

APEC Human Resources Development Working Group

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#### **EXECUTIVE SUMMARY**

This paper is the output of the three-day seminar-workshop on developing a framework on mentoring/coaching out-of-school youth on entrepreneurship. The objectives of the seminar-workshop hope to address the project initiative of transforming the out-of-school youth in the Asia-Pacific region into economically-productive and sustainable citizens. This seminar-workshop brings together entrepreneurship experts, out-of-school youth and mentors/coaches to exchange information on good micro, small and medium enterprise (MSME) practices and programs for the out-of-school youth, including various mentoring/coaching approaches employed and resources available.

In developing the framework, six (6) themes were chosen and discussed in this seminar-workshop, namely: learning styles and approaches for transforming OSY into entrepreneurs; self-mastery and entrepreneurship: managing mindset shift from OSY into entrepreneurs; spotting business opportunities for OSY; innovation in marketing: the need for OSY to be market-driving entrepreneurs; taking advantage of science and technology for product and service development and innovation (opportunity expansion); and improving accessibility and availability of financial services for out-of-school youth.

The framework developed will serve as guide for mentors and coaches in helping outof-school youth become an entrepreneur including processes, access to financing resources, business support networks, and marketing, among others.



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#### **PROGRAMME**

AUGUST 26, 2009 (First Day)		
9:30-10:20	Registration	
OPENING CEREMONIES		
10:20-10:30	Welcome Remarks  UNDERSECRETARY ALICIA BALA Policy and Programs Group Department of Social Welfare and Development Republic of the Philippines	
10:30-10:50	MR. JOSE MA. A. CONCEPCION III Presidential Consultant on Entrepreneurship Founding Trustee, Philippine Center for Entrepreneurship - Go Negosyo Republic of the Philippines  HON. RICHARD ALVIN NALUPTA Chairman and CEO National Youth Commission Republic of the Philippines	
10:50-11:10	Objectives, Expected Output and Mechanics of the Seminar  MR. RAMON LOPEZ  Executive Director	

	Philippine Center for Entrepreneurship – Go Negosyo Republic of the Philippines	
11:10-11:30	Introduction of Participants  DIRECTOR GERELYN J. BALNEG  Policy Development and Planning Bureau  Department of Social Welfare and Development  Republic of the Philippines	
11:30-1:00	LUNCH	
1:00-1:05	AUDIO-VISUAL PRESENTATION	
	SESSION I: TRANSFORMING OUT-OF-SCHOOL YOUTH INTO ECONOMICALLY-PRODUCTIVE ENTREPRENEURS: PHILIPPINES IN FOCUS  SESSION CHAIR/SPEAKER: RAMON LOPEZ Executive Director Philippine Center for Entrepreneurship - Go Negosyo Republic of the Philippines	
2:05-2:35	OPEN FORUM	
2:35-2:50	BREAK	
2:50-3:50	SESSION II: LEARNING STYLES AND APPROACHES FOR TRANSFORMING OSY INTO ENTREPRENEURS  SESSION CHAIR/SPEAKER: HENRY TENEDERO President Center for Learning and Teaching Styles Philippines Republic of the Philippines	

WORKSHOP ON LEARNING STYLES AND APPROACHES
SYNTHESIS BY SESSION II CHAIR
OPEN FORUM

#### **WRAP UP**

AUGUST 27, 2009 (Second Day)		
8:00-8:45	REGISTRATION	
8:45-9:00	RECAP	
9:00-10:00	SESSION III: SELF-MASTERY AND ENTREPRENEURSHIP: MANAGING MINDSET SHIFT FROM OSY INTO ENTREPRENEURS  SESSION CHAIR/SPEAKER: MR. EFREN SOTTO Human Resource Consultant and Mindset Guru Republic of the Philippines	
10:00-11:00	WORKSHOP ON SHAPING AND ENHANCING OSY'S ENTREPRENEURIAL MINDSET	
11:00-11:30	SYNTHESIS BY SESSION III CHAIR	
11:30-12:00	OPEN FORUM	
12:00-1:30	LUNCH	

1:30-2:30	SESSION IV: SPOTTING BUSINESS OPPORTUNITIES FOR OSY	
	SESSION CHAIR/SPEAKER: MR. FRANCISCO LAPID Dean Entrepreneurs School of Asia Republic of the Philippines	
2:30-3:30	WORKSHOP ON ASSISTING OUT-OF-SCHOOL YOUTH SPOT BUSINESS OPPORTUNITIES	
3:30-3:45	BREAK	
3:45-4:15	SYNTHESIS BY SESSION IV CHAIR	
4:15-4:45	OPEN FORUM	

#### WRAP-UP

AUGUST 28, 2009 (Third Day)		
8:00-8:45	REGISTRATION	
8:45-9:00	RECAP	
9:00-10:00	SESSION V INNOVATION IN MARKETING: THE NEED FOR OUT-OF- SCHOOL YOUTH TO BE MARKET-DRIVING ENTREPRENEURS	
	SESSION CHAIR/SPEAKER: JOSIAH GO Chairman Mansmith and Fielders, Inc. Republic of the Philippines	

10:00-10:30	OPEN FORUM	
10:30-11:30	SESSION VI TAKING ADVANTAGE OF SCIENCE AND TECHNOLOGY FOR PRODUCT AND SERVICE DEVELOPMENT AND INNOVATION (OPPORTUNITY EXPANSION)  SESSION CHAIR/SPEAKER: MARVIN BEDUYA Professor Asian Institute of Management Republic of the Philippines	
11:30-12:00	OPEN FORUM	
12:00-1:30	LUNCH	
1:30-2:30	SESSION VII IMPROVING ACCESSIBILITY AND AVAILABILITY OF FINANCIAL SERVICES FOR OUT-OF-SCHOOL YOUTH  SESSION CHAIR/SPEAKER: JOHN V. OWENS Chief of Party Microenterprise Access to Banking Services (MABS) Program - Rural Bankers Association of the Philippines (RBAP) Republic of the Philippines	
2:30-3:30	WORKSHOP ON IMPROVING ACCESSIBILITY AND AVAILABILITY OF FINANCIAL SERVICES FOR OUT-OF-SCHOOL YOUTH	
3:30-3:45	BREAK	
3:45-4:15	SYNTHESIS BY SESSION VII CHAIR	

4:15-4:45	OPEN FORUM
4:45-5:30	SYNTHESIS  PRESENTATION OF FRAMEWORK  Philippine Center for Entrepreneurship – Go Negosyo Republic of the Philippines
5:30-6:00	CLOSING CEREMONIES  CLOSING MESSAGE:  HON. RICHARD ALVIN NALUPTA Chairman and CEO National Youth Commission Republic of the Philippines



#### INTRODUCTION

Based on the APEC Human Resources Development Working Group (HRDWG) meeting held in Bohol, Philippines last 2008, the Philippines proposed a seminar-workshop that will address the economic, educational and institutional concerns of out-of-school youth in the Asia-Pacific Region who are acknowledged as catalysts for economic growth given their vast potentials to be economically productive.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) defines the out-of-school youth (OSY) as young individuals of school age from 6 to 30 years old, not enrolled in any educational institution, public or private, for one reason or another, not employed, and not a tertiary level graduate. In the Philippines, result of Functional Literacy, Education and Mass Media Survey (FLEMMS) conducted in 2003 reveals that out of 49,500,000 populations of 6-24 years old, there are 10,442,557 aged 16-24 (21%) who are out of school. The OSY phenomenon is a prevailing concern not only in the Philippines but also in other developing APEC economies that innovative approaches to make them economically productive has to be developed and/or strengthened. For this project, OSY would refer to those within the 15-30 age brackets.

The mentoring/coaching approach in developing the potentials of these young people as entrepreneurs has been implemented in some APEC economies like the Philippines, Mexico, Singapore and Indonesia. The strategy has brought together people in the corporate sector, government and civil society who work as guides, teachers and friends to these young people during the start-up and early development of their business. Given its potential to be replicated in other APEC member economies, the need to develop the parameters and/or general framework for implementing such program was seen. Thus, this seminar-workshop is being proposed as an initial or preliminary work to gather relevant information that would strengthen its implementation in support of APEC principles of ensuring that no sector/no economy is left out in the pursuit of regional economic integration.

Under this project, which was proposed by the Philippines and co-sponsored by the People's Republic of China, Republic of Korea, Chinese Taipei, Thailand, Brunei Darussalam, and Malaysia, a three-day seminar-workshop was held in Manila, Philippines on August 26-28, 2009 participated in by male and female small and medium enterprise (SME) experts, young entrepreneurs, out-of-school youth, and experienced mentors and coaches on entrepreneurship from the government and non-

government/private sectors of APEC member economies. Other organizations catering to out-of-school youth were also invited as participants.

With the Department of Social Welfare and Development (DSWD) as project overseer and the National Youth Commission (NYC) under the Office of the President, the Republic of the Philippines partnered with the Philippine Center for Entrepreneurship – Go Negosyo, a private foundation whose advocacy promotes entrepreneurship, in planning and implementing this project.

#### SEMINAR-WORKSHOP OBJECTIVES

Generally, this seminar-workshop intends to develop a framework on Mentoring/Coaching OSY on Entrepreneurship. The objectives of the seminar-workshop hope to address the project initiative of transforming the out-of-school youth in the Asia-Pacific region into economically productive and sustainable citizens. To realize this, the seminar-workshop:

- 1. Provides a venue where entrepreneurship experts, out-of-school youth and mentors/coaches can exchange information on good micro, small and medium enterprise (SME) practices and programs for the out-of-school youth, including various mentoring/coaching approaches employed and resources available;
- 2. Gathers preliminary information on possible areas of entrepreneurial skills where OSY can be mentored; and
- 3. Provides a guide for helping OSY become an entrepreneur including processes, access to financing resources, business support networks, marketing, among others.

As the project intends to develop a framework on mentoring/coaching out-of-school youth on entrepreneurship, the target beneficiaries are the out-of-school youth, both men and women from APEC member economies who will be invited to share their experiences in becoming successful entrepreneurs. From their sharing, they would be able to articulate their potentials as well as the entrepreneurial knowledge and skills they need as bases for developing the framework culled out from their experiences.

SME experts and experienced mentors and coaches from both the government and non-government institutions in APEC member economies will also have the opportunity to further enrich their knowledge and learn from the sharing of the OSY and other experts, an opportune time to enrich and/or strengthen their current entrepreneurship programs

The project will also benefit program planners in their search for innovative approaches in helping the OSY.

#### FRAMEWORK OF THE WORKSHOP-SEMINAR

Through the APEC-approved program designed by the Philippine Center for Entrepreneurship Go-Negosyo, the participants of this seminar workshop were primarily exposed to a framework that has four (4) main components leading to entrepreneurship development. Such led them in developing their respective entrepreneurial framework. These components are as follows:

- 1. Positive Entrepreneurial Mindset
- 2. Market-Oriented Enterprises
- 3. Innovative/Creative and Knowledge-Based Enterprises
- 4. Accessible Financing Services and Financially-Literacy

The four (4) components are further broken into seven (7) sessions, which will create the necessary environment for the participants to fulfil the seminar-workshop, namely:

- 1. Transforming Out-of-School Youth into Economically-Productive Entrepreneurs: Philippines in Focus;
- 2. Learning Styles and Approaches for Transforming OSY into Entrepreneurs;
- 3. Self-Mastery and Entrepreneurship: Managing Mindset Shift from OSY into Entrepreneurs;
- 4. Spotting Business Opportunities for OSY;
- 5. Innovation in Marketing: The Need for Out-of-School Youth to be Market-Driving Entrepreneurs;
- 6. Taking Advantage of Science and Technology for Product and Service Development and Innovation (Opportunity Expansion); and
- 7. Improving Accessibility and Availability of Financial Services for Out-of-School Youth.

#### **METHODOLOGY**

The three-day seminar-workshop will start from the individuals' sharing of experiences of the OSY, experts and mentors/coaches before engaging them in a workshop discussion together with other participants to identify success factors, possible areas of skills where OSY can be mentored/coached including the financial and technical support available for OSY in becoming successful entrepreneurs. Results of the discussion and workshop outputs shall be documented and analyzed as inputs for the development of the framework. There will be a combination of the following methodologies:

- Visual and oral presentations
- Discussion groups
- Open forum

- Workshops and group discussions to be participated by SME and economics experts, mentors, OSY and participating organizations providing entrepreneurial services to OSY
- Plenary for the presentation of the workshop results

#### **WORKSHOP PARTICIPANTS**

All the 21 APEC economies were invited to send their delegates to this seminar-workshop. To assist APEC economies in determining who will they send as delegates, potential delegates from each economy were given and asked to respond to the Personal Entrepreneurial Competencies (PECs) Self-Rating Questionnaire, which determines whether an individual measures up to the behavioural patterns of an entrepreneur. See Annex A.

Of the 21 APEC economies, only the Philippines, the project proponent economy, together with co-sponsor the People's Republic of China and the Indonesia, attended the seminar-workshop. Other co-sponsors like the Republic of Korea, Chinese Taipei, Thailand, Brunei Darussalam, and Malaysia were not able to participate.

Japan, through the Japanese Embassy in the Philippines, sent an observer-delegate. Viet Nam and Chile initially indicated their intention to participate but later on sent their regrets.

As a pre-work, the delegates provide a economy report on the state of out-of-school youth as well as entrepreneurship in their respective countries. Please see Annex B.

#### SESSION SPEAKERS

Invitations to submit the names of recommended session speakers for each session were sent to all APEC economies through the APEC Secretariat. The minimum qualification requirements were as follows:

- 1. The speaker for each session must come from any of the APEC Economies and must be an expert on the session topic.
- 2. He/She must be a graduate degree holder.
- **3.** He/she must able to engage the youth in the discussion and integrate youth's perspective and experience with the topic assigned.
- **4.** He/she must have in-depth awareness of the relevant issues and concerns of the APEC community (i.e. out-of-school youth, entrepreneurship, etc.).
- **5.** He/she should preferably be an entrepreneur-mentor.

The following were the session chairs and speakers in the recently-held seminar-workshop.

#### Ramon Lopez

Session 1: Transforming Out-of-School Youth into Economically-Productive Entrepreneurs: Philippines in Focus

As the Executive Director of the Philippine Center for Entrepreneurship (PCE) – Go Negosyo, he leads the development and execution of strategies and programs of the Go Negosyo advocacy of the PCE to promote the spirit of entrepreneurship in the economy.

Advocacy programs include the holding of Go Negosyo forums, seminars and expos, media campaigns, mentoring and business assistance to micro and small entrepreneurs, production of weekly Go Negosyo TV program, website (www.gonegosyo.net), books, weekly newspaper column, PR campaigns, among others.

He is the Vice President and Head of Strategic Planning, former Head of Market Development Group of the RFM Corporation. Together with the President and CEO, he oversees the group-wide development and execution of key corporate strategies and programs, and special projects that cover all aspects of operations, with special focus on corporate restructuring, mergers and acquisitions, marketing, sales, finance, R&D and the supply chain.

Lopez is the General Manager of the Kettle Foods Corporation – makers of Kettle Korn Popcorn and Snowstorm soft-served ice cream (with 50 branches nationwide and network of over 300 dealers).

He acquired his Master's Degree in Development Economics from Williams College of Massachusetts, USA, and finished his Strategic Planning Program from University of Michigan.

#### **Henry Tenedero**

Session 2: Learning Styles and Approaches for Transforming Out-of-School Youth into Entrepreneurs

Prof. Henry Tenedero is the Director of the Executive Council of the International Learning Styles Network (ILSN) Global Leadership Forum and President of the Center for Learning and Teaching Styles Philippines (CLTS) and MINDful Ideas. He has been at the forefront of educational advocacy and reform in the Philippines espousing the International Learning Styles Model in Philippine schools and corporate institutions.

Tenedero acquired his Master's Degree in Development Management at the Asian Institute of Management and graduated from Harvard University's

Graduate School Program for Professional Education Leaders. He serves as Chair of the International Movement of Development Managers, Chapter Convenor of the AIM Alumni in Baguio, and Board Director for 2008 of the Philippine Marketing Association.

His professional background includes being the Public Affairs Director of the Philippine Refugee Processing Center, a project funded by the United Nations High Commission for Refugees (UNHCR), a visiting Fellow at the Center for Immigration Policy and Refugee Assistance at Georgetown University in Washington D.C., at Oxford University's St. Anthony's College, and at Radio Veritas in Rome, among others.

From his beginnings as a conference participant which has brought him to establish CLTS and MINDful Ideas, he is now an active presenter at the Annual Learning Styles Leadership Institute in New York, and a board member of the International Learning Styles Network (ILSN).

The CLTS has also published a number of Professor Tenedero's books tackling their organization's advocacies for parents and educators alike, such as "Cooking Up A Creative Genius"," Breaking the IQ Myth"," Super Teacher", "MINDful IDEAS", "Using Passion and Lughter in Your Presentations" and "AHA! I Gotcha!".

#### Efren 'Ping' Sotto

Session 3: Self-Mastery and Entrepreneurship: Managing Mindset Shift from OSY into Entrepreneurs

He is presently the Learning Consultant for some local and global organizations for programs listed below. On the business side, operates six (6) Shell Service stations in Metro Manila. He co-authored a book entitled "Go Negosyo: 21 Steps on How to Start Your Own Business".

He has run programs on self development, leadership/supervisory skills, asserting and influencing skills/business communications, marketing/selling/negotiating skills, problem solving & decision making techniques, planning/teambuilding/change, media management and retirement.

Sotto started as a Marketing Representative for Mobil Oil Philippines (1978) before he transferred to Pilipinas Shell Petroleum Corporation (1983). He left Pilipinas Shell Petroleum Corporation (PSPC) in 1996 as Training Manager, concurrently acting as a Regional Training Resource (1994-96) for the Shell Regional Training Administration based in Singapore. He has run various programs for US-based, Asian, and Middle East-based companies.

His areas of expertise are learning technologies (training needs Identification/analysis, competence matrices) and design/development/delivery of structured learning events.

#### Francisco 'Pax' Lapid

Session 4: Spotting Business Opportunities for Out-of-School Youth

He is an experienced senior business consultant and entrepreneur with extensive background in the information technology/retail/oil and gas industries. He worked for Shell (local operating unit and international operations) for over 22 years and was assigned to various functions that included Retail & Commercial Marketing, Supply Operations, Strategic Planning, Treasury, and Information Technology.

His career in Marketing/Project Management made him an ideal candidate for the SAP R/3 Template team in Shell London as the ASEAN Business representative.

Pax's competence and decision-making abilities are in the following areas: retail marketing and operations, supply chain management, new business development/affiliate company set-up, project management and systems development and implementation.

As an entrepreneur, he has launched four companies (2 food companies - Meals & Meats - offering Filipino quick service meals that cater to commuter transients along the expressways, Buns & Meats – quick service sandwich kiosks catering to high traffic Shell convenience stores; a company in the IT/HR industry (Southwest Professional Advantage) offering outsourced systems development services to North American Retail/supermarket chains); an agribusiness called St. Mellion Farms that grows high valued crops (esp. lettuce) for food processors and international fast food chains/restaurants.

He is an adjunct faculty at the Asian Institute of Management where he shares his retail knowledge through workshops and modules. Pax is also the dean of the Entrepreneur School of Asia where young aspiring students are taught how to set-up and manage their own business ventures.

#### **Josiah Go**

Session V: Innovation in Marketing: The Need for Out-of-School Youth to be Market-Driving Entrepreneurs

Go is the Chairman and Chief Marketing Strategist of Mansmith and Fielders, Inc. (www.mansmith.net), the leading marketing and sales training company in the Philippines. He is also the President and CEO of Waters Philippines, the market leader in the direct selling of premium health durable products in the Philippines and the Chairman of both Noah Ventures, Inc. and Gosingtian Ventures, Inc., both investment companies.

Known as one of the economy's most respected marketing gurus, he is considered as the most awarded business educator of the economy having been recognized as one of the Ten Outstanding Young Men (TOYM) of the Philippines in 2001, as one of only three in Business Education in the entire 40-plus-year history of the Junior Chamber of the Philippines, and as one of the Ten Outstanding Young Persons (TOYP) of the World in 2002, the 1st and only Filipino in Business Education given by World Jaycees. Earlier in 1994, he was recognized as one of the Agora Awardees for Marketing Education by the Philippine Marketing Association. Most recently, he was given the rare Lifetime Achievement Award by the Association of Marketing Educators (2007), the youngest marketing educator to be bestowed this honor.

He is also the first Filipino to have completed the Blue Ocean Strategy qualification process in Insead, France under no less than the creators of Blue Ocean Strategy themselves, Kim Chan and Rene Mauborgne, and is the first in Southeast Asia to have taught this as a 3-unit, full semester course in a university.

A bestselling author with over ten marketing books, he took advance marketing programs at Kellogg, Wharton and at the London Business School.

His current area of interest is in Market-Driving Strategies, the latest marketing concept that helps companies create game-changing innovation by targeting marginal and non-customers in their industry while altering the firm's business system.

He trains and/or consults with many local and multinational companies and has handled over 500 seminar-workshops.

#### Marvin Beduya

Session VI: Taking Advantage of Science and Technology for Product and Service Development and Innovation (Opportunity Expansion)

Now, Marvin is a teacher and management consultant in innovation and change management. He has two personal advocacies. Firstly, he has been publishing a blog on innovation, books, political economy and history at http://synthesistblog.com since February. Second, he is involved in a non-partisan, election-related advocacy on benchmarking international electoral practices and has a key role in a project to prepare for possible congestion issues as consequence of election automation.

As consultant, he currently has projects in enterprise valuation, venture capital financing, economic land use (coffee and black pepper farming), and corporate culture change. He also has revived a company ravaged by the high import prices and competition from China.

He was also a change manager. As Managing Director of a Singaporean-owned New Zealand-based fruit processing company, he staunched losses via right sizing to prepare company for merger.

Marvin combines love for knowledge with practical experience. He has been responsible for strategic business units and profits since 1995. Marvin loves continuous learning and teaching.

#### **John Owens**

Session VII: Improving Accessibility and Availability of Financial Services for Out-of-School Youth

A lawyer and microfinance specialist with over 21 years of experience in microfinance and microenterprise development, John Owens has worked and lectured in various parts of Africa, Asia, the Caribbean, Latin America, and the Middle East. He specializes in helping banks set up profitable microfinance departments. He has managed several high level microfinance projects and has written and lectured on various aspects of microfinance services. He is currently working for Chemonics International as the Chief of Party for the USAID-funded Rural Bankers Association of the Philippines Microenterprise Access to Banking Services (RBAP-MABS) program in the Philippines, which provides technical assistance and training to more than 100 rural banks. The MABS program created a systematic approach for introducing microfinance to rural banks, which has facilitated the rapid expansion of commercial microfinance in the Philippines. For USAID/Bolivia he managed all technical assistance and training under the Microfinance Activity, which provided support to commercial microfinance NGOs that were in the process of transforming into regulated financial institutions, and he supervised the technical assistance provided to the Bolivian Superintendent of Banks in order to improve the regulatory environment for regulated microfinance institutions.

For USAID/Jamaica, he managed the Microenterprise Development Project that provided support to various microfinance institutions including one of the first commercial banks to enter the microfinance market offering unique micro-loan and micro-deposit services via the postal savings network. Owens was also a US Peace Corps small business volunteer in Jamaica where he managed a USAID grant under the Small Business Association of Jamaica. He was awarded the US Peace Corps Volunteer of the Year in Jamaica in 1990.

#### MESSAGES DELIVERED DURING THE OPENING CEREMONIES

In the opening ceremonies of this three-day seminar-workshop, **Undersecretary Alicia Abala** of the Department of Social Welfare and Development of the Philippines gave the welcome remarks. In her message, she expressed that the strength of a nation is contingent to its youth, such as the future of the nation is predicated to the development of the youth as well. Thus, it is imperative that interventions be provided to promote and capacitate the youth in response to their needs and challenges.

Abala likewise claimed that the out-of-school youth can serve as catalyst for economic growth and development. They should be empowered by formulating and strengthening innovative approaches to help them reach their full potential. Thus, she emphasized that the seminar-workshop is a good chance on the part of the government, private sectors, and civil society to work for a common cause, and that is to empower the out-of-school youth.

**Mr. Jose Ma. Concepcion III**, Presidential Consultant on Entrepreneurship and Founding Trustee of the Philippine Center for Entrepreneurship-Go Negosyo, said that the key to success is a change of mindset and attitude that are both positive and enterprising. He emphasized the importance of encouraging the youth especially the out-of-school youth to have this mindset and to have hope and confidence, recognizing that they are in a more challenging situation being undereducated and usually not having the required experience to get a job. He claimed that nothing will come out of complaining, and that OSY need to take control of their destiny.

Concepcion articulated that it is Go Negosyo's hope to help build their future by creating forums and expos and other venues for them to be inspired, empowered and be given entrepreneurship education. Go Negosyo has programs nationwide, together with key Go Negosyo mentors and volunteer educators "Angelpreneurs" and key government agencies, that will push for entrepreneurship education in all regions in the economy. Indeed, this is taking Go Negosyo to the next level to add on to the current programs of bringing forums, expos, weekly TV program and newspaper columns that bring information, tips and advises, an interactive website, and books on inspiring entrepreneurship stories, as well as how to start and grow one's business.

In his message, **Mr. Richard Alvin Nalupta**, Chairperson of the National Youth Commission, said that there is a need to improve the situation of the youth, specifically in giving them opportunities for self-employment and enterprise development. He hoped that the output of this workshop will be one of the guiding principles of youth development not only in the ASEAN but also among APEC economies.

#### **SUMMARY OF SEMINAR TALKS**

## Transforming Out-of-School Youth into Economically-Productive Entrepreneurs: Philippines in Focus

Ramon Lopez shared the status of entrepreneurship in the Philippines and the profile of Micro, Small and Medium Enterprises and their contribution to employment and the economy's Gross Value Added. He also discussed the Filipino youth situationer, and the programs and services of the Philippine Center for Entrepreneurship – Go Negosyo.

#### **Entrepreneurship: The Philippine Situationer**

Lopez reported that while MSMEs account for 99.6% of the economy number of enterprises, they account for 70% of employment and only 22% of GDP. There is a need to have a flight from quantity to quality and to scale up from micro to small to medium and to large enterprise. Efforts must address the importance of developing competitive and innovative enterprises.

Lopez also presented the major factors that limit entrepreneurship. The general culture of pessimism and love for complaining and dole-outs hinder many from pursuing an entrepreneurship. Many of them lack the passion and drive to succeed in life, thus, the importance of a mindset change.

For those who have ventured into entrepreneurship, he emphasized the need to be more market-oriented, to have more innovations and relevant differentiation in products and services to increase the chances of success and growth. Consumer insights, needs and wants in different market segments must always prevail. There should also be emphasis on pursuing one's passions, strengths and experience.

The change can also start by enhancing the economy educational system, particularly basic education system that will encourage more positive values, creativity, self-sufficiency and personal initiatives contributing to building an entrepreneurial culture.

Efforts must address the lack of knowledge and information on how to start and manage a business. Risk aversion is high, which reflects such lack of know-how and confidence in engaging in business.

Innovations and technology support and incubation must improve to address the economy low capacity to engage in technology-based ventures and the lack of innovative start-ups. The economy low rates of use of new technology suggest that exploring opportunities rooted in technological innovations may hold the key to improving productivity and the quality of products and services.

Finally, there is perceived lack of appropriate financial help and resources, and inaccessible financing assistance. The need for greater awareness on the availability of government and private institutions' micro-financing programs was stressed.

#### Youth Situation: Current State of the Filipino Youth<sup>1</sup>

The youth population in the Philippines was estimated at 23.2 million in 2004 or 28.5 % of the total population of 82.7 million. It is estimated that Philippines has 90,547,200 by the year 2008 (2000 Census based on Population Projection, NSO)

They are categorized into four (4) sub-sectors, namely; (1) in-school youth; (2) out-of-school-youth; (3) working youth; and (4) youth with special needs.

The Philippines is considered as an economy with high literacy rate, it is because majority of the young people have attained education. The Department of Education (DepEd) definition, the youth encompasses the ages of 7 – 16 years of age. The basic education or the elementary years at 85% indicated a very high participation rate, and there is a steady increase in attendance. However, reports also showed that the secondary education had fairly large proportion of students who attended high school but also a big proportion of it did not continue. Over 55 % of those aged 13-16 were able to enroll.

Access and quality education are key issues among school-going age groups. These issues are more critical for those who are in tertiary level age group because most of the colleges and universities are concentrated in most urbanized areas and generally not accessible to all income levels.

Currently, while there is a high participation rate in the elementary level, the dropout rate was also considerably high. Statistics showed that of the 100 school age children qualified to enroll in elementary school, 90 of them entered Grade 1. Only 40 graduated in secondary education and 21 of them enrolled in college and 12 would graduate in tertiary education. Of these, one entered the labor force and seven took their respective licensure examinations. However, only three passed from these exams.

The government has been creating supportive environment in terms of policies and program, yet the increasing incidence of OSY and the number of rural youth who are also out of school continue. This clearly indicates that there is a need to promote and advocate for rural and OSY education. In the final analysis, education must be for everyone.

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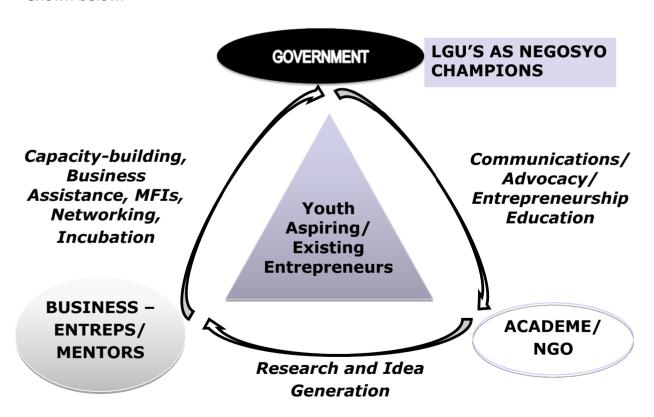
<sup>&</sup>lt;sup>1</sup> Excerpts from Youth Situation: Current State of the Filipino Youth, prepared by the National Youth Commission. "Addressing Challenges and Opportunities for Rural Youth Employment in Asia". Chiang Mai Thailand, 17-19 August 2009

## Go Negosyo: Responding to the Call of Nation-Building through Entrepreneurship

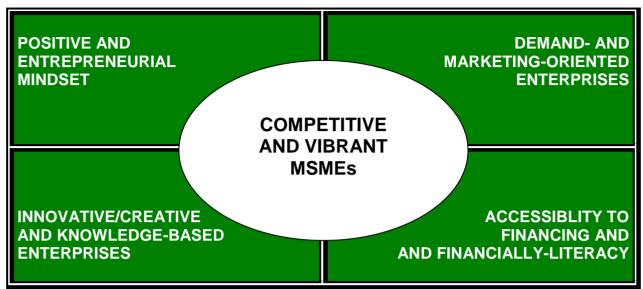
Go Negosyo as the advocacy of the PCE, a non-stock, non-profit organization that advocates for a change in mindset and attitude and promotes entrepreneurship education. PCE believes that the Filipinos can address poverty by engaging in entrepreneurship, or at least in having a positive and enterprising mindset, that means developing an optimistic, passionate, creative and innovative, resourceful, diligent, and persevering character. Indeed, PCE revolutionizes the way of thinking of Filipinos as the way to move up in life.

Under the leadership of its Founding Trustee and Presidential Consultant for Entrepreneurship Joey Concepcion, PCE has set out to achieve its vision through four core programs: (1) communications and advocacy; (2) capacity building/business assistance through mentoring; (3) research and idea generation for purposes of database and policy development; and (4) program partnerships with educational institutions and non-government organizations, entrepreneurs and entrepreneurship mentors, and the government.

Go Negosyo aims to establish a seamless cooperation among stakeholders at the domestic and local levels with the local government units as Negosyo champions, as shown below.



In developing MSMEs, Go Negosyo espouses four strategic imperatives.



GO NEGOSYO STRATEGIC IMPERATIVES

In developing positive entrepreneurial mindset, Go Negosyo strengthens the advocacy by creating more Negosyo Caravans that reach out to existing and budding entrepreneurs in the provinces (Bulacan, Batangas, Camarines Sur, Davao, Bataan, Cagayan de Oro, Cebu, Bacolod, etc.), Women and Youth Summits, Negosyo Seminar Series (Negosems), forums, expos for business models, networking events, and speakers' circuit.

PCE has been able to publish four (4) Go Negosyo books, namely: Joey Concepcion's 50 Inspiring Stories of Entrepreneurs, 50 Inspiring Stories of Entrepreneurs (Celebrity Edition), 55 Inspiring Stories of Women Entrepreneurs, and Go Negosyo 21 Steps on How to Start your Own Business. All of these books are bestsellers in the economy's largest bookstore, the National Book Store.

In 2010, Go Negosyo will publish two more books: Parents' Guide on Know to Make Kids Enterprising and Inspiring Stories of Filipino Micro, Small and Medium Enterprises (MSMEs).

PCE also produces weekly TV show and newspaper column that aim to inspire, empower and educate the Filipinos on entrepreneurship. Together with a very informative and inter-active website (<a href="www.gonegosyo.net">www.gonegosyo.net</a>), PCE presents relevant information on how to start a business, sources of seminars and skills, business models and franchising, financing, and provides for mentorship from our community of entrepreneurs.

Go Negosyo also assists in identifying markets and opportunities. It conducts and participates in various training sessions and forums on market trends and opportunities in close coordination with the Philippine Marketing Association and the Department of Trade and Industry, consumer insighting to determine habits and preferences, market

segmentation, unique selling proposition and differentiation, and technologies. Go Negosyo also participates in trade fairs and missions and in association gatherings for sharing of markets and ideas and for networking.

In nurturing innovative start-ups and bringing ideas from mind to market, Go Negosyo partners with various institutions for technology development and application, toll-processing services and packaging/labelling centers, venture capital and angel investors, and technology business incubation.

#### **Policy Recommendations**

Lopez recommended the following in transforming out-of-school youth into economically-productive entrepreneurs.

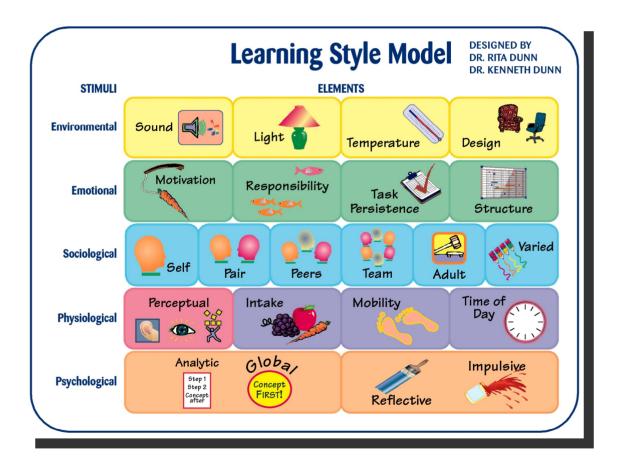
- 1. Expose OSY to value formation, entrepreneurial mindset, attitude and education. The same on- and off-campus programs to be offered also as early as possible, while still part of the elementary and secondary school system.
- 2. Conduct continuous training and entrepreneurship education for teachers ensuring that teachers are well-equipped and highly qualified to teach and mentor students to become entrepreneurs.
- 3. Conduct networking forums and provide market venues/trade areas in malls/bazaars.
- 4. Encourage microfinance institutions and rural banks to develop venture funds for youth entrepreneurs.
- 5. Associations, organizations and institutions advocating entrepreneurship must mentor Out-Of-School Youth on opportunities seeking and product development and innovation, packaging and labeling, marketing and sales.
- 6. Successful entrepreneurs must be champions of "Adopt a Youth Entrepreneur/ organization" program for Out-of-School Youth.

## Learning Styles and Approaches for Transforming Out-of-School Youth into Entrepreneurs

Henry Tenedero said that education is the great equalizer and such gives the youth the drive to realize their dreams. But for the youth to realize their dreams through education, the educator must be an *edutainer*, an educator and an entertainer to ensure that every lesson is absorbed and remembered by the youth.

He also argued that emotional quotient (EQ) can matter more than intelligence quotient (IQ). In communication, it is not what one says, but how he says it. Indeed, there is a need to communicate beyond the syntax of language. There must be passion in communicating, and emotions are always critical in learning.

In the article co-authored by Tenedero entitled *Impact of Learning-Style Instructional Strategies on Students' Achievement and Attitudes: Perception of Educators in Diverse Institutions*<sup>2</sup>, he shared the Dunn and Dunn Learning-Style Model, a model that defines learning style as the way individuals begin to concentrate on, process, internalize and retain new and difficult information. It incorporates twenty (20) to twenty-one (21) elements dependent on the age-appropriate assessments administered. Those elements are further subdivided into five strands that include individuals' immediate *environment* (sound, light, temperature, and seating design), *emotionality* (motivation, task persistence, responsibility and structure), *sociological preferences* (learning alone, in pairs, with peers, as part of a team, with either an authoritative or collegial teacher, or with social variety or in patterns), *physiological preferences* (perceptual strengths, such as auditory, verbal/kinaesthetic, visual text or visual picture, tactual, and/or kinaesthetic; and intake, time-of-day energy levels, and mobility requirements), and *cognitive processing inclinations* (analytic versus global and impulsive versus reflective characteristics).



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<sup>&</sup>lt;sup>2</sup> Dunn, Rita, Henry Tenedero, et.al, Impact of Learning-Style Instructional Strategies on Students' Achievement and Attitudes: Perception of Educators in Diverse Institutions. The Clearing House. Vol. 82 No. 3. January-February 2009, pp. 135

With this model, individuals are either analytic or global processors or a combination of both called *integrated*.

In the same article, it was argued that learning style has impacted students beyond the classroom. Based on surveys, learning style, as a dimension of diversity, encourages everyone to respect and accept a variety of appropriate behaviors in the teaching and learning process. Teachers also become self-motivated to internally reflect on their philosophy of education as it impacts everyday interactions with students and colleagues. Students accept responsibility for their learning regardless of their instructor's teaching style.

Through learning styles, teachers deliver content in ways that better match students' strengths. This leads to increased academic performance and improved attitudes among the students. Exposure to learning style requires recognition of the need for diverse strategies designed to complement individual differences. As a result, teachers make a concerted effort to eradicate the one-size-fits-all approach and acknowledge the need to modify their classrooms, instructional practices, and assessments.

Learning styles also improved the perceptions of the students' personal abilities and empowered them to strive beyond what they had previously accomplished. When students understand how they learn best, they inevitably adjust conditions and devise strategies for facilitating their progress. They become able to study more effectively and realize that it is not what, but how they study that really counts.

## Self-Mastery and Entrepreneurship: Managing Mindset Shift from Out-of-School Youth into Entrepreneurs

Efren "Ping" Sotto, a human resource consultant and mindset guru, presented how the out-of-school youth, by instilling in them positive and entrepreneurial mindset and attitude, can turn into successful entrepreneurs. Below summarizes the talk of the speaker.

According to Sotto, how to get started in anything is usually the most difficult to do. But with the proper motivation, starting a business is as easy as ABC, which is mastering one's self, that takes its roots from one's childhood ambition. Ambition is not time-bound says consultant Ping Sotto. It is following what your heart desires in spite of your status and stature in life. This becomes real by believing in the ambition by surrounding oneself in positive and believing people, flooding one's mind with positive affirmations, and thinking and acting on one's dreams as if they are already a reality today.

In pursuing and believing in this ambition, one has developed a clear choice in getting into the right business and not motivated by chance or the influence of a crisis.

If ambition is not time-bound, to dream is for free. Hence, dream big. The choices are guided and driven by these big dreams. However, in accomplishing these dreams, one

starts right by starting small, that is, (1) breaking down the big dream into manageable bits, (2) celebrate small successes along the way, and (3) learning how to say "thank You" every single step of the way.

In mastering one' self, one discovers that one can become both an employee and an employer at the same time. In the end, they are neither mutually exclusive nor sequential.

In many Filipino households, the common mindset is that if one should study hard enough, one gets good grades, passes school and get employed in a good company. But in mastering one's self, one can also become an employer after learning the necessary skills while being in the corporate ladder and learning how to save which one will initially use in starting a business. Along the way, losses and so-called failures will occur but these are lessons that are important in eventually becoming a successful entrepreneur.

In failure, there is fear because of the possible pain and dire consequences one gets from the failure. In order to manage this, one has to manage the level of pain. Essentially, it is delaying the pleasure that will be derived after one has successfully conquered and managed the pain.

All it takes to have a mastery of self is to dream, believe, and achieve. The vision must be accompanied by passion and action towards goals. In going out and mastering one's self, there are no shortcuts but rather a commitment to get started and keep going, regularly checking if one is headed in the right direction.

While big dreams are important, it is far more important to have the commitment and passion coupled with the right attitude to pursue that dream until it becomes a reality.

#### Spotting Business Opportunities for Out-of-School Youth

In his presentation, Francisco "Pax" Lapid went through the ABCs of carefully determining how serious one is in getting into business.

It all begins with a compelling reason. A clear reason for starting a business should be gripping enough to motivate and push oneself, especially in overcoming future obstacles. Once the reason is laid out, one can then begin to explore a bright idea, which is anchored on a product or service that adds value to the customer where the demand is big and sustainable.

Bright ideas are responsible for progress but what it takes for it to become a good business opportunity is triggered by "drivers of business opportunity, which could be one or a combination of: (1) Perspiration or competence from one's skill or talent, (2) Inspiration, or a chance in developing a potential success, and (3) irritation, or an idea that stemmed from a gap or a need.

The next step in mastering the opportunity is choosing the market, which is basically knowing who will buy the product or avail of the service where the demand is big and sustainable.

This is where marketing is essential and knowing one's demographics (knowing who the market is), geographics (where the market is), psychographics (how and why the market buys).

For the start-up or capital-intensive challenged entrepreneurs, getting into a "niche market" where one does not directly compete with existing players but starts and secures a ready market.

After determining the right market, one should differentiate. Otherwise, competition will kill and cause one's business to die. Dean Lapid defined differentiation as "copying with a slight difference." Practical ways of differentiation are: (1) modify, (2) magnify, (3) minify, and (4) substitute.

After the bright idea and the right market, the potential estimated sale is the next step in mastering the opportunity. Sales are equated with multiplying the price, quantity and frequency (of the product bought). An easy way of estimating sales is checking out existing competition but a much easier way, if possible, is to simply ask competition.

A business idea is a success if it is anchored on a product or service that adds value to the market. The "fit" is finding a solution to their problem and bringing them a happy or good feeling.

Positioning, in relation to finding the best value for the customer, also means knowing how one's product or brand is differentiated in the minds of the customers. It is constantly innovating, re-branding, and improving the product.

Hence, after determining the compelling reason, securing a bright idea, knowing the market, estimating the sales and providing the right value and fit for the customer, one has mastered the opportunity and entry to business is possible and business can be profitable.

## Innovation in Marketing: The Need for Out-of-School Youth to be Market-Driving Entrepreneurs

In his presentation, Josiah Go shared the essentials of marketing, from market-driven to market-driving, from value proposition to value chain, and from marketing orientation to entrepreneurial orientation. His presentation can be best summarized through the article written by Kendrick Go and published in ENTREPRENEUR Magazine, July 2009, entitled "Game Changer: Change the rules of the game to reach new markets".

Having to deal with competition is a constant challenge for any business that doesn't have a monopoly of the market. With so many players in a particular industry offering more and more products and services, a company has to contend with ever diminishing margins. A player may obtain a temporary advantage by coming up with an innovative product or service, but only to be again fiercely besieged by competition before long. As a result, even if companies stage ever more elaborate marketing promotions, they are bound to get engaged in price wars that would ultimately diminish their profits.

A new marketing strategy is being introduced in the Philippines by Josiah Go, a marketing guru and strategist, precisely to address this bleak scenario. Called the Market Driving Strategy (MDS), it is designed to avoid the problems posed by cutthroat competition by allowing companies to instead tap previously underserved markets where there is little or no competition.

Go a company that offers marketing and sales training programs, says that a crucial factor in utilizing MDS is the concept of Logic of Industry (LOI). The LOI is basically what can be considered the keys to success in an industry, and most companies compete within the confines and cycles of the LOI. They do so by trying to be better than their competition or by offering their product or service at a lower price. But according to Go, competing in this context could be a losing proposition because the LOI is usually dictated by the market leader. By competing based on the LOI, he says, the company is actually playing their main competitor's game.

The Market Driving Strategy or MDS thus advocates breaking the rules of the LOI by either significantly modifying the value proposition or the business system or both, with the objective of competing in a previously overlooked or nonexistent market. When a company makes such modifications, it gives itself the leeway to seek out new markets and put up competitive barriers that could prevent or at least delay the entry of competitors in the new market that it has created.

Go says that one way to alter a business system or value proposition is to look for and adopt practices of other industries that can enhance your own business. He explains that a company need not fear that its efforts would simply be used by competition, for more often that not these changes would either be too costly for them or would be at odds with their core competency.

Traditionally, Go say, companies have focused on market-driven strategies that emphasize the ability to attract and retain customers. This results in brand switching tactics such as promos to grab market share from other industry players. But Go says that this strategy ultimately just leads to attrition, and as the competing products become too similar, more resources must be expanded to gain market share, further leading to diminishing returns. "If the value proposition is wrong and you start changing the marketing program, then you are just attacking the symptom," he says.

In contrast, MDS focuses on playing a different game rather that playing the existing game better. It is a strategy that aims to gain for companies a sustainable advantage by

radically modifying their value proposition and business system, thus leading to unique products and services.

To modify your own systems, Go advises looking towards other industries. "You still have your existing competencies. Otherwise, you get left behind." He says that these changes could be simple by themselves, such as minor design modifications or the addition of a service, but the important thing is to find something that your opponent cannot do or cannot quickly adapt to.

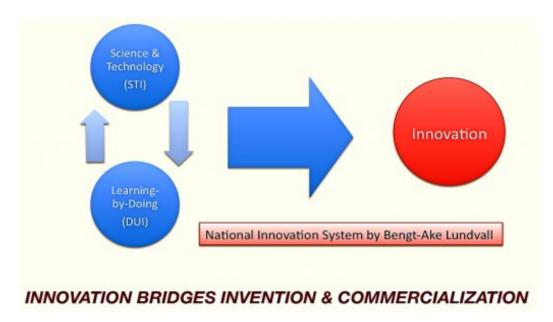
In introducing changes, Go says, a company must take care not to cannibalize their existing consumer base or distort their brand image. To avoid these problems, spinning off the product or service into a separate division might be advisable. "If you come up with an innovation," he says, "don't kill your main product or service because it is inconsistent with your brand. What you can do is spin it off into another brand instead."

## Taking Advantage of Science and Technology for Product and Service Development and Innovation (Opportunity Expansion)

Professor Marvin Beduya focused on competence-building techniques as inputs into learning-by-doing to be the best way to increase the OSY's chances of success.

Professor Beduya based his proposal on these considerations.

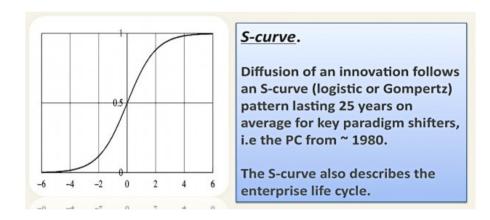
First, the substrate on which the OSY enterprise will operate is described by an economy innovation system model that says continuous innovation is achieved by the continuous interaction – a virtuous loop – between science and technology and learning-by-doing or competence building.



Professor Beduya explained that there is an oversupply of available product technologies that is often available for free from private and public sources like meat processing, baking, coffee and black pepper farming, etc. These sources like culinary schools, franchising companies, government agencies of the Republic of the Philippines that support training services for entrepreneurs (i.e. Training Resource Center or TRC, the Technical Education and Skills Development Administration or TESDA, and the Department of Science and Technology or DOST, ingredient companies, and the like support and encourage new systems and technologies.

Unfortunately, the Philippines has a hollowed out competence-building infrastructure when industry became hollowed out in the past few decades – industry was lost as the setting for learning-by-doing. Where we have technology parity is often across a customs fence in the export processing zones. There is a need to rebuild this capability.

Second, the range of technologies the OSY can invest in are mature and generally available from public and private sources. They are located at the upper right quadrant of all technologies in the innovation S-curve as shown in the diagram.



The main sources of success include: (a) differentiating from depth of product knowledge, the delivery of quality products and/or service and (b) communicating and delivering products to a wider market, say through web sites and social media marketing.

Third, the potential of the OSY and their enterprises come from their talent, available time, personality and the like and less from real funds.

OSY who are already on "survival entrepreneurship," like sidewalk selling and even petty crime, have developed personality traits like ingenuity and tenacity coming from necessity that are ingredients to entrepreneurship. The OSY often excel at solutions obtained by trial-and-error that, often become 'trade secrets.'

Thus, the major framework is described in the table below:

Suggested Technology Framework to Support O-S-Y Enterprise		
1. Basic product technology toolbox	FREE or subsidized starter kits from private and public sources – coffee from Nestle, TLRC, etc. – especially for new entrants. Regularly updated.	
2. Enabler and enabled systems technologies like ICT and MIS	Common service facilities (i.e. cloud-based) for a nominal fee (to get commitment) for access and for development support for existing enterprise in:  • core Enterprise Resource Planning and modules  • web site development and SEO  • social media marketing	
3. Continuous competence-building suite in innovation & change management	Continuous training programs to support growing OSY enterprises. Available for a fee to get commitment.	

ICT and computerized management information and control systems are critical enablers but they mainly strengthen the base of the enterprise. Continuous competence-building techniques provide the offensive capability, so to speak, in improving the OSY enterprise. His proposal on these techniques has three parts as submitted below. These interventions in competence-building are the gold star and is the missing element in present efforts not only for OSY but even for SMEs.

Too much is lost when small firms engage in fire-fighting, trial-and-error methods without learning from them in an organized way. When they do not codify the knowledge to be readily accessible, the firms do not reach the critical mass of know-how to ascend the S-curve and remain unable to cope with new challenges. They stay in survival mode.

Continuous Competence-Building (Learning-by-Doing) Suite		
1. Technical change management to retain for ready access the results of 'trial-and-error' as formal experiments	Experiment design, specification and procedures library set-up and change control	
2. Product development techniques, reliability and variability management tools	House of quality (QFD), conjoint analysis, concurrent engineering. Statistical quality control, process mapping and control	
3. Corporate culture change management techniques	WorkOut, punctuality and time management, process documentation	

The draft menu of technical support I propose above, leaves it up to the individual entrepreneur to build his business up from the ground, if he is an entrant, or to

strengthen an existing business if has reach the lower kink of his enterprise S-curve and is preparing for faster growth. This he will accomplish with his usual ingenuity and tenacity learned in the hard challenges of his daily life.

## Improving Accessibility and Availability of Financial Services for Out-of-School Youth

John Owens presented the financial services available for out-of-school youth and how out-of-school youth-entrepreneurs can better prepare themselves and their businesses to access financial services.

He emphasized then need for APEC economies to engage financial intermediaries to create in environment of greater accessibility and availability of financial services for out-of-school youth entrepreneurs in expanding their businesses.

He presented the external factors that affect access to financial services. According to Owens, APEC economies must ensure that the socio-economic, political and legal environment, macro-economic policies, and regulatory environment must make it conducive for the out-of-school youth to have access to these financial services.

Owens likewise shared the microfinance strategy of the Philippines. This strategy envisions a viable and sustainable microfinance sector. The economy is operating in a market-oriented economy; while the government provides the enabling environment, the private sector plays a major role in ensuring the accessibility and availability of financial services.

Based on the report of Central Bank of the Philippines, the microfinance landscape in the Philippines is basically comprised of three microfinance institutions – banks, cooperatives, and non-government organizations.

There are basically 235 banks that provide micro-financing, 208 of which are rural and cooperative banks. So far, they have reached 800,000 micro-borrowers and 5.3 million micro-deposit accounts. Currently, there are 4,579 savings and credit cooperatives and 500 non-government organizations that provide micro-financing.<sup>3</sup>

Owens also added that there are over 600 rural and cooperative rural banks operating through 2,150 head offices and branches. Rural banks cover 85% of municipalities that are well-located to handle clients. They provide fast and efficient processing of services. As a trend, there is increasing investment among rural banks in new technologies to increase accessibility and availability of financial services, such as Automated Teller Machines (ATMs) and mobile phone banking services.

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<sup>&</sup>lt;sup>3</sup> BSP June 2008, PDIC Bank Statistics on Deposits under 15,000 & Mix Benchmarking Report.

The Micro-enterprise Access to Banking Services (MABS) provides technical assistance and training to rural banks in microfinance best practices. The program is designed to develop the capability of rural banks to profitably provide financial services to micro-enterprises. While the program is supported by USAID, no funding is provided for lending and no credit guarantees are provided.

#### **WORKSHOP OUTPUTS**

#### LEARNING STYLES AND APPROACHES

### **Characteristics of Mentoring and Coaching Approach**

The participants of the seminar-workshop resolved that there is no mentoring or coaching approach that fits all out-of-school youth in all APEC economies.

Despite this absence, they agreed that any mentoring and coaching approach for out-of-school youth must be sensitive to the needs and feelings of the out-of-school youth. In the end, such an approach must improve the quality of the out-of-school youth through experiential and hands-on trainings and seminars where they could learn practical entrepreneurship. Through exposure trips, these youth will be exposed to best practices and entrepreneurship models which could be used as benchmark for their existing and future businesses,

In addition, the mentoring and coaching approach must be flexible in the sense that it considers the unique characteristics and needs of out-of-school youth, which are actually products of various factors – socio-cultural, political and economic factors. However, it must still follow a certain standard based on the general characteristics of out-of-school youth to be determined after an extensive research on the similarities of out-of-school youth across national borders.

Moreover, whatever mentoring and coaching approach will be used must be non-conventional, non-traditional and non-formal. The out-of-school youth must be given freedom to express themselves and not to be confined to conventional or traditional pedagogy.

Mentors and coaches must use an approach that is fun and less-structured, simplistic and easy to understand. It must be able to promote the interests of the out-of-school youth.

#### Factors to Consider in Choosing the Mentoring and Coaching Approach

As earlier mentioned, in choosing the suitable mentoring and coaching approach, there must be a general appreciation of situation of the out-of-school youth for every APEC economy.

The following must be taken into consideration to determine the overall characteristics of out-of-school youth per APEC economy: culture and ethnic grouping, language, age and gender, interests and talents, skills and competence, and socio-economic background of the out-of-school youth. Knowing these is important to make the

coaching and mentoring approach more responsive to the needs of the out-of-school youth.

The level of preparedness and effectiveness of mentors must also be considered. Mentors and coaches must have the heart to help out-of-school youth transform into productive citizens and successful entrepreneurs. They must be well-trained in handling out-of-school youth. Their commitment in this endeavor must also be ensured.

Part of the responsibility of each mentor and coach is to know the root causes why these youth remain out of school. Appreciation of this would help them identify the suitable approach to be used. This also equips them to properly handle each of the out-of-school youth they are handling. In the end, each of these out-of-school youth is unique and would require different levels of intervention in order to ensure their transformation into entrepreneurs. Mentors and coaches, in addition, must also consider the motivations and commitment of out-of-school youth to undergo such transformation.

## **Conditions to Ensure Effectiveness of Mentoring/Coaching Approach**

To ensure the effectiveness of any mentoring and coaching approach in transforming out-of-school youth into entrepreneurs, it is not only necessary that the target out-of-school youth, mentors and coaches are committed and willing, but it is also important that stakeholders such as the partner-agencies, both from the private and public sectors, are supportive of these endeavors.

They must closely monitor and evaluate the effectiveness of the approach being used. Should such approach fail, they must be able to identify the root causes why it failed and modify or adjust it accordingly. In addition, they must also be able to monitor the progress of out-of-school youth undergoing such mentoring and coaching program.

Moreover, stakeholders must ensure that there is an entrepreneurial environment conducive for the businesses of out-of-school youth to flourish. The government must have clear policies on out-of-school youth and support services for sustainability. The government must also ensure that financial policies and services are in place. The private sector must also work hand-in-hand not only in creating such environment, but also in making sure that actual mentoring and coaching takes place in all communities.

Finally, there is also a need to eradicate discrimination against out-of-school youth. As already mentioned, many out-of-school youth remain as such not by choice. Discrimination against out-of-school youth is too prevalent and the fact that they are tagged as out-of-school may already sound discriminating. Thus, out-of-school youth must be freed from any discrimination to ensure that not only they feel they are coequals with those schooled but also they too can be productive citizens and successful entrepreneurs.

## SHAPING AND ENHANCING OUT-OF-SCHOOL YOUTH'S ENTREPRENEURIAL MINDSET

The participants to the workshop-seminar agreed that to encourage out-of-school youth to follow their dreams is to be able to participate in meaningful programs and services, in various situational analysis and cases, engage in economic and livelihood productivity support, be part of life-skills training and capacity building, and allow the youth to visualize and draw their dreams in order to serve as a constant reminder for them on the possibilities that they can pursue. Moreover, creating the entrepreneurial atmosphere and enhancing further the entrepreneurial education to encourage out-of-school youth to either engage in entrepreneurship or go back to school, looking up to mentors and coaches who "walk the talk", and learning from the life experiences of successful entrepreneurs who were once out-of-school youth will all further motivate and give confidence to the out-of-school youth to follow their dreams.

The mentor-participants meanwhile hope to contribute in developing and reinforcing the positive and optimistic entrepreneurial mindset and capability through character building and values formation programs that sustains the youth's positive outlook and helping the out-of-school youth identify and discover their talents and skills in order to guide them on what to focus and hone further. It is likewise important for the out-of-school youth to be constantly guided, managing their tendency to become negative and instead, constantly direct and present to them the positive side of the experiences and learnings.

In assisting the out-of-school youth in that critical transition period from their present status and becoming an entrepreneur, exposing them to former out-of-school youth who became successful in their chosen fields was necessary as well as facilitate the shift to shorten the steps from the out-of-school youth denial of their present state to accepting that their situation could drastically change as a result of their choices from the various options and opportunities at hand. It is important, too for the out-of-school youth to realize that not everyone can become an entrepreneur but all could become enterprising. Moreover, workshops on the preparedness in terms of transition may contribute to positive reinforcements and a *Re-branding*, that is, changing the labels of out-of-school youth – would make them believe more in the capability of the out-of-school youth.

In sustaining the entrepreneurial education and capacity building and training programs for out-of-school youth through the interventions of stakeholders, there is a need for close monitoring and evaluation of the beneficiaries, a creation of a long-term plan and an agreement to augment the sustainability of the program. There is also a need to establish a core group to serve as show window of the status and accomplishment of the program and collaboration among NGOs, LGUs and government agencies, and a recognition and innovation of stakeholders to out-of-school youth to have a sense of

ownership on what they gained as entrepreneurs. Lastly, policy-related programs that have to be implemented include the introduction of entrepreneurship in the school curriculum even as early as primary schooling.

#### SPOTTING BUSINESS OPPORTUNITIES FOR OUT-OF-SCHOOL YOUTH

During the workshop, the following were suggested business opportunities that the outof-school youth could engage in:

Entrepreneurial opportunities based on the interests of the out-of-school youth are as follows:

- Refreshment Stand at local games
- Child Care
- Hotdog Stand
- Garden or Yard Care
- Youth Community Center
- Shopping Service for Seniors
- Pet Sitting
- House Cleaning Services
- Jewelry Making
- Sales through Online Social Networking
- Travel Services
- Musical Group
- Repair Services
- Sale of Traditional food
- Local Handicrafts

There are others that can be adequately provided by the government and social intermediaries.

In helping the out-of-school youth gather more information that would allow them to gauge whether or not a business idea is viable, mentors assist in providing information on the market for the product. Mentors likewise help in selecting and consequently producing the marketable product. While the business has been established, the mentor guides the out-of-school youth in determining the right main product to focus.

The significance of mentors guiding out-of-school youth is that the mistakes experienced by the mentors themselves while they were starting in the business will be avoided by their mentees. Moreover, various skills and lessons will have been passed on to the mentees promote better success in the business. In promoting critical thinking and determining a business opportunity at hand, mentors make a link match and tapping their network, or teaching their mentees to network in order to support the out-of-school youth business. Focus group discussions and making use of the mentor's best

practices are two of the ways by which the out-of-school youth could further develop the business.

Other stakeholders, aside from the mentors and government can help the out-of-school youth identify the right business for them by establishing training needs analysis, regularly monitoring and evaluating the business process and thru the availability of government financial support programs.

The APEC economies can adopt measures in order to further assist the out-of-school youth in looking for business opportunities. These include establishing a micro, small and medium enterprises where out-of-school youth products and services could be sold and displayed and a synergy between government and social intermediaries by jointly assisting college graduates by establishing entrepreneurial project base and partner with youth-serving organizations, agencies and institutions which have existing programs in assisting out-of-school youth. These partnerships could generate new ideas and innovation promoting the need for business incubators or facilities, using the necessary technology and management for entrepreneur in promoting and expanding business activities and launch new competitive products within a certain period of time.

## ON IMPROVING ACCESSIBILITY AND AVAILABILITY OF FINANCIAL SERVICES FOR OUT-OF-SCHOOL YOUTH

## Issues and Challenges in Accessing and Availing of Financial Services

Many of the out-of-school youth are below poverty line and this is the main reason why they remain out of school. Given this, out-of-school youth are not bankable and will not be able to qualify and meet the requirements imposed by financial service providers. They have no assets to be used as collateral to financial loans, no savings and no track records of entrepreneurship, especially those who are still budding entrepreneurs. Requirements for loan application are too strict and narrow that out-of-school youth's application for loan is always denied.

To ensure accessibility of financial services out-of-school youth, there is a need for financial service providers to create loan window for out-of-school youth entrepreneurs. Loan application requirements for these out-of-school youth must be flexible enough taking into consideration their financial status and capacity to pay.

Out-of-school youth do not know how and where to avail these financial services. Most of the institutions that provide financial assistance and other services are mostly present in the urban areas of each APEC economy and there are only few in the provinces and rural areas. Indeed, geographical locations of these financial service providers impede effective financial assistance given to our-of-school youth. Providers must be distributed in all parts of APEC economies.

## Intermediaries that APEC Economies can Enhance/Improve to Address the Out-of-School Youth's Financial Needs

As previously raised, there is a need for the domestic and local governments to create policies that would provide out-of-school youth greater access to various financial services given by financial service providers.

Aside from commercial banks, rural banks, cooperatives and non-government organizations must continuously provide lending assistance to out-of-school youth. The out-of-school youth who have become successful entrepreneurs may also form their own cooperatives and non-government organizations to cater to the financial needs of their fellow out-of-school youth entrepreneurs.

Corporations may also enhance their corporate social responsibility (CSR) programs by providing lending assistance to out-of-school youth who are engaged in entrepreneurship.

## Initiatives/Policies in Providing Greater Access to Financial Services for Businesses of Out-of-School Youth

Governments of APEC economies may come up with policies that allocate funds from the domestic budget solely for out-of-school youth who are engaged in entrepreneurship. The out-of-school youth is an untapped economic force that once transformed into entrepreneurs would help improve the economy. Indeed, they represent a promising sector in the economy that should be empowered and transformed into economically-productive citizens.

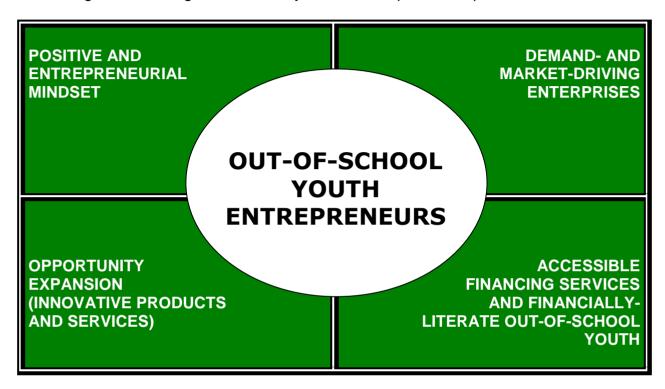
APEC economies must provide training and orientation seminars for out-of-school youth on how to get financial assistance, the requirements needed to be satisfied to qualify, the favorable terms and conditions that should guide their transactions with financial service providers, and the consequences of availing financial assistance.

Also, there is a need to lessen the interests charged by financial service providers for loans secured by out-of-school youth. Providers should consider that out-of-school youth are usually financially-deprived and therefore high interest rates would hinder them from availing such financial assistance.

Moreover, businesses of out-of-school youth must be exempted from taxes and other administrative fees and charges. Policies, such as that of registration of businesses, must be made favorable and encouraging for out-of-school youth to make their businesses legal. In this way, they would prefer not to remain in the underground economy but to surface as legal enterprises.

#### CONCLUSION

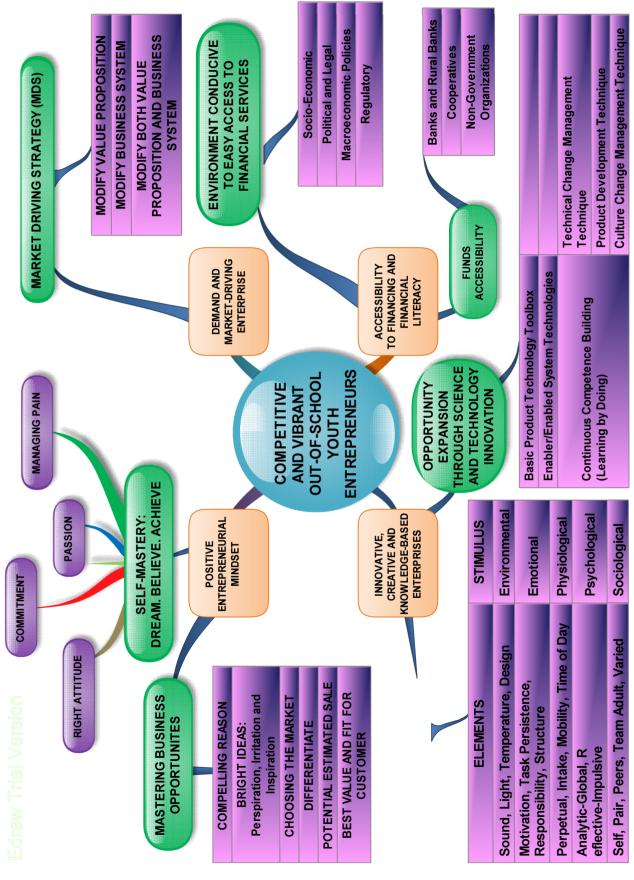
The information gathered from the experts' discussion, workshop outputs and information sharing resulted in the formulation of the entrepreneurship framework on mentoring and coaching out-of-school youth on entrepreneurship as shown below.



Based on the framework above, in mentoring and coaching out-of-school youth to become successful entrepreneurs, mentors and coaches must focus on four major aspects of entrepreneurship: inculcating a positive entrepreneurial mindset, spotting business opportunities that are demand and market-driving enterprises, expanding opportunities through product development and innovation using science and technology, and providing available and accessible financial assistance and ensuring that out-of-school youth are financially literate.

This framework is expected to be beneficial to out-of-school youth themselves as the output will be used to provide them a general guide to become an entrepreneur, while individuals and organizations providing entrepreneurial services to OSY would be able to focus their resources on the processes including the possible areas, knowledge and skills where OSY can be mentored.

As a summary, see the diagram below:



#### POLICY RECOMMENDATIONS

1. There is a need for APEC economies to come up with a uniform definition of an out-of-school youth in terms of demographics and psychographics so that the government and the private sector may be able to specifically address their unique needs and circumstances. Stakeholders must be able to understand and acknowledge the root causes of their being out-of-school in order to properly guide the mentors and coaches on how to best equip the out-of-school youth to become enterprising citizens and successful entrepreneurs.

Moreover, part of defining what is an out-of-school youth is determining how and when does a youth graduate from being out-of-school youth, especially when one has already become a successful entrepreneur regardless of age. Indeed, there is a need to deviate from such label as this would motivate other similarly situated to emulate such successful entrepreneur who is previously an out-of-school.

 Recognizing the potential of what out-of-school youth could be after they have been transformed into enterprising individuals and entrepreneurs, both the government and the private sector must synergize and create an enterprising environment that would inculcate and nurture a positive enterprising mindset among the out-of-school youth.

Out-of-school youth must realize the importance of having a perfect fit between their acquired knowledge on entrepreneurship and their present attitudes and values towards life in general.

3. APEC economies should introduce entrepreneurship as part of the basic education curriculum. Students at this level must be trained to develop critical thinking, among others. There is also a need to create more intensive formal and informal training and education for aspiring entrepreneurs, which should focus not only on the technical-vocational aspect but on business and financial management skills as well.

The out-of-school youth in general still do not know how to adequately start and manage a business. This lack of basic and necessary training and information on starting up and managing a venture seriously limits their capacity to effectively respond to the many existing opportunities. Thus, there must be more in-campus and off-campus exposure to value formation, entrepreneurial mindset, attitude and education through various media – forums, books, seminars and trainings.

There must also be continuous training and entrepreneurship education for teachers, coaches and mentors to ensure that they too are kept-abreast of the various developments in entrepreneurship, and well-equipped and highly qualified to teach, mentor and coach students to become successful entrepreneurs.

Indeed, schools must lead students to aspire not merely to seek jobs upon graduation, but to create jobs; not just to earn incomes, but to create wealth. Education must also instill a sense of innovation and risk-taking, in order to overcome some of the traditional barriers to enterprise development.

- 4. In addition to creating an enterprising environment, APEC economies must spearhead and institute clear and well-defined programs and policies that address the needs of out-of-school youth, such as those that would effectively transform out-of-school youth into entrepreneurs.
- 5. Given that APEC economies represent approximately two-fifths of the world's population, there are plenty of good opportunities for the creation of new ventures. There are new markets to tap and bigger demands to fill. However, out-of-school youth must be properly guided and equipped by mentors, coaches and concerned institutions in order for them to take advantage of these entrepreneurial opportunities.
- 6. Out-of-school youth must familiarize themselves with a system that promotes constant learning and improvement as it applies to their business operations and particular product and/or service. Innovation and constant improvement of business processes will lead out-of-school youth to new and bigger markets ahead of their competitors.

Associations, organizations and institutions advocating entrepreneurship must mentor out-of-school youth on opportunities seeking and product development and innovation. In addition, successful entrepreneurs must be champions of "Adopt a Youth Entrepreneur" program for Out-of-School Youth.

7. APEC economies must encourage microfinance institutions and rural banks to develop venture funds for young entrepreneurs. They must provide financial assistance facilities to enable out-of-school youth to have easy access to financing – low interest charges and the likes.

There must also be training and orientation seminars for out-of-school youth on how to get financial assistance, the requirements needed, the favorable terms and conditions, and the consequences of availing financial assistance.

Moreover, businesses of out-of-school youth must be exempted from taxes and other administrative fees and charges until such time that they graduate from being out-of-school youth.

 APEC economies must make use of the learning from the seminar-workshop and apply it to existing businesses or in setting-up new businesses by out-of-school youth. 9. To further encourage and empower the out-of-school youth to become productive and take hold of their lives, APEC economies, through the initiatives of nongovernment organizations, private sector and government can conduct business plan and implementation competition for out-of-school youths and eventually make it a regional competition (among APEC countries.) This will promote and strengthen innovation, ingenuity in financing (part maybe of requirements is limited funding in setting a business) and identifying business opportunities, all facets of the entrepreneurship framework developed during the seminarworkshop.

In the Philippines, the OSY Challenge could be spearheaded by Go Negosyo, with possible funding from government, private sector and share from the APEC.

10. APEC must create an APEC Center for Entrepreneurship (ACE), a lead support institution, funded by the APEC, possibly spun-off from the Philippine Center for Entrepreneurship, whose main objective is to provide entrepreneurial e-learning (interactive, e-commerce based) not only to Out-of-school youth but also to youth professionals and retirees who wish to start their businesses. ACE mentors and facilitators, instructors, and contributors are successful entrepreneurs, professional consultants and trainers from the various APEC economies.

#### ANNEX A

#### THE PECs SELF-RATING QUESTIONNAIRE

Appraising and Developing Yourself for an Entrepreneurial Career. Introduction to Entrepreneurship. Revised Edition 2007, Small Enterprises Research and Development Foundation, Inc. pp. 41-46.

The PECs 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. It is not even good to do everything very well.

After reading each statement, rate yourself. You have five choices as shown below. Select the number which corresponds to what extent the statement applies to you. Write the number you have selected on the line to the right of each statement.

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

Let us take the statement, "I remain calm in stressful situations," as an example. How do you react under stressful situations? Are you always calm? Usually calm? Sometimes calm? Rarely calm? Or never calm? If you feel you are rarely calm during stressful situations, write "2" on the blank space next to the statement as shown below.

I remain calm in stressful situations. 2

Some statements may be similar but no two are exactly alike. Go through all 55 statements and rate yourself honestly.

#### PERSONAL ENTREPRENEURIAL COMPETENCIES QUESTIONNAIRE

		RATING
1.	I look for things that need to be done.	
2.	When I am 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 recommendations.	
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 them 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 or different ways of accomplishing things.	
20.	I do not spend much time thinking 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	
	chances 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 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 major difficulties, 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 am never entirely happy with the way 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.	

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 for 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.	

Now that you have answered all 55 questions, you can now proceed to the next section and check your answers. The point system will indicate whether you manifest strong tendencies or weak inclinations towards a particular behavior.

## Scoring Yourself on the PECs Self-Rating Questionnaire

After completing the questionnaire, enter your ratings in the PECs scoring sheet. The number in parentheses corresponds to the questionnaire item number. Note that the item numbers in each column are consecutive: Item 2 is below Item 1, and so forth.

Do the addition and subtraction as indicated in each row to compute for each PECs score.

	PEC's Scoring Sheet												
												Score	PECs
	+		+		-		+		+	6	=		Opportunity Seeking
(1)		(12)		(23)		(34)		(45)					
	+		+		-		+		+	6	=		Persistence
(2)		(13)		(24)		(35)		(46)					
	+		+		+		-		+	6	=		Commitment to Work Contract
(3)		(14)		(25)		(36)		(47)					

	+		+		+		-		+	6	=	Demand for Efficiency &
(4)		(15)		(26)		(37)		(48)				Quality
	-		+		+		+		+	6	=	Risk Taking
(5)		(16)		(27)		(38)		(49)				
	-		+		+		+		+	6	=	Goal Setting
(6)		(17)		(28)		(39)		(50)				
	+		-		+		+		+	6	=	Information Seeking
(7)		(18)		(29)		(40)		(51)				
	+		+		-		+		+	6	=	Systematic Planning and
(8)		(19)		(30)		(41)		(52)				Monitoring
	•		+		+		+		+	6	=	Persuasion and Networking
(9)		(20)		(31)		(42)		(53)				
	-		+		+		+		+	6	=	Self-Confidence
(10)		(21)		(32)		(43)		(54)				
	-		-		-		+		+	18	=	Correction Factor
(11)		(22)		(33)		(44)		(55)				

## The PECs Self-Rating Questionnaire Corrected Scoring Sheet

The Correction Factor (the total of items 11, 22, 33, 44, and 55) is used to determine whether a person tries to present a very favorable image of him. If the total score on this factor is 20 or greater, then the total scores of the ten PECs must be corrected to provide a more accurate assessment of the strengths of the PECs for the individual tester.

Use the following numbers when figuring out the corrected scores:

If the correction factors is:	Subtract the following number from each PECs score:					
24 or 25	7					
22 or 23	5					
20 or 21	3					
19 or less	0					

Correct each PECs score before using the Profile Sheet

Corrected Scoring Sheet									
PECs	Original	-	Correction	=	Corrected				
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									
Corrected Total Score:	Corrected Total Score:								

## **PECs Self-Rating Questionnaire Profile Sheet**

Transfer the corrected PECs score to the profile sheet by marking an "X" at the appropriate point on the horizontal line for each of the PECs categories. Make sure to complete the marks of the 10 PECs. For example, if your score for opportunity Seeking is 17, it will appear as follows:

Opportunity Seeking				Х		
	0	5	10	15	20	25

After plotting all your corrected PECs score, draw a heavy vertical line connecting the "Xs" for each category and you have constructed your PECs profile. A sample is shown below.

In interpreting your scores, the highest possible score is 25. The closer your score to 25, the more you manifest or demonstrate the particular behavioral pattern. In short, you are very strong or very good in that particular PECs item. The average score is 12.5. Therefore, a score below 12.5 indicates a "poor" or "weak" manifestation of that particular PECs category.

#### ANNEX B

## Developing a Framework on Mentoring/Coaching Out-of-School Youth on Entrepreneurship Indonesian Economy Paper

Iman Riswandi and Misbah Fikrianto

#### A. Introduction

Indonesia's open unemployment rate is high compared to the other developing Southeast Asian countries. In 2003, the official rate of 9.5% was astronomically higher than those of its neighbors, Malaysia and Thailand, which were just 3.6% and 1.5% respectively. It is only lower than that of the Philippines, which was 10.2%. Taking the comparison a bit further, Korea's unemployment rate in the same year was only 3.6%. Open unemployment rate jumped from 4.4% in 1994 to 6.5% in 2004, or there was a 47% proportional increase. If one looks between 1994 and 1997, just prior to the economic crisis, unemployment rate was relatively stable. During the crisis, it skyrocketed to almost 6.5% in 1999 before starting to descend in the following year and reaching 5.5% in 2001. Afterwards, the rate went on a generally upward trend up until 2004. More than half of the unemployed are highly educated, with at least 12 years of education, and a further quarter having nine years of education. This is in accordance with the higher open unemployment rate among the highly educated found in other studies (BPS, 2003; Irawan, Ahmed, & Islam, 2000). Young workers dominate the unemployed in both areas, hovering between 62% and 68% in urban areas and between 71% and 79% in rural areas. This shows that it was more difficult for new entrants, who were generally better educated, to get into the labor market to find jobs in rural areas. Hence, it is of little surprise that many of the young and the educated leave rural areas and flock to urban areas.

Definition of Coaching Out-of-School Youth is youth in productive age categories (15 until 35 years old) who are not continue their school and do not have any jobs. According to Indonesian Centre Statistic Board, around 7 4 millions youth are in productive age categories who are unemployment. Based on their background education, it shows that 27,09% graduated from Elementary school, 22,62% graduated from Junior High school, 25,29% graduated from Senior high school and 15,37% graduated from SMK. In other hand, if we look at the location where they life, then the distribution will be 5,24 millions people (53%) life in urban area and 4,2 million life in rural area.

Social impacts of the high rate of unemployment are the rise of criminal number, the decrease of social quality of life, lack of trust many youth using drugs, free life style, etc. To solve these social problems, the government held a program of youth entrepreneurship to gives learning opportunity for youth in developing their knowledge and skills on entrepreneurship, creativity, innovative, professional, and responsibility.

## B. Young entrepreneur in Indonesia

The key success of youth entrepreneurs are, they've very high standard, and long term goals, but still, they know how to reach their goals, logically, rationally. The crucial factors that should be addressed by appropriate programmes to foster youth entrepreneurship are social and cultural attitude towards youth entrepreneurship; Entrepreneurship education; Access to finance/Start-up financing; Administrative and regulatory framework; and Business assistance and support. Social and cultural always affected the existence of entrepreneurial paradigm. Culture is the system of collective values that distinguishes the member of one group from another.

Social perceptions and perceived legitimacy of entrepreneurship are also an important factor in helping of hindering entrepreneurial behavior. However, for some societies, entrepreneurship remains undervalued compared to, for example, a career in medicine, law, with a large corporation or with government. In these societies, perceptions remain that family sacrifices made to help young people gain a high level of education are not repaid if they become self-employed. For consideration, the cultural environment in Indonesia is low in masculinity, high power distance, and low cultural in individualism. The communities in Indonesia are more to be feminism, paternal, and collectivism.

Entrepreneurship programs should be introduced at a school level, not only at college. These programs should be present in other areas of studies and careers, not only business administration. Besides, the experiences of local young entrepreneurs should also be introduced in these programs. Nothing is better than examples. Only by meeting young entrepreneurs aware of the problems and difficulties of creating a business and who experienced successes and failures of making a business, young students will believe they can make it as well. This is keyword. Teaching administration skills is not enough. It is crucial to teach the spirit, the confidence, the trust, the leadership, the firmness that only those who chased the ideal of setting up an enterprise know. This should be incorporated into study plans, pedagogical programs, mentorship facilities and enterprise development programs, which should – in turn – rely on the help and knowledge of young entrepreneurs, besides teachers and professors.

Key entrepreneurship educative constraints are: General lack of introduction and adoption of enterprise education; Inadequate curricula and study programs; Wrong learning methods; Negligence of students' personal environment (parents and family members); Lack of trained/educated teachers; Lack of career information and business possibilities; Lack of business and education linkages; and Lack of ICT infrastructure/capability.

Education is a key issue. Schools should send out the message that being an employee is not the only option after the completion of studies. The advantages of being an entrepreneur should be promoted and the hopes of those young entrepreneurs who face the risks of starting their own business should be nurtured. Entrepreneurship promotion programs can be broadly divided into 5 categories: Curricula and study programs; Student, Mini companies (competitions); Information resources and material;

School-entrepreneur/business activities and events; and Simulation games (often computer-based).

Young entrepreneurs often launch their businesses without carefully estimating the amount of capital (start-up and working capital) they will need to actually get started. Many insist that passion and enthusiasm will be enough to get them through the rough periods. Furthermore, young entrepreneurs are often not aware of all available types of finance, funding forms and special support programs. They often do not understand the concept, the benefits, the possibilities and the drawbacks of the numerous forms of debt and equity (venture capital) financing. Key constraints to start-up finance are ;Lack of personal savings and resources; Lack of securities and credibility (for debt financing); Lack of business experience and skills (for debt financing); Strict credit-scoring methodologies and regulations; Complex documentation procedures; Long waiting periods (time needed to decide on an application for funding); Lack of knowledge, understanding, awareness of start-up financing possibilities; Unfavorable firm characteristics and industry; Legal status/form of enterprise; Lack of (successful) micro lending/-finance and seed funding.

Promotional efforts can be broadly divided into four categories: research into start-up and business finance; provision of start-up and business capital; improving the regulatory environment for start-up finance; information and counselling on access to finance and funding. Some factors that influence the young entrepreneurship are:

## 1. Opportunity and government policy

The opportunity for youth in entrepreneurship is influenced by government policy and ability in developing a business and a good circumstance. The government needs to create an entrepreneurship circumstance by creating efficient market mechanism, information about entrepreneurship and increase youth ability in responding opportunities.

Minimizing and simplifying regulatory and administrative procedures, as well as maximizing the support needed to comply with them, will make it easier for young people to start-up and run their business. Stevenson and Lundström (2001) defined entrepreneurship policy as: Policy measures taken to stimulate entrepreneurship; Aimed at the pre-start-up, start-up and post-start-up phases of the entrepreneurial process; Designed and delivered to address the areas of motivation, opportunity and skills; With the primary objective of encouraging more people to consider entrepreneurship, to move into the nascent stage and proceed into start-up and early phases of a business. Therefore young entrepreneurship is policy measures taken to foster entrepreneurial activity of young people; Aimed at the pre-start-up (including entrepreneurship education), start-up and post-start-up phases of the entrepreneurial process; Designed and delivered to address the areas of motivation, opportunity and skills; with the main objective of encouraging more young people to start an entrepreneurial undertaking or venture and at the same time to improve young peoples' general employability.

Entrepreneurship policy in general and youth entrepreneurship policy in particular, are still fairly recent and evolving areas. Therefore, it is crucial to understand where these policies are or should be situated. Youth entrepreneurship policy is cross-cutting in nature and therefore necessitates a collaborative multi-stakeholder approach on the part of government and society. This means that for successful policy development in youth entrepreneurship collaboration between different line ministries (educations, labour, industry, youth and finance in particular) is vital.

In general, the opportunity of entrepreneur in Indonesia is open widely. Some reasons that make Indonesia become the market of youth entrepreneurship are:

- a. Indonesia is a large economy which has many resources
- b. Economic recover after economic crisis
- c. Society especially youth people able to adapt to disaster or tragedy
- d. The number of citizen who have potential market
- e. The changing of Indonesian culture in getting a better life
- f. A segmentation social gap between Indonesian citizen

The Government has a big role in increasing entrepreneurship opportunity for Indonesian citizen. Young people can become a technical entrepreneur. The government can develop ideas to give an add value for products, developing new markets and even new industries are the goal of those with technical orientation.

## 2. The will of Youth entrepreneurship

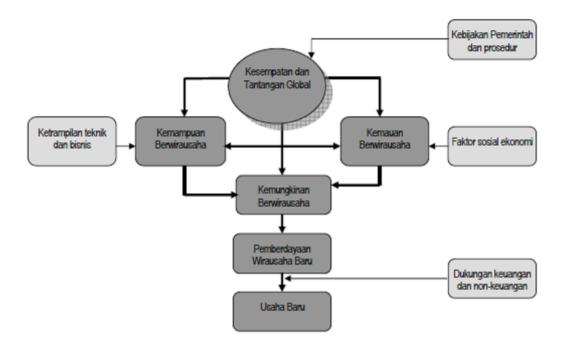
Most of the young people in Indonesia are entrepreneur, but still there are some boundaries, such as do not have asset and money, do not have talent, and the risk in making a new business. Therefore the government have role in socialize the concept of youth entrepreneurship. There are three factors that influence entrepreneurship:

- a. asset
- b. information
- c. social network

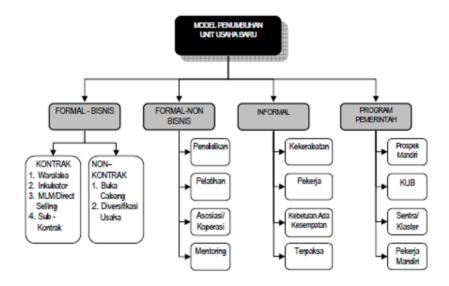
## **3.** The ability of Youth entrepreneurship

Young people can use their ideas as basic in developing the entrepreneurial framework and knowledge. The add value will give cooperative and competitive advantage of Indonesian resources. Some value that youth entrepreneur should know are planning business, product development, marketing, managerial, financial and accounting. Technical entrepreneurship and business ability which the youth have will help them in making and changing business opportunity becomes a new business. Moreover, by giving them information about product development, technology production, adopt the technology of process will enhance their ability in technical entrepreneurship. With this ability, the youth entrepreneur will make some innovation and can work efficiently.

The figure below is showed the development of new entrepreneurial:



The model of government program in increase the development of new business, such as self employed model, etc. The identification of Development New Entrepreneurial Model for OSY is showed by the figure below.



#### C. The role of institutional in enhance young entrepreneurs in Indonesia

Many training entrepreneurship centre in Indonesia, such as sewing training centre, computer training centre, etc. the main objective of these training centre are to train technical skill to the participants. These training centers have potential in developing new business than other formal institution, because it can give more knowledge and practising. Revitalisation of the training centre become training entrepreneurship

institution is very important, because it will encourage young people to make a new business.

#### D. Conclusion

The short advice for Indonesian government to emerging youth entrepreneurship are:

- a. Develop an individual, tailor-made approach
- b. Invest in research, benchmarking and testing
- c. Carry out detailed evaluations and impact assessments
- d. Balance speed with scale of impact and cost of implementation
- e. Focus on enterprise education
- f. Mobilize, activate and involve all major stakeholders
- g. Close the gap between domestic policy and grassroot, regional and local initiatives

## E. Direct Selling

Direct Selling is an activity that involves selling products directly to the customer. Output from this model as a individually that survive to get the achievement for selling something. The main Product can be sold through: 1) Home Demonstration, 2) Group, 3) one-on-one selling.

#### F. Business Incubator Model

Incubator is an institutional to give facilities and Business development in Management and Technology to improve the quality of product.

#### G. The Growth of New Product in Sub-Contract Model

A Sub contract model is a cooperation model between the big one company and the small business company. The Cooperation is to take and give the benefit or service and product.

#### H. The Growth of New product with "Kelompok Usaha Bersama"

A model consists of a small group (10-15 youth) in a close area and makes business activity. There are many steps to develop our small group such as:

- a. Exploring our competency
- b. To make a independent group
- c. Choosing and making Product
- d. Sharing and making cross knowledge between each member of group
- e. Choosing the main Product
- f. Making the best one

In "KUB" Model, a motivator function is very important, because the motivator as a key person to improve and keep running well.

#### I. Identification Result

The Identification Result of youth entrepreneurship is

- a. To make the youth more responsible of our social economic condition. Youth empowerment to decrease our jobless and economic crisis
- b. To make Youth more competitive and productive as a need from the free market

#### J. Conclusion

- a. To Improve Our Life Skill and Spirit of entrepreneurship consist of Personal, Social, and Vocational Skill
- b. Collaborative program between Government, Private and Stakeholder
- c. Total quality management consists of four in one process from recruitment, Training, Education, Job training or internship, and link match.

# The Situation about Employment and Entrepreneurship of Chinese College Students

(Wang Fei and Meng Xiao)

## 1. The basic situation for college graduates

The number of college graduates has increased year by year, making it increasingly challenging for college graduates to find a job in recent years. Deadline to July 1, 2009, 4.15 million of this year 6.11 million college graduates have realized employment. This represents an employment rate of 68% and is about the same as last year employment rate for graduating students.

### 2. The main difficulties and problems of college graduates employment

**First,** under the circumstances that the overall employment situation in the entire society has been challenging, the quantity of college graduates continues to rise and the employment difficulties of the graduates are increasing. Since 2002, the number of college graduates has increased by 25% each year for seven years. In 2009, the total number of college graduates reached 6.11 million, which was 5.2 times to the 1.17 million graduates in 2001. The number of 2009 college graduates added to the number of past college graduates still looking for jobs, totals more than 7 million. Over the next few years, the number of college graduates in China will keep growing, and will surpass 6 million every year. Over the next five years, college graduates will account for 60% of the 50 million new laborers in China's urban areas and they are the main objects to be arranged for work. Meanwhile, the overall employment environment for college graduates is rigorous. China's employment situation has been complicated by a growing number of laid-off workers, and an increasing number of workers migrating from villages to cities in search of employment.

**Second.** there is a comparatively large demand for college graduates in small and medium-sized private enterprises and in grass-roots unit. The structural imbalance of supply and demand, however, makes realizing employment more difficultly. From 2004 to 2007, the number of new graduates, employed each year by public institutions across the economy, increased from 450 thousand to 540 thousand. Owing to the large increasing of graduates, the overall proportion of new graduates work in public institutions decreased from 18% to 11%. During the corresponding period, the number of new graduates employed by state-owned enterprises increased from 220 thousand to 340 thousand, however, the proportion decreased from 8.7% to 7%. Consequently, more than 80% of college graduates will work in all kinds of non-publicly owned units, urban and rural social service units or entrepreneurship. These sectors, in comparison with the limitation of employment in public institutions and state-owned enterprises, require a large number of young talented workers and offer more opportunities for college graduates. At present, the main problem of structural imbalance of employment is that the skills, training and knowledge imparted to students don't match the needs of markets. Nowadays, China is in the process of accelerated industrialization, requires a large number of professionals in engineering, technology and other skilled fields.

However, the skill training, teaching and quality of education offered by colleges do not completely meet the demands of the markets. In many colleges, the structure and quantity of new students enrollment are based on the existing resource of teachers, not the need of the employment market. The enrollment numbers in some humanities and social sciences subjects are dozens of times higher than the market demand for their graduates. Many enterprises, however, report that they are not able to find laborers with the skills they need. Graduates, employed by some enterprises, are not able to begin work until they have taken additional classes in technical training schools. Meanwhile, most entrepreneurship graduates lack entrepreneurship consciousness and ability. Moreover, some entrepreneurs are restricted by lack of access to capital and suitable, available business sites.

### 3. The main solutions to problems of employment for college graduates

## a. Encourage and guide college graduates to start their careers in grass-roots unit.

**First**, we should encourage college graduates to participate actively in new construction of rural communities, urban community construction of military service. Focused on the fields of social management, public service, manufacturing service, essential service and so on, we should vigorously develop social management positions and public service positions these are suitable for graduates and guide them to begin their careers in grass-roots unit. **Second**, we should continue to develop and provide specialized projects for employment of grass-roots unit and expand the scope of such existing projects as well. We will proceed to organize and implement some projects, such as "hiring college graduates to hold a post in village", "three supports and one assistance" (support education, support agriculture, support medical treatment and assist poverty alleviation), "voluntary service of college graduates in western regions" and "positions especially for teachers in rural compulsory education".

# b. Encourage college graduates to begin their careers in small and medium-sized enterprises and non-publicly owned enterprises.

**First,** college graduates are employed by enterprises will be eligible for employment-related support policies. **Second**, in labor-intensive small businesses, if the proportion of a city's registered unemployed, including registered unemployed college graduates, reaches a prescriptive ratio, they are eligible to receive a small business loan that the highest level of which is 2 million yuan.

## c. Encourage and support for college graduates to start their own businesses.

**First**, colleges should actively encourage entrepreneurship education and practice. **Second**, graduates of colleges who are eligible to begin their own businesses should be free of administrative fees and charges. **Third**, unemployed college graduates registered in local public employment service organization. When they lack self-

financing for their own businesses, they can apply for no more than 50 thousand yuan in small loans; the graduates, who manage their company in partnership, will be provided with appropriately larger sized loans; the graduates engaging in low-profit projects through local government, can be provided with subsidies of interest on money. **Fourth**, college graduates who participate in entrepreneurship training will be given training subsidies. **Fifth**, we should strengthen entrepreneurial services guidance given to college graduates and provide policy advice, project development assistance, entrepreneurship training, entrepreneurship incubators, micro-loans, business guidance, and follow-up counselling service and so on. **Sixth**, we should build low cost and efficient students' entrepreneurship parks. **Seventh**, we should encourage and support their flexible employment forms and guarantee their legitimate rights and interests, and provide them with social insurance subsidies when they are eligible.

## d. Policy to expand employment by entrepreneurship

In the end of September in 2008, "the instructional advice on policy to expand employment by entrepreneurship" (abbreviated instructional advice) was transmitted by General Office of the State Council. The instructional advice, drafted by 11 sections in our ministry, was required to be implemented conscientiously by people's governments in every province, autonomous region, and municipality, and ministries, directly under the State Council.

The instructional advice proposes that the fundamental principles of policy to expand employment by entrepreneurship are to adhere to promotion by governments, social support, market orientation and self-employed. The important point is to guide and promote college graduates, laid-off workers, peasant-workers who return home, exservicemen and returned overseas persons to start their businesses. The objective is to make the numbers of the entrepreneurship and the employees to increase largely in three to five years. The institution and policy of expanding employment by entrepreneurship should be basically formed, making more laborers, with willingness and ability to start their businesses, to be self-employed successfully.

In aspects of perfecting the policy and improving the environment of entrepreneurship, the instructional advice proposes that the obstacles caused by industry, region and operation, should be quickly eliminated to perfect supportive policy and improve entrepreneurial environment. Institutions of charge publicity and register card of pay should be implemented all-around. The supportive policy, including tax preference, small secured loans, subsidies, arrangements for sites and so on, should be implemented all-around. Raise funds through various channels. We will actively promote innovations of financial products and service mode. We will support to expand employment by starting your business.

In aspects of strengthening training and improving ability for establishing business, the instructional advice demands that the entrepreneurship training system for all kinds of laborers across the economy should be established. Besides, the training scope should be enlarged, all the laborers with desires for establishing businesses and needs

for training should be enrolled in entrepreneurship training step by step. We will gradually promote the quality of entrepreneurship training, starting with normalizing training standard, improving teachers' professional level and perfecting training mode and so on.

In aspects of perfecting service system and providing high level service, the instructional advice requires that we should follow public employment service system, establish organization for entrepreneurship guiding service, explore guiding technique, and improve service function and service efficiency. Moreover, we should organize development of projects, designs for program, evaluating of risk, guidance of practicing, service for financing, follow-up assistance service and so on. In addition, we should establish information for starting your business, policy publishing platform and efficient channel for communication and assistance among the entrepreneurship.

In aspects of strengthening management, the instructional advice emphasize that the promoting entrepreneurship should be regarded as an important task and be placed into the important schedule in governments of various levels. We should establish entrepreneurship cities, where the employment can be expanded by encouraging entrepreneurship. In every district, we should develop the function of coordination system of promoting employment, establish working teams by human resources and social security department and so on and draw up and implement the policy and work plans for promoting the expansion of employment by entrepreneurship together.

# e. Entrepreneurship training project to support for entrepreneurship of college graduates.

## 1. Project background

"Start and Improve Your Business" project (abbreviated SIYB project), is the former Ministry of Labor and Social Security in cooperation with the International Labor Organization, in the United Kingdom and the Government of Japan under the financial assistance, from July 2004 to June 2007. In China, the project is divided into three phases.

The first phase was from July 2004 to June 2005, in Beijing and other 13 cities, focusing on laid-off workers in the cities and towns set up micro and small enterprises, development of basic training materials, and explore entrepreneurship service system. The second phase was from July 2005 to June 2006, in southwest China's Sichuan, Yunnan, Guangdong, Ganglia provinces (regions), focusing on the entrepreneurship for migrating laborers from rural areas. The third phase was from July 2006 to June 2007 in central and western part of China, such as Shania, Qinghai, Genus, Kingie, Shania and Changing (regions and municipalities), focusing on special groups, such as college graduates and other groups.

## 2. Project results

Implementation of the project SIYB has achieved positive results. For the object, the laid-off workers has been gradually extended to the young students, rural migrating labor and the disabled ex-servicemen released prisoners and other special groups. From a geographical perspective, the project has been extensively carried out from the project area to the non-project areas and the all provinces in China have introduced varying degrees of technical SIYB training. For the effect of the training, according to incomplete statistics, as of July 2007, there are 116 trainers and 6814 SIYB teachers in China. From 2004 to 2007, a total of 760 thousand people have participated in SIYB training, with average passing rate of more than 90%, the average success entrepreneurship rate above 60%, the cumulative job creation nearly two million, and 1 success entrepreneurship improves employment 4.8 people on average.

## 3. Project experiences

**First**, project objectives should be set according to China's national conditions. SIYB entrepreneurship training technology, as the International Labor Organization set up specifically for small businesses, matches the implement active employment policies and China's employment development. **Second**, the implementation of the project plan is strong and focused. In the whole process of project implementation, the overall strategy for the development of project planning, clarifies three stages for three years of work guiding idea, and focuses one concern of a year. **Third**, the system of organization and implementation of the project is integrated. Under the guidance of the Project Committee, the former Department of Labor and Social Security established a National Project Office, provincial, municipal employment services of labor and social security institutions also set up a project organization and management institutions. **Fourth**, work closely with the authorities to participate in project implementation. During the project implementation period, the China Federation of Trade Unions, the Communist Youth League Central Committee, the Ministry of Education, the National Women's Federation all participates actively in project implementation.

# f. Entrepreneurship Education Project to support for entrepreneurship of college graduates

## 1. Domestic practice

April 2002, the Ministry of Education established the Tsinghua University, Beijing University of Aeronautics and Astronautics, Renmin University of China, Shanghai Communication University, Xi'an Communication University, Wuhan University, Heilongjiang University, Nanjing University of Finance and Economics, Northwestern Industry University as entrepreneurship education colleges. The entrepreneurship education came into the pilot phase of exploration. Requirements of the Chinese Ministry of Education pilot course of professional education in colleges and universities is to strengthen entrepreneurship education, and entrepreneurship education will be come into the classroom teaching and extra-curricular activities, and to constantly

improve student's innovative spirit and practical ability, and to enhance student awareness of innovation, creativity and entrepreneurship.

Entrepreneurship education practice activities of college are three main types. **First**, entrepreneurship education will be integrated into the quality of education in order to enhance the overall capacity of the students, focusing on the quality of entrepreneurship education, such as Renmin University of China, Heilongjiang University; **Second**, to enhance students entrepreneurial knowledge and entrepreneurial skills, such as Beijing University of Aeronautics and Astronautics, etc.; **Third**, to educate professional knowledge in the course of the basic quality-oriented training for students, at the same time, to provide students with the necessary venture capital and the necessary technical advice, with formation of a comprehensive model of entrepreneurship education, such as Shanghai Communication University.

Since 2003, the Ministry of Education consigned Beijing University of Aeronautics and Astronautics commissioned to operate the teacher advanced training classes for entrepreneurship education. A total of more than 400 colleges and universities have trained more than 700 teachers. At present, the entrepreneurship education in Chinese colleges has attracted more widespread attention and many colleges have established specialized entrepreneurship education management and research institutions, and vigorously carry out the activities of entrepreneurship education. Colleges have set up education-related courses to strengthen the practice of teaching entrepreneurship education, published entrepreneurship education materials, set up entrepreneurship education associations, and actively carried out exchange of entrepreneurship education at home and abroad.

#### 2. International cooperation

Know about Business Project (abbreviated for KAB project)is in order to foster entrepreneurship awareness and ability of youth, the International Labor Organization develop specialized curriculum system that is currently in over 30 countries worldwide. Since August 2005, the Communist Youth League Central Committee, China Youth Federation and the International Labor Organization in China have implemented entrepreneurship education projects with the cooperation KAB. In 2006, KAB project at Tsinghua University, China Youth University for Political Sciences, Beijing University of Aeronautics and Astronautics, Beijing Youth College for Political Science, Heilongjiang University and the Tianjin Industry University, said a total of 6 colleges and universities completed the pilot. 2007, "KAB Students entrepreneurship base" published by the Higher Education Press. KAB project evaluation and promotion of the Office was formally established, and the project entered into the promotion stage. The first half of 2007, the project started 36 colleges and 65 classes. The number attendant of students is 2409.

KAB project established the promotion office, responsible for enrollment projects and organizations of teacher training KAB. At present, KAB teacher training project has been formed into three-level training system, that is, for the "KAB lecturer", "KAB trainer", "KAB senior trainer," the standardization of the implementation of a unified

certification training. The training includes "KAB Project", "KAB project the basic teaching ability of teachers" and "KAB basic content of courses". Decline to August 2007, KAB project has trained a total of 230 lecturers, 18 trainers, and 3 senior trainers. All training completed successfully, and students made a high degree of recognition.

KAB Evaluation Center project commenced quality and effectiveness of follow-up assessment in 2007 to KAB college teaching effectiveness, KAB students, KAB entrepreneurship education model and other aspects. A questionnaire survey conducted by 12 college's students shows, lecturers of KAB training project achieves a satisfaction 89.2%; "KAB entrepreneurship based on university students" course achieves a satisfactory 89.8%.