constitute the focus of this talk: business development services (BDS)
- ❑ BDS is a multidimensional concept: e.g. consultancy and advisory services, technical assistance, etc
- ❑ At its core, BDS relates to training and education

Applied to entrepreneurship, BDS are intervention mechanisms targeted to support entrepreneurial creativity and MSMEs



BDS in practice

- ❑ While in theory, BSD makes sense, in practice their effectiveness have been inconclusive
 - Mukulu (2004) and Hallberg (2006) find a positive influence for BDS
 - Masakure et al (2009) find a negative influence in Ghana
- ❑ Such divergence has led to the emergence of a BDS debate:
 - In other words, does BDS support entrepreneurial creativity or not?
- ❑ In this paper, we postulate that it does, but only if implemented correctly

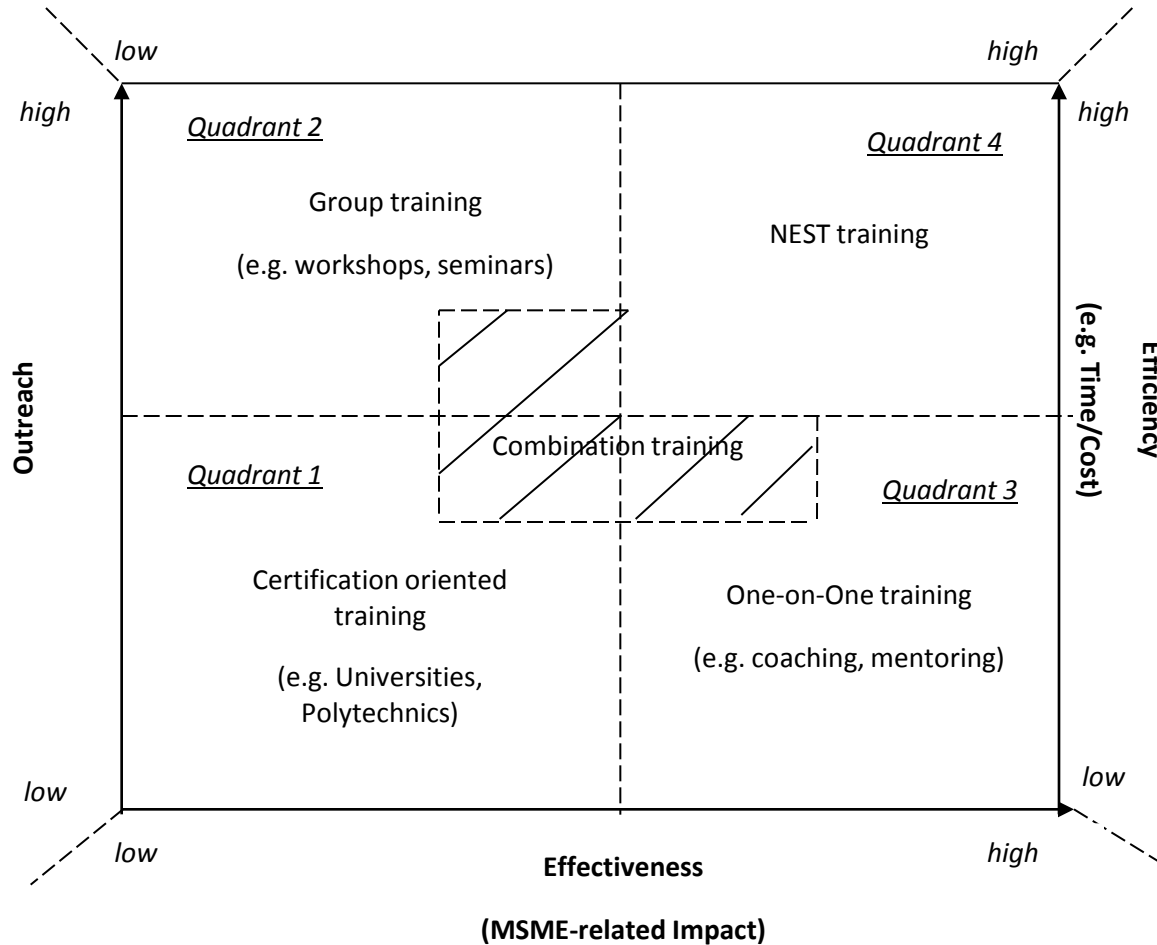
Insights from multidisciplinary perspectives



- ❑ We derived this assertion from research conducted outside the boundaries of the international development literature:
 - Organizational behavior , training and development, entrepreneurship, economic development, neuroscience and sociology
- ❑ Four key insights:
 - ❑ Training design is deemed important for training transfer
 - ❑ That design will have to be a transformational process
 - ❑ Implementing such behavioral change is not easily achieved in a short time frame
 - ❑ Training designs should be horizontal and participative combining the experiences of both external experts and local participants



A generalizable framework





Quadrant 4 - the missing link

- ❑ To maximize entrepreneurial creativity, donor agencies should develop training design that would position BDS in quadrant 4.
- ❑ This training design needs to take into account 6 elements:
 - Target high growth potential MSMEs to support entrepreneurial creativity, but not at the expense of livelihood at survivalist activities
 - Be based on a scaffolding approach of gradually transferring responsibility for learning to learners
 - A Q4 training design does not come with a pre-determined bags of tools
 - Builds on current forms of BDS delivery and does not displace current efforts
 - Explicitly recognizes that training does not take place in an environmental vacuum
 - Needs to incorporate an affective socialization element



Introducing NEST

- ❑ At the broadest level, the above propositions outline two themes of key relevance to a quadrant four training design:
 - socio economic transformation and empowerment

- ❑ Socio economic transformation: an explicit recognition that entrepreneurial creativity and capacity development can alleviate poverty

- ❑ Empowerment: Recognition that through scaffolding, BDS should encourage MSMEs to take ownership of their own development



Implementing NEST

- ❑ Key guiding principles:
 - Needs to target both business/managerial and entrepreneurship creativity development to maximize outreach and efficiency
 - Implemented through a staged process
 - Grounded in scaffolding technique where trainees need to be supported and encouraged to take responsibility for their own learning
 - BDS agencies need to be cognizant of a potential long lead time, especially in the early conceptualization of the training program
 - NEST training is not just a technical solution but also a social one



Conclusion

- ❑ Our aim through this commentary has been to postulate a position paper that provides a new agenda
- ❑ That said, we recognize the need for future research to critique and refine the theoretical perspectives we postulate in this paper.