

An international study of networking and support programs for young (under 40) professionals and entrepreneurs.

Winston Churchill Memorial Trust of Australia

Report by: Kimberly Palmer, 2004 Churchill Fellow

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K. Palmer

Signed: Kimberly Palmer

Dated: Monday 23 May, 2005

“Business is people.”

Barnett Helzberg, Jr
Helzberg Diamonds & Patron, Helzberg Mentoring Program

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Executive Summary

This report was produced by Kimberly Palmer, Founder – Brazen Productions, NETWORKX Marketers Meetings and Entrepreneurs NETWORKX.

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This research project involved the investigation of networking and professional development programs for young professionals and young entrepreneur's (under 40) in the USA, Europe and Canada." It was conducted January – March 2005 with the generous support of the Winston Churchill Memorial Trust.

Young people are the future of any country. Entrepreneurship – the creation of value through innovation – is vital in a capitalist economy as a provider of jobs and economic growth. The highest number of business start ups globally begin with those aged 25-34. This project included visiting the networking and membership organisations, educational institutions and foundations that provide services to this key segment, to learn how we can better support this vital segment of the Australian community.

Key recommendations have been sorted by the segment at which they are targeted.

Networking and support groups recommendations relate to improved shared learning, increased cross marketing, the development of competency based training in networking skills, increased professionalism of event programs, more sustainable business and cost structures, and a call for a better understanding of the business impact of networking. These affect both my own groups and others around the country.

The three tiers of Australian government are called on to better support existing programs, provide grants for business networking groups to extend their service offering and build mentoring programs, utilise business name registrations to fund and market business support services, develop national guidelines for angel investment, create access to shared technology and to create a national Minister for Entrepreneurship.

Education institutions at a tertiary level are advised to partner and drive students to existing groups, develop a stronger and more targeted alumni community and facilitate access to funding for their graduates. In primary and high schools, a greater focus on teaching entrepreneurship as a career option is encouraged.

Finally, there is a call for the establishment of a foundation in support of entrepreneurship and for the business and successful entrepreneurs of Australia to give back to the support of young, developing entrepreneurs.

I plan to further publicise this research through media submissions, a public speaking schedule and email marketing to the existing NETWORKX databases of 6,000 young professionals and entrepreneurs.

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 - Steve Lundin of BigFrontier
 - Dr Peter Hewkin, Cambridge Network
 - Bill Julia, Fast Pitch
 - Fred Klien, Gotham City Networking
 - Michelle and the team at Helzberg Mentoring
 - Jill Babgy and the team at the Kauffman Foundation
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 - Ryan Allis
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 - Buddy Teaster and the team at YPO
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1. Introduction - Project Overview and context

A Churchill Fellowship is an **award of an opportunity**, through provision of financial support, to enable Australian citizens from all walks of life to travel overseas to undertake an analysis, study or investigation of a project or issue that cannot be readily undertaken in Australia.

I was the grateful recipient of a Churchill Fellowship in 2004. I undertook my eight week trip in early 2005. My project description was as follows.

"The project involves investigation of networking and professional development programs for young professionals and young entrepreneur's (under 40) in the USA, Europe and Canada.

Attendance and participation in events, direct communications/meetings and research will make up the project.

The aim is to gather insights and information for compilation, dissemination and application to existing Australian programs"

Churchill Fellowship project description

A key factor in being selected for this fellowship was the group I founded, Entrepreneurs NETWOX. I established this group in 2003, as an offshoot of another long running successful group I also founded, NETWORX Marketers Meetings.

The Churchill Fellowship was an opportunity for me to gather information and learnings from other entrepreneurial support and young professionals networking groups internationally - and then share the knowledge on my return, with those I visited and other similar groups in Australia. I also wanted to be able to implement changes and improvements in my own networking group.

Underpinning the research trip, were the following aims:

- To understand each organisation's structure, history, funding, programs and level of success.
- To learn about services offered and their value to participants.
- To investigate the administration and marketing programs of the organisations.
- To discover common issues, concerns or problems.
- To understand firsthand the mindset towards both entrepreneurship and networking in various nations.
- To gain inspiration for programs which can either be implemented here or developed fresh with a global network.
- To discover how entrepreneurship and education interact.
- To better understand the role and importance of networking for entrepreneurs around the world.

Finally, I'd like to address the question of why I believe young entrepreneurs in particular, are a group worth supporting?

The reasons are both personal and practical. As an entrepreneur myself, I know there is a constant need for information and support that can never be fully met. We often work without the support of a large team and lack the development that is provided by being a part of a large company. It can be difficult to access additional resources or ongoing education and decision making is often faced in isolation. And being young entrepreneurs, we have little capital behind us, even if we do have a lot of energy and potential.

As a business person and general member of a capitalist economy, the economic impact of entrepreneurs is critical. US research clearly demonstrates that businesses likely to drive the economy in the next 25 years are NOT large, established firms, but those that are being started today.¹ Thus young entrepreneurs should be nurtured, shaped, developed and supported to create continuing opportunities and the type of business environment we'd like to be a part of.

1.1 Entrepreneurs NETWORKX & NETWORKX Marketers Meetings

I launched Entrepreneurs NETWORKX in November 2003, as an offshoot of the successful group, NETWORKX Marketers Meetings.

NETWORKX Marketers Meetings

NETWORKX Marketers Meetings runs an events and membership program in Melbourne and Sydney. The group targets young professionals working in marketing and communications, including advertising, PR and media. At time of writing, the group's opt-in database of invitees and past attendees is approximately 4,500 people.

I had been running NETWORKX Marketers Meetings essentially as a hobby, from 1999 to 2002. I began running the group due to the lack of options that existed at the time for young professionals to network and develop in the industry in which I worked. In late 2002, I decided to run the group as a sustainable business and launched it as such in December 2002, to complement the marketing consulting work I was also doing.

NETWORKX Marketers Meetings' is attributed to three key success factors:

1. Professional yet relaxed atmosphere – achieved through venue choices (such as bars or clubs) and event management and hosting that creates a relaxed and fun atmosphere
2. Industry relevant, topical presentations – we closely follow the issues and changes as they relate to the audience, and also try for speakers who are dynamic, innovative and close to the demographics of the target market.
3. Targeted audience – not only do people often come from similar industries, but they are in the same age (or attitude) category. Thus the can feel relaxed and bond more easily.

Other key success factors for the group include keeping costs as low as is viable and keeping communication fresh and relevant. We also believe in taking our business and customers seriously – but not ourselves seriously. The group’s initial mantra was “business doesn’t need to be boring.” More information at: www.networxevents.com.au.

Entrepreneurs NETWORKX

As NETWORKX Marketers Meetings grew, it became apparent that a growing proportion of the database and attendees (approximately 25%) were business owners. The needs of business owners, in relation to networking and event content, were different from those of employees in marketing and communications. Thus I decided to attempt an offshoot of the group to better meet this group’s needs (and my own).

We were successful in obtaining a Small Business Development Grant (SBDG) from the City of Melbourne, to assist with some of the set up costs of the new group. The group launched in November 2003, with close to 100 people at the launch event.

The new group was not as instantly successful as NETWORKX Marketers Meetings had been. Whilst the events staged were well received by attendees, with targeted speakers and excellent networking opportunities, numbers were too low to make it truly sustainable. Sponsorship was sought to address some of the shortfall, but it was highlighted that this group had their own needs, own vagaries and more attention and investigation would be needed.

The Churchill Fellowship project was born of an attempt at secondary research into better understanding the market and to research “best practice” in other Western nations.

More information at www.entrepreneursnetworx.com.au.

1.2 Impact and current state of Entrepreneurship

This report must be viewed in context of the state of entrepreneurship – particularly for those under 40 - both in Australia and other Western nations.

Entrepreneurial Snapshot

- Only 3% of all start up businesses qualify as a business with high potential.
- Globally, most entrepreneurial activity is carried out by those that are 25-34 years old.
- There is a consistent trend of more women *starting* businesses over time in Australia (although not necessarily growing them to the same levels).
- There is a significant and positive relationship between entrepreneurial activity and economic growth.
- Australia is consistently ranked in the top 25% of entrepreneurial activity over time. As a nation, though, we are sensitive to economic trends – when the economy tightens, entrepreneurship drops.

Global Entrepreneurship Monitor - 2004 Executive Report

Nascent (emerging) entrepreneurs are individuals who undertake the efforts necessary to initiate and start a new business. They are worth studying, understanding (and supporting) as it has been shown they have the power to change and restructure an industry.

Consider the impact of just a few²:

- Fred Smith, founder of Federal Express, revolutionised the small package delivery system
- Walmart, founded by Sam Walton, transformed retailing
- Microsoft, less than 30 years old, is the largest software company today and has more than \$23 billion in sales
- Only 7 years ago, Jeff Bezos pioneered a new distribution channel that changed the way books and other merchandise were sold (via Amazon.com).

1.2.1 Australia

Australia has been called a “nation of shopkeepers”, where it can be said policies are geared towards small business, not the creation of entrepreneurial enterprises³.

So just what is an entrepreneur and what is an entrepreneurial enterprise?

Entrepreneurship has been described as the creation of new organisations⁴. But not all new ventures are entrepreneurial in nature. The critical factor often proposed to distinguish entrepreneurs from small business owners is innovation. Growth and profitability are also offered as the main goal of true entrepreneurs, but this ignores areas such as social entrepreneurship. Thus I would offer more than entrepreneurship is about “value creation” coupled with innovation.

Attitude Shift

Around 15 years ago, the word entrepreneur meant “rogue” in Australia⁵. I feel this attitude has been changing slowly in recent years, with a the recent Grey Worldwide/Sweeny Research “Eye on Australia” report (2005) would seem to support:

- 97% of people admire others who go out and start their own business.
- Three quarters of respondents believe Australians need more entrepreneurs.
- Almost 80% agree that it is “good” to be an entrepreneur

Thus, whilst we might be a risk averse culture, there has been a shift to supporting entrepreneurs, at least whilst they are the “underdog” taking on larger and more established businesses.

1.2.2 United States & Canada

According to the GEM research (a multi-year comparison of entrepreneurial activity across countries) new business creation is highly associated with economic growth around the world.

In the US, new business creation is a fundamental indicator of entrepreneurial activity in the US economy. In this country, an entrepreneur is a hero and often a celebrity, as evidenced by the success of shows like “The Apprentice”. There is more allowance for business “failure” as it is treated as a learning experience.

US experience – PSED (Panel Study of Entrepreneurial Dynamics)

- About 6.2% of US adults are engaged in trying to start a new firm – making it as common as getting married or having a baby
- Men are twice as likely to be starting a new business as women.
- The most active nascent entrepreneurs are men aged 25-34 yrs old.
- Education significantly predicts nascent entrepreneurship, as does household income (the better, the more likely...)
- Prevalence rate of entrepreneurship is higher in more urban areas.

Entrepreneurship is a job-creation engine that has a positive impact on local, regional and national economies.

After reviewing data from a variety of sources, it appears that the youngest and smallest firms are the biggest job producers.

- Firms of fewer than 20 employees generate the majority of net new jobs in the U.S.
- New jobs from start-ups are an immediate and significant boost to the economy.

- Gazelles - defined by business researcher David Birch as 'firms with revenue of at least \$100,000 (initial year) that sustained at least 20% growth in revenue over four consecutive years' - contribute approximately 1 out of every 7 gross new jobs added to the economy each year.
- 70% of gazelles are comprised of firms with fewer than 20 employees at the end of four years of rapid growth.
- New dynamic theories of the economy suggest that the prevalence of small firms provide a constant tide of new ideas and experimentation vital to the health of the economy as a whole⁶.

The 2004 GEM research demonstrates that, in relation to entrepreneurial activity and attitudes towards entrepreneurship, Canada follows US trends but has some distinct differences.

Canadians are less likely to invest in a business than their American neighbours, but their expectations of starting a business within “the next three years” is almost the same as the US. Yet in Canada women are just over half as likely as men to start a business, where in the US there is only a small gap between males and females in entrepreneurial activity. Yet cultural support in Canada is extremely high, in fact the highest of the G7 countries, according to GEM’s cultural support index.

1.2.3 UK & continental Europe

In marked contrast to the US and Australia, entrepreneurial activity in the UK is highest in 45-54 age bracket for men and 35-44 bracket for women. Women are only half as likely as men to start a business and people in the UK⁷.

In relation to other European countries in the G7, the UK appears more entrepreneurial than Germany but less so than Italy and France.

1.2.5 Entrepreneurial attitudes

"An entrepreneur has more in common with a crazy person. That's what I've learnt. When I could articulate entrepreneurship not as a growing business but as a sort of obsession it all made sense to me."

Anita Roddick, Founder, Body Shop

"Business opportunities are like buses, there's always another one coming."

Richard Branson, founder of Virgin Enterprises

"The cover-your-butt mentality of the workplace will get you only so far. The follow-your-gut mentality of the entrepreneur has the potential to take you anywhere you want to go or run you right out of business--but it's a whole lot more fun, don't you think?"

Bill Rancic

"Find a want, you've found a market. Find a market, then fill the want. Fill the want, you'll fill your wallet."

Ryan P. Allis, entrepreneur

"The only place where success comes before work is in the dictionary"

Vidal Sassoon

1.3 Social capital, market connectivity and networking

Social capital describes networks, norms and trust relationships that organisations depend on to achieve more far reaching objectives. It relies on employees, customers and suppliers.

Networking refers to formal and informal links between organisations and their leaders, either for advice and support or for day-to-day transactions. Business connectedness describes the richness of relationships that connect SME's to the outside world.

NETWORX networking definition

“Actively seeking and developing supportive and reciprocal relationships for a purpose.”

The social capital of a firm has been shown to shape crucial business outcomes, from the propensity to enter into alliances to firm performance along a wide range of measures, including innovation and knowledge management⁸.

There has been extensive academic research done on networks, networking and the success of entrepreneurs. An ideal resource is to browse Babson College's **Frontiers of Entrepreneurship Research** database, with papers and summaries from 1981 to present. Online at: <http://www.babson.edu/entrep/fer/>

In summary, new enterprises are highly social capital intensive, relying on personal networks and relationships of the owner-entrepreneur to propel the venture forward. However, social capital and connectivity is crucial at all phases of a business venture, as can be seen by Figure 1.

Phase 1	Start up	Selling / Idea and market testing
Phase 2	Early Growth	<ul style="list-style-type: none"> -Fostering trust with suppliers, clients, competitors - Time must be dedicated to only the most advantageous opportunities
Phase 3	Sustainability	<ul style="list-style-type: none"> -Use networks to innovate, enter new markets, internationalise, promote regional industrial strength, contend with larger competitors and access external expertise and angel investment. -Focus on attainment of long term objectives

Figure 1. Purpose of social capital at each stage of business development

1.3.1 Global trends leading to increased importance of formal networking

There are also a number of global trends that have led to the increased need for active networking for professionals and business owners.

1. **Breakdown of the traditional “job for life”.** Resulting in not only numerous company changes but also potential career changes. A personal network proves extremely valuable in this circumstance.
2. **Erosion of close family structures & close knit, static communities.** Thus people must build their own network – or “tribe” – to provide support, guidance and opportunities.
3. **Most modern business start-ups occur in the services sector.** Thus, these businesses rely even more heavily on personal relationships, to general and sustain business.
4. **Angel investors as primary funding source for start up businesses.** Up to 90% of start up funding in the USA is provided by angel investors. Also, in the US, the number of angel organisations increasing from 10 to nearly 200 between 1995 – 2004⁹. Angel investors are primarily sourced through personal and business networks.
5. **Increased desire for mentoring.** Both traditional and peer to peer mentoring are increasingly touted as necessary for business success. Mentors – or even business coaches – are sourced through networks.
Entrepreneurs who have started one organisation are often more successful and more efficient in the start up of their 2nd and 3rd organisations (Vesper, 1980).
6. **Continuing emergence and success of business regional clusters.** These clusters provide natural opportunities for formal and informal networking.

1.3.2 Global networking trends

1. **Increased awareness regarding importance of networking.**

Acknowledgement of the need to be connected to gain the momentum needed to propel a young company through the growth stage.

2. **Continuing growth of professional networking groups, associations, leads clubs, etc.**

In 2004 there were 5,500 registered associations and clubs in Australia alone (as listed in the Directory of Australian Associations, published by Crown Content).

3. **All top business schools offering specific networking programs.**

Increasingly the reason people participate in executive and postgraduate education is to access others in these programs. Schools are responding with clubs, alumni networks and business seminars networking events.

4. **Active networking combined with education.**

Business networking groups are including a speaker/workshop component to attract people and allow for skills development in a networking friendly environment where the time-poor nature of people is catered for with bite sized chunks of information.

5. **Networking goes online.**

The introduction of an increasing number of online networking services (eg. LinkedIn, OpenBC) are allowing people to tap into global networks, whilst these businesses are developing technology to allow local groups to run “mini” online networks.

6. **No professional education or certification in networking skills.**

Despite the overwhelming evidence of the importance of networks for both entrepreneurs and the career development of professionals, there is little education in networking skills or how to better tap into social capital. In Australia, there is no certification program and globally, no business school offers subjects in personal and business relationship development. These critical “soft skills” are still left to the individual.

1.3.3 NETWORKX research – Australian Experience

The NETWORKX Marketers Meeting and Entrepreneurs NETWORKX database was surveyed in January 2005 to understand the impact of networking on young professionals and young entrepreneurs. 401 people (of the database of approximately 6,000) completed the survey.

New client sourcing

The two highest quoted MAIN source of new clients for those surveyed were 'Active networking' at 29.3% and 'Referral/Word of Mouth' at 60.3% of respondents. Interestingly, advertising – the perceived centre of the promotional mix - was a mere 15%.

Employment

86.7% of people had found at least one job through referral, with 18% having had more than SIX jobs in their life time through personal referral.

Why they attend networking events

The table below outlines the importance of various factors in choosing why they might attend a formal networking event.

	Very important	Mildly important	Undecided	Not important	Not relevant to my situation
To hear from a particular speaker	68%	30%	1%	1%	0%
To meet and network with potential clients	52%	34%	5%	4%	6%
To meet and network with existing clients/colleagues	36%	43%	9%	8%	3%
To keep in touch with what's occurring in my industry	60%	31%	4%	3%	3%
To meet prospective employers	21%	31%	13%	20%	15%
To make new friends	8%	41%	15%	30%	6%

2. Overview of organizations visited

In determining who to visit as part of the research project, I first considered location, relevance and performance in their field.

I focussed my efforts on strong Western economies, where I felt there was enough cultural and market similarity to allow lessons to be transferred to the Australian market.

I then looked at organisations that focussed on the entrepreneur or the young professional. I looked for the best in their field, or those who'd made some impressive achievements, particularly in the area of networking and providing options for connectivity. I also attempted to visit smaller, entrepreneurial companies (like my own) in addition to the larger, more established organisations and institutions.

Networking & membership groups	Educational Institutions	Support groups, institutions & other
<ul style="list-style-type: none"> • Big Frontier Events • Cambridge Network • Fast Pitch • Gotham City Networking • Net Party • Young Entrepreneurs Association (YEA) • Young Presidents Organisation (YPO) 	<ul style="list-style-type: none"> • Babson College • London Business School 	<ul style="list-style-type: none"> • Kauffman Institute • The Chamber – Greater Kansas City Chamber of Commerce • Helzberg Mentoring Program (HEMP) • Ryan Allis • Yes for Europe

In researching the trip, I came across many organisations undertaking important and innovative work. I was only able to visit with a small number of these and I have included in **Appendix A** some of those I was not able to meet with but would encourage others to watch with interest.

Please Note: *In reviewing the activities of these organisations, I've used local currency and then a rough approximation in Australian dollars. It should be noted, however, that this may prevent a distorted cost comparison against currencies against which the Australia dollar is not strong (specifically in the UK and against the Euro).*

2.1 Networking & membership groups

2.1.1 Big Frontier

Location	Target Market	Service Provided
Chicago, Illinois, USA	Business Owners, entrepreneurs and managers, esp in the technology industries	4-6 annual events run by “buzz marketing” firm, Big Frontier. Aim is to facilitate networking for participants and open business opportunities for Big Frontier.

Reason chosen to visit

- A small marketing agency running a large, high impact events (so similar situation to my company, Brazen Productions)
- City of similar size to Melbourne (Melbourne has a slightly higher population than Chicago)

Organisation’s History

When First Tuesday ceased running events in the US, Steve Lundin, the founder of Big Frontier, felt there was a gap left in the market. The events were launched in April 2000. Initially there were discussion panels and “pink slip” (unemployed) parties, where people were networking to look for work. Over time, this has evolved to offer a more rounded business networking service.

Vision/Objectives

The purpose of running the events is primarily to gain exposure and awareness for Big Frontier’s services. The aim was to be more relaxed than First Tuesday and other networking events.

Event, administration and membership model/s

There are usually several hundred people at each event. The group has a database of approximately 8,500 people. There is no membership model.

The group's events are managed by the 3-4 person Big Frontier team. Speakers are primarily sourced by annual visits to the large publishing houses, to determine what business books are due for release and will be needing publicity. In this way, relatively high profile speakers are obtained free of charge.

Event fee: Free.

Event format/s: Networking time, standing continental breakfast, speech and then more networking. Originally ran dinners but found breakfasts were better for catering for a large crowd.

Locations: Events are run in Chicago and LA.

Marketing: Online marketing is crucial to the group's success, with the majority of marketing and bookings being conducted online. Via email marketing people are also encouraged to invite others. There is extensive cross-marketing with about 25 other relevant groups (eg. MIT Forum, Midwest Entrepreneurs Forum, Global Chicago, Technology Executives Club) and postings on news and events sites.

Attendee Profile: Half employed/half entrepreneur, male slant, 30-40 yr olds in the fields of; Marketing, Technology, Professional services (eg. Accountancy, legal).

Revenue source/s

Event costs (and some profit) are covered by sponsors. An average sponsorship is US\$5,000-\$10,000. The remaining business revenue comes from the marketing business generated through the event attendees that employ Big Frontier.

2.1.2 Cambridge Network

Location	Target Market	Summary of activity
Cambridge, UK	Business owners, entrepreneurs and managers, esp in the technology industries	A network of businesses and individuals, conducting regular events and providing support services, for local Cambridge industry.

Reason chosen to visit

- Large and long running group that was successful in a tech cluster area, rather than in a large city.
- Financially self sustaining

Organisation's History

Cambridge Network is a limited company founded early in 1998 by a group of six organisations - 3i, Amadeus, Analysys Ltd, Arthur Andersen, N W Brown and Cambridge University. As the founders, each of these organisations has made a substantial investment in the Network. All are shareholders and Board members.

Professor Sir Alec Broers, then Vice-chancellor of Cambridge University, was the Network's first chairman. His successor, Professor Alison Richard, became President of Cambridge Network at the end of October 2003. The Network's CEO is Dr Peter Hewkin.

Since its inception, more than 20 other local companies and global organisations have made a significant financial contribution to the Network, becoming founder members.

The Network has also welcomed over 1000 further members - both organisations and individuals - who continue to join daily as the Network grows.

Mission & vision

The Cambridge Network aims to create and support a community of like-minded people from business and academia in the Cambridge region and link this community to the global high-tech network for the benefit of the Cambridge region.

Event, administration and membership model/s

The group runs with a full time staff of three people.

Services offered: A range of “physical” and “virtual” services are offered.

- Corporate gateway – Made to Measure introduction to Cambridge for international companies
- Cambridge Network in the City – Brings venture capitalists and investors to Cambridge Network members
- Member directory (most visited part of website)
- Jobs & CV’s online
- Open meetings with approximately 300 people (featuring a high profile speaker and three “elevator pitches”). Smaller, Open Lectures are also run with a more academic slant.
- Café networking – approx 100 people, drop-in networking event, with colour coded name badges and facilitated introductions. This event attracts the younger crowd in particular as the format is felt to suit them.
- Special interest groups – eg. Skills, UK, Germany, China, materials, etc
- Annual 4Rs survey providing anonymous benchmarking on Recruitment, Remuneration, Rent and Raising Money.

Event fees: Services and events are primarily free for individual members and limited numbers of staff (6) for corporate members. Non-members must pay and are often only offered places if there is room. As an example, a standard dinner event is £60 (AUD 150 approx) plus VAT.

Unique Program/s

NetWORKERs' Forum

Each year the Cambridge Network team run a 'summer school' for their peers around the world whose job it is to manage successful business networks.

Strategists, managers and administrators from over 60 organisations have participated in this NetWORKERs' Forum in recent years. They include: Munich Network, Torino Wireless, Texas A&M University, Leuven INC, WDA, iCentrum, Oresund IT Academy, DTI, Bio Research Ireland, London Technology Network, Oxford to Cambridge Arc, Connect Yorkshire, Norwegian Trade Council, Intertrade Ireland, WDA and Netzwerk Nordbayern.

The format includes:

- structured, professionally facilitated workshop/s;
- opportunity to input/share real life experience about running networks;
- opportunity to meet and network with fellow participants facing the same challenges;
- opportunity over dinner in a Cambridge college to meet alumni of the forum returning to 'top up' their experience;
- All discussions/outputs are captured, written up and circulated to participants;
- The right to participate as an alumnus in future years.

The cost is £350 (AUD 900 approx) +VAT per delegate, including all teaching materials and meals.

Revenue sources

Foundation members pay £5,000 pa (AUD 12,500 approx). For others, membership is payable on a sliding scale and dependent on headcount - ranges from £50 (AUD 125 approx) for an individual to £1,000 (AUD 2,500 approx) for companies with over 100 UK-based personnel, with special rates for academics. Sponsorship is also used to assist in funding some events.

2.1.3 Fast Pitch

Location	Target Market	Summary of activity
Head office: Sarasota, FI, USA <i>Events conducted nationally</i>	Business Owners, Sales/Business Development professionals	Runs a series of “speed networking” events for people in Florida, the Mid West and East Coast. An event every 2 months in cities targeted.

Reason chosen to visit

Small business (2 person full time plus commission based event managers) running a large scale program of events across a large geographical area

Organisation’s History

The business was started as a full time concern two years ago. Founder, Bill Julia, had been in a sales role previously and found that most “networking” events lacked a real opportunity to make enough connections and build business.

Mission & vision

To provide a sales friendly environment where everyone expects to do business.

Event, administration and membership model/s

There are no upfront membership fees. You pay for each event ‘as you go’. The business is run by the founder, with some events co-hosted and run by others who works on a commission basis (based on profit). A limit of two people from similar companies is imposed at each event.

Event fee: Event cost is US\$40 (AUD \$50 approx). The slightly higher than average price point is felt to keep away attendees who aren’t serious about business.

Event format: Approximately 30 people attend each event. You spend 5-6 minutes discussing your product or service in a one-one-one format with another attendee. After five minutes, all businesses rotate, and begin a new discussion with a different business. Events typically last two hours and include free appetizers. At the event's conclusion, you are provided with a 'Directory of Attendees' list, which includes all contact information for each attendee. This list is also updated and sent to you electronically as a spreadsheet in the day proceeding the event.

Locations: Events run around Florida (Ft Lauderdale, Miami, West Palm Beach) and around increasingly around the US (Chicago, Dallas, Cincinnati, etc).

Marketing: Email and web marketing is the main source of business, along with referrals from past attendees. The group currently has a database of 3,000 but is aiming for 20,000. An initial personal database has been built over time through referral and harvesting of email addresses from selected business websites.

Attendees: 60% own business, 40% working for large corporates. Average age is 30-40 year old,

Revenue sources

Event revenue only. There are no sponsors or membership revenue.

Issues faced

- Ideal event size (20 pax) for attendees is not a profitable model for a business. As with most events, costs are mostly fixed and thus the more attendees, the more profitable the event.

2.1.4 Gotham City Networking

Location	Target Market	Summary of activity
Originated Manhattan, NY, USA	Primarily business owners	Nine annual lunch meetings of each Gotham group, complimented by other activities such as golf days and follies and semi annual, cross group cocktail party.

Reason/s chosen to visit

- Small group that has sprouted other groups relatively quickly, where people network based on both lifestyle and cultural distinguishing features, rather than purely industry based

Organisation's History

Co-founders Fred Klein and Nancy Schess formed their first networking group in New York City in January 1997. The intent was to bring together service-oriented professionals in complementary fields to share not only contacts, but also ideas and resources.

This has grown to twenty one groups include a number of "general" groups, including location-based groups, and a growing number of niche groups that focus on a specific member demographic. The group now extends to Boston, New Jersey and Connecticut.

Mission & vision

"To forge a virtually cost-free partnership steeped in the spirit of fraternity (or sorority as the case may be) that goes beyond matters of immediate concern. This spirit is best served by fostering a climate characterized by Gotham's mantra: "It's better to give than receive, but what goes around comes around!"

What Gotham claims set them apart from other networking groups is that they are not only about lead generation. Instead, they strive to create personal relationships with each other that drive success in business as well as in other aspects of their lives.

Services offered

- Networking lunches
- Mentoring programs
- Golf days & other social events

Event, administration and membership model/s

A volunteer based group that relies on each group's founder and members to organise events and activities. Gotham is primarily a cost recovery model.

Event fee: Lunches are approximately US\$45 (AUD \$60 approx) and usually include two courses (no alcohol).

Event format: The format of each meeting includes a brief presentation from each participant on their background and services, plus an explanation of any networking accomplished since the last meeting. Each participant is asked to explain how the group may be able to help them (eg. "What's a good lead for you?"), whether in business or otherwise.

Locations: New York City, Long Island, Westchester, Queens, Hudson Valley, Boston, Connecticut. Also groups based on characteristics such as being gay & lesbian, Hispanic, Asian and female. There are also a few industry specific groups.

Event marketing: Members are encouraged to bring guests to each meeting, which they have found to be the lifeblood of the organisation. Members are also encouraged to "ride the circuit" of other groups' events to extend member's networking opportunities. The website is used as the primary communications tool.

Attendees: Primarily service based companies, average age of members at group I attended was around 40 but this varies considerably across groups.

Revenue sources

There is an annual membership fee which includes 9 lunches. A membership application fee of US\$150 is also payable. Lunches for visitors are charged at US\$45 (AUD 60 approx) and the group averages 5-7 visitors per lunch.

Issues faced/predicted

- Maintaining long term enthusiasm in all chapters due to heavy reliance on volunteerism

2.1.5 NetParty

Location	Target Market	Summary of activity
NYC, NY, USA Event conducted around country	Young professionals, 20's- 30's across a wide variety of industries	Semi regular, large scale, four hour events with the first half focused on "business networking" and the second half of fun and socialising.

Reason chosen to visit

Small organisation that has consistently run profitable events over a period of time in more than one city

Event, administration and membership model/s

Event fee: It is free to sign up to receive e-mail invitations to Netparty events. When you sign up, admission to the first event is free. Thereafter, the cost of the event varies with the city and venue, but it is generally US\$10-\$20.

Event format: The first two hours of these events are like an extended "cocktail hour," with passed hors d'oeuvres at most events and low music to facilitate business networking. Later, the events take on more of a social atmosphere, with music, dancing and conversation. Netparty networking events aim to use the "hippest" venues. The crowd is comprised entirely of young professionals. Business attire is requested; however the dress code permits "business casual" attire. No jeans or sneakers are permitted.

Locations: The group runs the majority of its events in Manhattan but has run events in other major US cities and plans to continue to do this where possible.

Marketing: All via email marketing and the web. The group has a database of more than 20,000 young professionals across the US.

Revenue sources

Ticket revenue and share of bar revenue. The business owner also runs selected other, large events for singles, primarily in the Jewish community, to supplement his income.

Issues:

- Expanding and consistently running events across the country with such a small team.

2.1.6 Young Entrepreneurs Association (YEA)

Location	Target Market	Summary of activity
Head office: Victoria, BC, Canada 9 chapters nationally	Aimed at business owners 35 and under	YEA provides its members an opportunity to learn from one another's experiences and take advantage of peer support and mentorship as they grow their businesses. The provide events, facilitate connections with government, industry and the media. They have a non-solicitation policy amongst members.

Reason chosen to visit

Membership based, multi chapter, group with minimal funding but extensive reach in a nation of similar size to Australia.

Organisation's History

The Young Entrepreneurs Association is a volunteer-driven, non-profit organization whose mandate is to support young people in business.

The idea of a national association specifically for young entrepreneurs was developed by the winners of the 1991 FBDB (now BDC) Young Entrepreneur of the year Awards. Winner Robert French - and a group of other young business owners - developed a comprehensive plan to unite their local community of young entrepreneurs, and then created a mandate for the association. With RBC Royal Bank as a Founding Sponsor, the Young Entrepreneurs Association of Ontario was born in November 1992.

The group has gone through several phases since inception. In the first 3-5 years, the group was quite ambitious pushed growth in smaller communities, which ultimately proved unsustainable and a large drain on central resources.

In 1999 there was a large cash injection from a variety of sources, including the initial bank sponsor. The group undertook an aggressive expansion campaign into all cities across Canada, hiring five regional co-ordinators. The plan was to add more chapters, bringing in more in membership fees to fund the positions ongoing. Within one year the funds had dwindled, the new staff were laid off and in 2001 YEA was at a standstill, with only 3 chapters and an exhausted board.

When the current president took in 2002, there was a year with no events, extensive review and research and a new board. The outcome has been events that are less niche and a greater focus on having more members at events. Today YEA has seven active chapters across Canada and is in the process of starting another two.

Mission & vision

Vision: To increase the survival and success rate of youth-owned businesses in Canada, YEA creates an environment where young entrepreneurs can support and inspire one another in growth, balance and success.

Mission: To deliver dynamic, high value, event-driven programming that communicates the fundamental skills of business management. To create a national community of young entrepreneurs to mentor each other in business, and in life.

Event, administration and membership model/s

YEA currently has just under 1000 fee-paying members. 80% of members are “core members” who own their own business, the remainder are students, alumni, etc. The aim is to have 75% of members attend an event each month. “Engagement is a high indicator of value” says current president, Jason Guille.

There are seven different membership types in the organization which allow interested parties, from students to sponsors to other key entrepreneurship stakeholders, to participate in YEA Canada's programs and events.

There is a 100 page “chapter guide” on how to run and manage chapters. It’s in the “how to/dummies” format to make it simply to read and follow.

YEA is governed by a national Board of Directors elected from within the membership. A Board is usually 8 people, spread across the country, who meet via web conferencing. This Board then selects their Chairperson, who hence becomes President of the Association. There is also a board retention project at national level to try and tap into what board members are seeking from the experience and keep them motivated and active.

YEA Canada holds an AGM each year during which new Directors are elected to the National Board. These Directors are members of YEA who have been nominated by other members.

YEA delivers programs and events through community based Branch Societies or "chapters". Each YEA Chapter is directed by a community-level volunteer committee (5-8 people), the Chair of which is elected by the Chapter membership, and subsequently approved by the National Board for a one year term.

Event fee/s: Average of CA\$25 (AUD 30 approx) per evening event. Various other event fees vary based on costs on chapter location.

Event formats: The group runs a variety of event formats:

The Inside Scoop! The Inside Scoop! event is an on-site company tour and overview of a successful local business. Usually comprised of small groups of 10-20 members, these events are extremely popular for the real-life business lessons and experiences shared by the President or CEO who conducts the presentation.

Business Matters Seminars and Conferences Facilitated by leading thinkers, teachers and business leaders. Topics focus on the core competencies of business management including financial management, sales and marketing, human resources, technology integration and so on.

YEA Spirit Socials Spirit Socials are informal mixers, hosted at various social locations around the community.

President's Roundtable This intimate self-facilitated event type consists of less than 10 members, and revolves around a singular topic of discussion brought forth by an individual member of the Chapter, who calls the President's Roundtable if they have a specific issue they require help with.

Summer Socials The Summer Social is a recreational activity of some type that gets members together in a purely social setting. Some previous successful Summer Socials have included beach volleyball tournaments; group BBQ's, pub nights and scavenger hunts!

Marketing: YEA relies heavily on email marketing.

Revenue sources

Funds come from four sources:

1. Membership dues – The group charges CA\$150 (AUD 170) per year (plus GST) for membership. All membership dues go to the central YEA group for the administration of the group. With approx 1000 members, the funds would be approx CA\$150,000 (AUD 165,000) for running the central administration.
2. Event revenue – Funds from events go to the individual Chapters to cover the cost of running the event, and the chapters.
3. Sponsorship fees – Periodically the group attracts sponsorship in cash and in kind
4. Government funding – At two points in its history, a semi-government organisation (Business Development Bank of Canada) has injected cash, initially CA\$50,000 in 1991 and funding again in 1999.

Issues faced:

- Finding a consistent, self sustaining model and chapter base.
- The challenge of working with a primarily volunteer based team.

2.1.7 Young Presidents Organisation (YPO)

Location	Target Market	Summary of activity
Head Office: Irving, TX, USA Chapters globally	Under 45 yr old presidents/ CEOs of companies (both entrepreneurs and employees)	International network of business leaders, arranged into local chapters and bi-monthly “forums”, for networking and education. Also stage larger national and global conferences, events and educational programs. (<i>Partner organisations YEO and WPO.</i>)

Reason chosen to visit

One of the world’s most successful private and profitable networks, with chapters around the world.

Organisation’s History

Founded in New York in 1950 by Ray Hickok, who advanced a simple concept to the organisation’s first 20 members: “Let’s become better presidents by learning from each other”.

Following the elder Hickok’s death in 1945, the company’s board of directors voted Ray Hickok president and CEO at age 28.

At that time, the U.S. business community included few young executives with such major responsibilities. Hickok faced unusual problems that older, more experienced presidents did not understand. He began meeting other young men in similar situations and conceived the idea of a membership organisation for young CEOs. “Why not bring together presidents who had like problems and like interests?” he asked. “If the force of these driving dynamos could be harnessed together, only good could come.”

Mission & vision

The Mission of the Young Presidents' Organization is to create "Better Leaders Through Education and Idea Exchange".

Event, administration and membership model/s

More than 9,500 young global business leaders in more than 75 nations are members of this exclusive peer network. It connects them to exchange ideas, pursue learning and share strategies to achieve personal and professional growth and success.

Members average age at time of joining is 40 years old and most stay a member for an average of seven years. Around 55% of members are US based, which the group would like to see at 50%. Around a third are in family business, a third are self-made entrepreneurs and a third are working in large organisations as leaders.

Each Chapter is usually 40-60 people. 25 people are required for a self-sustaining chapter. Within each chapter are smaller groups of about a dozen members organized as a Forum. Forums reflect the core of YPO — a "safe haven" and non solicitation environment where young leaders share experiences and consult each other in absolute confidence.

The organisation is run with a staff of approximately 100 people. Growth comes from members "recruiting" at a local level and new chapters start when someone "catches the bug" of YPO. The group tends to be most successful in Western based economies.

Event fee/s: Dependent on content, event fees vary dramatically. Forums are usually not charged but other activities are on a user pay basis.

Event format: The bi-monthly "forum" meetings – small groups which are supportive peer to peer networks - are at the heart of YPO's model.

There are also regular travel opportunities, combined with education that offer outstanding opportunities to members (eg.private audiences with Nelson Mandela or Fidel Castro). The cost of these is usually around US\$12,000/AUD 16,000 (excluding accommodation and airfares), often includes spouses and are really only taken up by 15% of the member base.

Membership retention: The group loses about 10% each year due to a number of factors (aging, change in personal focus, etc) and so aim to recruit at least this many again just to stay at status quo levels.

Marketing: Primarily a personal networking program, with membership as invitation only. Email marketing and mail used extensively to contact existing members. There is a current project underway to make the YPO more global – and on demand – via online networking.

Revenue sources

- Global & Chapter membership dues – approximately US\$3,000-\$4,000 pa (AUD \$3,750 - \$5,000 approx) for local chapter dues which covers 5-25 events.
- US\$2,250 (AUD \$2,750) is payable to YPO internationally to provide global networking and Chapter Administration support.
- Event, training and travel program fees

Issues faced

- Aging membership base which need to be graduated to another organisation
- Increasing the level of diversity – They recognise there is a lack of women and variety of ethnic groups
- Keeping membership requirements current in the changing business landscape.

2.2 Educational Institutions

2.2.1 Babson College

Location	Target Market	Summary of activity
Wellesly, MA, USA	Undergrad, Postgrad, corporate education & educators	Educational institution that runs entrepreneurial education programs for undergrads and postgraduates. Also leaders in entrepreneurial executive education and in teaching other educators the Babson methodology in teaching entrepreneurship.

Reason chosen to visit

- Rated for the past 11 years as the Number one school for study of entrepreneurship in the USA
- Founding institution behind the GEM report (together with London Business School)
- Approximately 30-40% of graduates start a business within 5 years of leaving Babson.

Organisation Overview

On September 3, 1919, with an enrolment of 27 students, the Babson Institute (renamed Babson College in 1969) held its first classes in the founder's home in Wellesley Hills.

Founder Roger Babson set out to distinguish the Babson Institute from other colleges offering instruction in business. The Institute provided intensive training in the fundamentals of production, finance, and distribution in just one academic year, rather than the standard four.

Believing experience to be the best teacher, Roger Babson favoured a curriculum that was a combination of both class work and actual business training. Seasoned businessmen instead of career academicians made up the majority of the faculty. This model still applies today with a mix of theoretical and practical teaching.

Today, the Arthur M. Blank Center for Entrepreneurship serves as the nucleus for the entrepreneurial energy, activity, and creativity on the Babson campus.

The mission is to enhance the growth of entrepreneurship worldwide through the creation and development of academic, research, and outreach initiatives that encourage and support entrepreneurs and the spirit of entrepreneurship.

Dedicated in 1998, the Center is named for Arthur M. Blank B'63, H'98, cofounder of The Home Depot; chairman, president, and CEO of AMB Group, LLC; and chairman of the Arthur M. Blank Family Foundation.

Unique/key programs

Foundation Management Experience

The FME is a year-long immersion into the world of business for first-year students. While undergraduate students are learning the nuts and bolts of economic theory, probability theory, statistical analysis, quantitative methodology, and business law, a group of classmates will also work together to invent, develop, launch, manage, and liquidate a business. Babson loan each group up to \$3,000 in start up money, and any profits made are donated to a community service project, such as Habitat for Humanity.

Babson Symposium for Entrepreneurship Educators (SEE)

Each spring, Babson holds an intensive four-day program where teams of entrepreneurship academics and practitioners explore the “art and craft” of teaching entrepreneurship through the case method and other interactive learning methods.

Since its inception in 1984, over 1000 academics and entrepreneurs from nearly 330 institutions have participated in the program. Each year over 50,000 entrepreneurship students are taught by Price-Babson SEE alumni.

Global Entrepreneurship Monitor (GEM)

The Global Entrepreneurship Monitor (GEM) study, conducted by researchers from Babson College, the London Business School, and a university team for each participating country, explores the role of entrepreneurship in national economic growth. The cross-national report and U.S. study are supported by grants from the Kauffman Center for Entrepreneurial Leadership.

GEM was launched to answer three key questions:

- 1) Does the level of entrepreneurial activity vary between countries and, if so, by how much?
- 2) Are differences in entrepreneurial activity associated with national economic growth?
- 3) What national characteristics are related to differences in entrepreneurial activity?

Entrepreneurship Intensity Track

The Entrepreneurship Intensity Track (EIT) is an innovative curriculum designed to provide a select cadre of graduate students with a unique academic experience. They are given a compressed and highly focused entrepreneurial curriculum designed to provide them with the necessary skills to take a business idea through the critical stages of exploration, investigation, and refinement. The program's flexibility tailors each student's education to best fit their perceived market opportunity and enables them to work toward funding and launching their business during the spring of their second year of the MBA program.

Rocket Pitch

The annual Rocket Pitch Event invites Babson entrepreneurs to pitch their company or concept in 3 minutes (and 3 slides) to a large audience of students, faculty, entrepreneurs, investors, and service providers.

The event also provides an opportunity to meet and network with a large group of quality entrepreneurs, investors, and service providers. Following the event is an open networking reception where all of the entrepreneurs are available to answer questions.

BKERC

The annual Babson College - Kauffman Foundation Entrepreneurship Research Conference (BKERC) is the premier scholarly forum for entrepreneurial research in the world. It is sponsored jointly by Babson College and the Kauffman Foundation.

Founded by Babson in 1981, the Entrepreneurial Research Conference was established to provide a dynamic venue where academics and real-world practitioners could link theory and practice. Each year, the Conference attracts more than 300 entrepreneurial scholars who come to hear the presentations of more than 180 papers.

The Ultimate Entrepreneurial Challenge (Elective Subject – graduate & undergraduate)

The Ultimate Entrepreneurial Challenge - Success or You Are Fired! -- a new course with a structure similar to Donald Trump's "Apprentice" TV show. Students are divided into teams and compete for ten weeks to determine the ultimate winner.

The assignments are based on actual case studies with the entrepreneurs involved in that particular case presenting in class to judge the students on their ideas. The entrepreneur will discuss the students' input and the students will be graded with "success points" for great ideas and "you're fired" minus points for input that would not make it in the real world.

Revenue sources

- Undergraduate education
- Post graduate education
- Executive education
- Private donations
- Philanthropic foundations

Issues/Challenges faced

- Increasing the global recognition and awareness of the school and its programs.
- As a small school, maintaining its Number one ranking.
- Matching practical learning with entrepreneurial vigour.
- Furthering the success of Babson graduates, which in turns furthers the success of the school.

2.2.2 London Business School

Location	Target Market	Summary of activity
London, UK	International and local students and undergraduate and MBA level.	Educational institution that runs entrepreneurial education programs for undergrads and postgraduates. Also leaders in entrepreneurial executive education.

Reason chosen to visit

- Consistently rated in top 10 global business schools, with particular emphasis on entrepreneurship.
- Founding institution behind the GEM report (with Babson College).
- Focus not only on entrepreneurship teaching, but also research and public policy and 'Business Creation' (supporting their own graduate entrepreneurs).

Organisation's History

London Business School is a graduate school of the University of London. Since its foundation in 1965, the School has become one of the world leaders of management and business education.

- Eighty percent of students come from outside the UK
- London Business School's 22,000 alumni are found in over 100 countries
- 100 plus faculty members come from 24 countries
- The Executive Education function serves 6,000 executives on its programmes each year
- The School is one of only two UK business schools to have a six-star (6*) research rating from the Higher Education Funding Council for England (HEFCE)
- Both the School's full-time and Executive MBA programmes are counted among the world's best according to the Financial Times' Business Education surveys

Unique/key programs

Alumni Network/s

LBS runs an extensive Alumni network of clubs. The school supports the clubs through technology and administrative support (the alumni section of the administration has six full time staff members). Interestingly, the Entrepreneurs' Alumni Club was dormant during this research project. The school faced the issue of reliance of alumni volunteers to drive the projects, yet found entrepreneurs especially time poor as a result of the demands of study and running a business.

Entrepreneurship Summer School

A six week intensive course, working in groups, where each participant is pursuing his or her venture idea. The aim is to work with students from around the world to test the feasibility of their ideas through active research in their proposed markets and learn what it will take to turn their ideas into fundable businesses. At its conclusion, students present to well known investors as a real-life validation of the opportunity.

Sussex Place Ventures

A venture capital fund for LBS (and several other UK business schools) students. In the 5 years since its inception, they've invested in approximately 24 deals, of which two thirds are still active. The fund exists to provide seed and early stage capital across a broad variety of industries. (www.spventures.co.uk)

Enterprise 100

The Enterprise 100 was launched in 1999 to provide a two-way bridge between what is happening in the classroom, the School's successful entrepreneurs and the business community at large.

They have over 90 select individuals as members, who contribute £1000 p.a (AUD 2,500 approx) to be a part of the initiative. The group essentially exists to provide second stage funding and business networks for students, whilst providing "deal flow" to members seeking to invest in high potential, growing businesses.

Revenue sources

- Undergraduate education
- Post graduate education
- Executive education
- Fee for participation for various programs (eg. Enterprise 100)

Issues faced

- By alumni network: A culture that does not necessarily support extensive volunteerism, in one of the busiest and most difficult to move around cities in the world.

2.3 Support groups, institutions & others

2.3.1 Kauffman Foundation

Location	Target Market	Summary of activity
Kansas City, Mi, USA	Education and entrepreneurship	Philanthropic organisation that works with partners to encourage entrepreneurship across America and improve the education of children and youth. The Foundation focuses its operations and grant making on two areas: entrepreneurship and education.

Reason chosen to visit

The Kauffman Foundation is one of the largest private funding organisations of programs for entrepreneurs and entrepreneurship in the US. They are founding supporters of high profile entrepreneurial research and programs such as the Global Entrepreneurship Monitor, Fastrac, The Angel Capital Association and Disney co-project, HotShot business.

Organisation's History

Ewing Kauffman was the prototypical entrepreneur, who started with few resources, grew his firm into a multibillion-dollar company over four decades, and did so in an ethical and compassionate manner. He established the Ewing Marion Kauffman Foundation In 1966.

He experienced first hand the rewards of education and entrepreneurship for himself, his family, his work associates, and his community. He believed philanthropy could and should promote entrepreneurship and education as means to improve lives.

In the 1980s, the Kauffman Foundation began operating programs designed to promote positive youth development and help young people realize their full potential.

The Foundation operated the Kauffman Centre for Entrepreneurial Leadership from 1992-2002 to provide training to existing entrepreneurs and introduce entrepreneurship curricula to students.

Shortly after Mr. Kauffman died in 1993, the Foundation shifted from operating programs to making grants.

In 2003 the Kauffman Foundation, emulating the perspective of its founder, seeks to operate as an entrepreneurial foundation, taking risks, looking for opportunities where their resources applied in a thoughtful way can make a meaningful difference in the lives of people in the areas in which they work.

Mission & vision

Vision: A society of economically independent individuals who are engaged citizens, contributing to the improvement of their communities.

Mission: To help individuals attain economic independence by advancing educational achievement and entrepreneurial success, consistent with the aspirations of their founder, Ewing Marion Kauffman.

Approach: In pursuit of this mission, the Kauffman foundation abide by key principles espoused by the founder:

- Identify opportunities where application of the Foundation's people, ideas, and capital can benefit society in significant and measurable ways.
- Develop innovative, research-based programs leading to practical, sustainable solutions that are widely accepted and implemented.
- Treat the Kansas City region as a program incubator where feasible, in which new approaches can be tried and tested before being disseminated nationally.
- Partner with others to leverage Kauffman's resources and capabilities while avoiding the creation of dependency.

Operating Model/s

Internally, the Foundation aims to streamline its internal structure, battling rigid hierarchy and debilitating bureaucracy.

The Kauffman Foundation makes grants and supports initiatives in entrepreneurship and education at points where they can step into an issue and affect the lives of a great many people in a significant way for the long term.

Grants go to a grantee or partner organization to fund a particular project or program related to their focus areas. While an individual grant may focus on a narrow piece of their work, initiatives are larger enterprises that support a broader idea or a wider field of interest. As a result, a single grant or a group of several grants may go to support a single major initiative.

The Foundation's grant making framework includes idea grants to get innovation moving, seed grants to pilot and test good ideas, and scale grants to refine and bring good programs up to scale. They make sustaining grants to programs only as needed and watch for programs that can be spun out on their own.

Unique/Key Programs

FastTrac™

FastTrac™ is a practical, hands-on business development program designed to help entrepreneurs hone the skills needed to create, manage and grow a successful business. Experienced business counselors complement a course instructor by facilitating small-group and individual learning, as well as providing advice on class assignments. Programs include FastTrac NewVenture®, FastTrac Planning® and First Step FastTrac®. These are administered around the country, with the content developed by Kauffman being licensed.

KCSourceLink

KCSourceLink connects a network of over one hundred business resource providers to help entrepreneurs in the Kansas City region grow and succeed. By helping individuals move through the maze of local entrepreneurship support services, KCSourceLink aims to save entrepreneurs time, provides more relevant information, and encourages collaboration among area service providers.

Launched in 2003 by the Kauffman Foundation, in collaboration with the Small Business Administration and the University of Missouri-Kansas City, KCSourceLink connects small business owners with “the right resource at the right time”. With the formation of KCSourceLink, Kansas City became one of the first cities selected by the SBA for its new National Entrepreneur Center Alliance, which sets Kansas City as a model environment for advancing entrepreneurship.

Hot Shot Business

Hot Shot Business is an award-winning Internet simulation game, developed in conjunction with Disney Online, which can be played at Disney.com. Hot Shot Business blends fun game play with real-world lessons to teach kids entrepreneurial concepts and skills.



Tapping into tweens' (9-12 year old) natural curiosity and Internet savvy, Hot Shot Business welcomes kids to “Opportunity City,” where animated teen characters Kate and Jack help players recognise and act on business opportunities to meet the citizens’ needs. Players can borrow capital or put up their own money to open a business such as a skateboard factory, pet spa or comic book shop.

Tens of millions of games have played, touching millions of American children aged 9-12. This age was identified by the Kauffman team as when children could really start to comprehend what they'd like to be when they grew up. Hot Shot Business aims to put "entrepreneur" on the same list of career option as "fireman" or "doctor".

Giving Back to Entrepreneurship

The Giving Back to Entrepreneurship site <http://givingback.kauffman.org> includes a variety of ways entrepreneurs can share their time, talent and money to help the next generation of entrepreneurs at every stage of development.

"As an entrepreneur, Ewing Kauffman believed that giving back was the highest form of citizenship. He taught that 'giving back' is more important than 'taking from' in our society and established the Kauffman Foundation with the same sense of purpose and opportunity he brought to his business endeavors," said Carl Schramm, President and CEO of the Kauffman Foundation.

This new form of entrepreneurial philanthropy involves more than just writing a cheque to a favorite charity. In addition to financial giving, it can involve mentoring, Serving on boards, evaluating and incubating innovation, teaching and establishing angel investment funds. Information about all of these are included on the site.

PSED – The Panel Study on Entrepreneurial Dynamics

The PSED is a longitudinal study of 64,622 US households that were contacted to find individuals actively engaged in starting a new business. The survey identified 830 nascent entrepreneurs willing to provide information about their business start-up activities. The efforts of these people were then followed over a two year period.

The study's aim is to understand the fundamental nature of the business start-up or entrepreneurial process. It focuses on four fundamental questions:

1. Who is involved in starting a business in the United States?
2. How do they go about the process of starting companies?
3. Which of these business start-up efforts are likely to result in new firms?
4. Why are some of these business start-up efforts successful in creating high-growth business?

Revenue sources

They currently hold approximately US\$2 billion (AUD 2.4 billion approx) in trust and spend approximately US\$100 million (AUD 130 million) on programs each year. Individual donations are made to the trust to assist in funding some programs. Some content is licensed and The Foundation often co-funds programs with other parties (eg. Government, educational institutions, businesses and other philanthropic organisations).

Issues faced

- Even with such substantial funding, the group faces the challenge of deciding where is best to allocate funds to make a real difference. They face the proposition of far more worthy opportunities than they can ever hope to fund.

2.3.2 The Chamber (Greater Kansas City Chamber of Commerce)

Location	Target Market	Summary of activity
Kansas City, Missouri	All businesses in Kansas and Missouri (8,000 member organisations)	Chamber of Commerce which represents the interests of local business, through education, networking and government relations/policy formation.

Reason chosen to visit

An extremely active chamber in a region that strongly fosters entrepreneurs, despite being relatively geographically isolated. The visit focussed on networking and education programs for entrepreneurs and small business people (who make up 90% of The Chamber's members).

Organisation overview

Started in 1887 as the Commercial club, in 1916, it changed its name to the Chamber of Commerce. On February 14, 1972, in recognition of the metro area's growth beyond city limits and the Missouri-Kansas state line, it changed its name to the Greater Kansas City Chamber of Commerce.

Today, membership is open to all businesses in the bistate area (Kansas and Missouri). Approximately 8,000 companies belong to the Greater Kansas City Chamber, representing approximately 400,000 employees. While nearly all of the area's largest employers are members of The Chamber, approximately 90% of Chamber members are defined as small businesses (250 or fewer employees). 50% of members have 10 employees or less.

Mission & vision

The mission is two-fold: to assist members in growing their businesses and to build a metropolitan area that is vibrant and thriving.

Event, administration and membership model/s

Organisation structure: The Chamber President, hired by the board, oversees a staff of approximately 40 people. He and four vice presidents comprise the 'executive leadership team.'

Each of the vice presidents is responsible for the activities within their department. There are four departments at The Chamber: Administration, Business Growth & Member Connections (which runs events program), Communications and Government Relations & Policy Development.

Key Events

Business After Hours. Monthly evening networking series. US\$10 members, US\$25 non members (AUD 32 approx). Between 750-1500 attendees.

Business Before Hours. Monthly speed networking style event. Introduced for those people who felt uncomfortable with the more relaxed and unstructured style of the Business After Hours series. Demonstrates that different personal networking styles need to be catered for. US\$15 (AUD 20 approx). Approximately 100 attendees.

Business Brain Food. A weekly session with presentations covering sales & Marketing, Business Management & Financial, Management Leadership, Information Technology, Workforce & Legal. US\$15 (AUD \$20 approx) and for chamber members only. A unique program in that it taps into Chamber members to make the presentations, thus eliminating speaker search and speaker fees. Thus events can be kept small, regular and low cost. They average 25-30 attendees.

Annual awards program: 900 nominations, approx 90 entries.

Event Marketing: Events are marketed via a website, email marketing and physical mailing program.

Revenue sources

Whilst the majority of Chamber members are small business, the majority of funding comes from corporate business members. Chamber membership is for an entire business and starts at US\$450. Individual memberships are not offered.

Event fees are paid for most events, although costs are not high. Sponsorship fees are also obtained to assist in running various events.

2.3.3 Helzberg Mentoring Program (HEMP)

Location	Target Market	Summary of activity
Kansas City, Mi, USA	Successful Kansas City entrepreneurs seeking further development and that satisfy a number of selection criteria.	Extensive, three year mentoring program for a select group of Kansas City/Missouri based entrepreneurs.

Reason chosen to visit

The most (and perhaps the only) successful, **stand alone**, entrepreneurial mentoring program in the US.

Organisation's History

The Helzberg Entrepreneurial Mentoring Program (HEMP) was founded in 1995 by Barnett Helzberg, Jr., former owner and President of Helzberg Diamonds.

Inspired by his twenty-three year mentoring relationship with Ewing Kauffman (founder of the Kauffman Foundation), HEMP matches seasoned, successful entrepreneur mentors with less-experienced entrepreneur mentees. Considerable mentoring is also fostered through peer-to-peer relationships derived from involvement through HEMP.

Mission & vision

The Helzberg Entrepreneurial Mentoring Program is dedicated to growing and nurturing mentoring relationships by providing an enduring link between knowledgeable business veterans and established entrepreneurs. The primary focus is on the development of a long-term relationship with a mentor who acts as a coach and a sounding board.

Operational Model

The HEMP program is intensive, with a heavy networking and educational components. It includes a one-on-one mentoring relationship, networking opportunities with peers and veteran business owners to help build the mentor/ mentee relationship, business educations discussing greatest successes and lessons learned from peers and top CEOs in the community, and field trips to locations of entrepreneurial interest within the Kansas City area.

2004 Program summary

- 4 major events
- 6 breakfasts
- 4 Mentor/Mentee Joint Meetings
- 4 Intake process events
- 2 collaboration events
- 3 Roundtables
- 3 HEMP participant site visits
- 1 Golf outing
- 3-4 Events paid by attendee
- Lunches with B. Helzberg

The mentoring relationship is the primary focus of the Helzberg Entrepreneurial Mentoring Program (HEMP). They believe the key to all mentoring relationships is sharing with and learning from one another. HEMP focuses heavily on the **chemistry** of the relationship between Mentor and Mentee.

The detailed HEMP User's Guide is provided to participants as a living document that evolves as the program and its participants evolve. Given to mentors and mentees, it provides a single source for documentation on all aspects of the mentoring relationship with HEMP. Included is an outline of the role of the Master Mentor. They act as a process guide, not the sole source of knowledge, to help the Mentee learn to be successful.

The formal mentee program is a **three year program** and is by application only in the Autumn of each year. Up to fifteen mentees per year are accepted. As of early 2005, there are over 130 people participating in the program as either a mentor, a mentee, a counselor or a Society of Fellows participant.

See Appendix B for ideas from the program to provide a positive mentoring process.

Program qualifications

Mentees:

- The ultimate decision maker in their business
- Been in business for at least three years
- Have annual revenues between US \$1,000,000 and \$75,000,000 (average is approx \$5-\$7 million turnover)
- Have a desire to substantially grow their business
- Willing to serve as a mentor (in the future)
- Willing to invest the time - meet with mentor several times each year and attend networking events and programs

Mentors:

- A veteran business owner or a top executive level manager
- A willingness to openly share their business knowledge - both successes and failures
- Willing to commit to at least four, one on one meetings per year with their mentee
- Willing to commit to attending various networking programs including the annual retreat

Revenue sources

Barnett Helzberg contributes personally to the running on the program on an annual basis. Whilst each person pays \$1,000 pa the cost to run the program for each is around \$8,000 annually in overhead.

The entire program costs approx US\$250,000 p.a (AUD 310,000) to run.

Cost for mentee participation in 2004:

US\$45 application and self-assessment profile processing fee

US\$1,000 (AUD 1,250) annually. This covers program administration AND all events (often including partners).

Cost for Society of Fellows participation in 2004:

\$500 annually

Issues faced

- Expansion of the program and how to maintain the integrity if run by parties outside the original organisation.
- Finding other philanthropic partners willing to commit the funds to cover the program in other states.
- Determining appropriate charges for the program and capacity of participants to pay closer to the actual running costs

2.3.4 Ryan Allis (individual)

Reason chosen to visit

Ryan is the model young American entrepreneur. Actively in business in his early teens, by 17 he had written his first book “Zero to one Million: How to build a company to one million in sales”.

Now, four years later, he’s almost finished a business degree and has managed to start another two successful businesses (with a partner) that employ more than 12 staff. He has been extremely active in the Carolina Entrepreneurship Club at UNC, conducts regular public speaking engagements about his experiences and has written a second book “Obtaining a #1 ranking in search engines”.

Meeting Ryan, I learned he’s used networking extensively, especially once he got to college, to find business partners, lawyers, advisors, customers and funding.

Ryan also expressed the same view I hear from many young entrepreneurs. He wants to **make a difference**. Eventually he’d like to make enough money to be able to give a large portion away, work as a social entrepreneur or start his own foundation.

Entrepreneur Club at NCU

In 2004 Ryan was the president of the Carolina Entrepreneurship Club. This extremely active club offers the means to develop and support young entrepreneurs whilst studying at University.

Programs offered include:

- Legal help desk to assist on issues such as Protecting IP and Incorporating a Business
- Mentor Match – linking YEO members with students
- A large monthly networking event and 3 smaller events
- Start-up clinic – where a team of four students present to a panel of coaches, VCs and entrepreneurs.
- SIFE (Students in Free Enterprise) - A grassroots student movement that is sweeping the world. More than 1,500 college and university campuses are currently enrolled in SIFE in over 25 different countries. Through a collaborative effort between local businesses, educational facilities, and non-for-profit companies UNC's SIFE Team puts their business skills to practice in improving the quality of life in and around their area.
- Carolina Challenge – Business plan competition with US\$25,000 in prizes for various winners

2.3.5 Yes for Europe

Location	Target Market	Summary of activity
Brussels, Belgium, EU	The largest membership body in each nation representing young entrepreneurs.	Membership body representing the largest young professional's groups in each of the 10 nations which are represented. Aim is to act as a information transfer and lobbying source at the EU.

Reason chosen to visit

The largest network of young entrepreneurs in Europe.

Organisation's History

YES for Europe, the European Confederation of Young Entrepreneurs, is the main association of young entrepreneurs through Europe representing 35.000 members. As such, it is the largest dynamic network of entrepreneurs in Europe. It aims at improving the economic and social performance of European entrepreneurship.

YES for Europe was launched in 1988 by seven national groups of young entrepreneurs in order to face the new challenges presented by the changes taking place in Europe after the ratification of the Single European Act in July 1987.

In early 1991 YES acted to create a European confederation of young entrepreneurs in Brussels under Belgian Law. In late 1993 a Brussels Secretariat General was established in order to intensify the lobbying activities of YES for Europe at EU level and to improve the exchange of information on European initiatives to the YES members. In the past three years YES for Europe has passed from 6 to 10 members involving associations located not only in the EU countries but also coming from the Mediterranean area (Cyprus, Turkey).

Objectives

YES for Europe maintains an ongoing dialogue with the Institutions of the European Union in order to:

- ensure that European Union initiatives reflect the entrepreneurial spirit in Europe;
- promote policy measures which will facilitate business activities for young entrepreneurs;
- participate, in collaboration with public authorities, to the simplification of the business environment of enterprises;
- ensure that the conditions for establishing enterprises in the European Union remain homogeneous and favourable;
- compare and assess the impact of the Internal Market measures on enterprises in the Member States;
- foster easier access to information on European policy for small and medium sized enterprises (SMEs) across Europe;
- encourage policy which would favour co-operation between different generations of entrepreneurs;
- take a more active part in political debates and economic projects which aim to promote Europe world-wide.

YES for Europe also fosters business co-operation and networking activities between young entrepreneurs by:

- promoting exchange of professional experiences;
- establishing synergy within all the existing networks in Europe which encourage business co-operation between entrepreneurs;
- organising major meetings between young entrepreneurs, such as the YES for Europe Annual Summit.

YES for Europe aims to establish links with entrepreneurial organisations in Europe and elsewhere in order to:

- support the creation of young entrepreneurs organisations in developing countries;
- foster exchanges and relationships between young entrepreneurs all over the world.

Event, administration and membership model/s

YES for Europe is opened to **all organisations of young entrepreneurs** who satisfy the following criteria:

- the members of the organisation are physical persons or sub-organisations that represent physical persons acting as young entrepreneurs;
- the physical persons acting as young entrepreneurs must not exceed the age limits fixed respectively by each member of the association for its country;
- the organisations may not represent specific sectors.

YES then acts as a two way communication vehicle with the EU, regarding issues affecting young entrepreneurs.

Interestingly, at the request of its member, YES has been increasingly involved in establishing networking opportunities for member organisations over the past few years. Regular events are held in various countries, with speaker programs, site visits and networking opportunities.

Event fee/s: Many activities are free for members, although they must cover their own travel and accommodation costs. In 2-3 day programs, elements may have a fee attached, such as a lunch (€40 / AUD 100 approx) but business seminar aspects are free of charge.

Event formats: Usually evening or two day, mutli-program events.

Locations: In any of the 10 member countries.

Marketing: Primarily email marketing

Revenue sources

Membership fees paid by participating member bodies. Cost recovery fees on events where necessary.

Issues faced

- A broad and ambitious charter but limited funding – only three full time staff members.
- Smaller, developing nations (and their organisations) do not have the capacity to contribute to membership as the more established nations do.

3. Key Conclusions as to Best Practice

3.1 Events & facilitated networking

	Key Point / Idea	Inspiration
1	All events need to have a networking component (preferably facilitated or structured activity) as this is the main thing people are seeking when attending.	All
2	Entrepreneurial success stories are constantly sought by developing entrepreneurs, hungry for information. Events around this consistently attract interest and attendance	YEA, Cambridge Network
3	Sourcing high profile speakers at small or no cost through publishers (eg. Harper Collins, Double Day, Amazon) when they are promoting their books.	BigFrontier
4	Networking tends to work best with people of similar background, communities, etc. Thus, whilst diversity is a worthwhile goal, individual difference should still be catered for.	Gotham City, YPO
5	Networking and business relationships are increasingly sought across borders and thus activities should be run to facilitate this (beyond trade missions).	YES, YPO
6	Riding the Circuit – visiting OTHER groups outside your comfort zone and local community increases opportunities for building networks and business.	Gotham City
7	Importance of chapter chairs/committees driving local groups and content, with access to their local community, increasing the chance of success for the group and increasing the energy behind it.	YEA, YPO

Key Point / Idea	Inspiration
8 Incorporating more than just a business focus to networking events fosters a greater sense of community and thus allows for a more holistic experience.	Gotham City
9 Committees of younger entrepreneurs work more effectively on shorter term projects rather than expecting even and ongoing commitment over a 1+ years.	YEA
10 Group members can be used to provide content/speakiers for smaller events, where education and leads generation are the key focus. A set of rules and processes act to keep these presentations to a high (and non sales focused) standard.	The Chamber
11 All membership based groups are made up of varied personalities, even if they're linked by age, industry or experience. Thus different event styles and networking options should be run to tap into these different segments and increase the group's chance of success.	The Chamber
12 Creating a detailed manual or system is key for expansion or ensuring group values are implemented as desired.	HEMP, YEA

3.2 Membership

	Key Point / Idea	Inspiration
1	Attracting and retaining paying members is a challenge, even for established organisations.	YEA
2	Exclusivity. Making membership “invitation only” ensures greater success.	YPO
3	Getting members involved in running events/programs increases buy in and reduces cost – but can add to administration issues and requires coherent systems and models to work effectively.	YEA, YPO
4	Having a consortium of membership based groups across national boundaries who can join forces and represent common interests.	YES

3.3 Support Programs

	Key Point / Idea	Inspiration
1	Sizeable funding is necessary to develop innovative programs and research go make an impact.	Kauffman, Babson, LBS
2	Financially successful entrepreneurs should be targeted to fund programs for developing entrepreneurs	Kauffman, Helzberg
3	Large business has a key role to play in funding and supporting small business – through providing work and potentially funding development programs	The Chamber
4	The smaller the group, the better and more targeted the support offered can be - but this needs funding from external sources, through grants or sponsorship.	HEMP, Kauffman
5	Providing a city/environment where a number of programs can be tested, and are supported culturally, is an ideal means of creating sustainable support programs.	Kauffman, The Chamber

6	Groups have a great deal to learn from ideas exchange – and are hungry for this. A regular forum is an ideal way to share information.	Cambridge Network
7	There is a key role for government in helping small business to grow via programs like the SBA’s business matchmaking program.	The Chamber
8	Industry, educational and philanthropic partnerships are key in creating sustainable projects with broader impact.	Kauffman, Babson

3.4 Education

	Key Point / Idea	Inspiration
1	Education about a potential career as entrepreneur is key at a young age – preferably 9-12.	Kauffman
2	Networking skills are not inherent and can be fostered by being taught.	Kauffman
3	Once a successful model for teaching entrepreneurship has been developed, there is room for this to be rolled out and used by other institutions	Babson
4	Putting business education into practice is the best way to learn.	Babson, Ryan Allis
5	Creation of sector or interest specific “clubs” for business school alumni to facilitate more targeted networking post university.	LBS
6	A focus on executive education – and then including these graduates in alumni networks, to expand the pool and reach.	LBS, Babson

Key Point / Idea	Inspiration
7 Offering financial support to business graduates (through new venture funding) is the best means to demonstrate the success of entrepreneurial teaching.	LBS
8 Universities can use their credibility as established institutions to access Venture Capitalists (and angel investors) and then connect them with budding and existing student entrepreneurs.	LBS, Babson

4. Recommendations

4.1 Networking & support groups

(a) Working together

Improving shared learning

In Australia – and globally – I believe there are huge, untapped opportunities for sharing resources and learning. There is no active, global organisation for entrepreneurial networking groups to be a part of. The potential benefits for the many under-funded, volunteer based organisations, are huge.

The group could offer:

- access to content management systems, event booking portals and online survey tools
- manuals on running boards, events, raising sponsorship and marketing programs
- proven successful event topics and styles/types of speakers
- templates for email marketing and communication programs

Annual conferences could provide the basis for shared experiences and learning. This has worked on a small scale for Cambridge Network and this could be tapped into to provide a more global or regional solution.

Increased cross marketing

Promotion of events & programs: Groups need to work with a number of partners on a regular basis to cross market. Building a database is costly and groups often find they reach a ceiling on growth. Working more closely with partners would help keep group size growing.

It would also eliminate the unconstructive view that such organisations are “competing”. Realistically, only a very small percentage of the business and professional population are involved in active networking groups. Thus, this is a sector that needs to grow. Through increasing the quality of all programs on offer, all groups will be winners in recruiting new members.

Joint membership benefits: Putting together a valuable member program is a challenge. Through working together, groups could offer reciprocal benefits or perhaps use joint negotiating power to obtain third party benefits to include in a membership package.

Industry Development

In Australia, competency based training is of growing importance. Yet there is no accredited, competency based training on sales and relationship development skills, like networking.

These standards are developed by those in the industry. There exists an opportunity for the large, well funded membership based organisations to work together to develop this set of competencies. This then allows people to have consistent training in the area of networking and acts as a potential revenue source for those that are RTOs.

(b) Increased professionalism of events

More facilitated networking

Having attended events around Australia and the world, the one thing most often missing is structured and facilitated networking. Many event organisers assume that people will have the skills, confidence and savvy to “work the room” without assistance. This ignores different personality types’ needs. Any event which claims to have a networking component should have a structured networking activity that forces attendees out of their comfort zone and improves the chance for connections.

Improved administration

I've found that many networking groups allow their level of professionalism to slip. Events run outside allocated times, no name tags are provided, receipts for payment can be difficult to attain, too many bookings are taken for the space, etc. These are small factors that are actually quite simply and cost free to implement.

Event managers need to view their product objectively and look at where they can improve the level of professionalism, in order to meet the expectations of attendees. Otherwise an entire industry can be tarnished.

(c) Sustainability

Advisory boards & volunteers

There is a real role for groups to be driven by a group of people. The down side of any board or committee is the lengthening of decision making time frames. But the upside is the multitude of resources and ideas that can then be tapped into.

The length of time people serve on these boards should also be capped at 1-2 years, to ensure sustained energy and enthusiasm. This is particularly true of younger professionals and entrepreneurs, whose lives and responsibilities are often changing at a rapid rate.

The use of volunteers can also be increased, to offer anything from improved staffing at events through to additional avenues to attain member benefits.

Financial sustainability

One of the biggest issues for groups looking to provide services on a “user pays” basis, is financial sustainability.

Whilst I believe government and larger corporations have a role to play in supporting groups, I also believe groups have a responsibility to themselves and their members to base their offering on a financially sustainable model. This means events should be charged so that administration and management fees can be covered and should be at a realistic market rate. Too many groups charge low event fees when starting out, which makes their future unsure and creates an unrealistic expectation in the market place.

In relation to external funding, I believe the dominant large businesses in an industry sector need to support efforts of member based groups within the sector. This level of corporate responsibility and support is lacking in Australia.

(d) Better understanding networking’s impact

A global online survey is to be developed by NETWORKX to better understand the impact and importance of active networking for entrepreneurs. This practical, tactical GLOBAL survey will complement the existing academic literature that supports the importance of building networks.

Groups visited as a part of this research will be asked to participate and it is being developed in conjunction with a respected Australian research agency.

4.2 Government – local, state & federal

(a) Local Government

There exists an opportunity for local governments to better support existing marketing programs of groups in the area. These groups often have facilities and resources that can be offered. They may also have databases or marketing communications channels that can be used to support networking groups. I would recommend a more pro-active approach to supporting local businesses in their area.

Research has shown that tightly knit local networks provide strategic advantages for established firms on the one hand, while on the other hand offering novice entrepreneurs rich sources of non-economic capital.

Embedding business networks in economic and social institutions enforces the potential of the local community as an incubator for entrepreneurship¹⁰.

(b) State Government

Grants to existing support groups

The business support programs that exist through government sources are often run by government employees. I would argue that these groups are not completely in touch with the needs of young entrepreneurs or young professionals.

Thus I believe there should be funding programs that exist to support selected, unique or innovative networking groups. If additional funding is required for this, a \$10 levy could be added to business name registration to fund support groups or programs for business owners.

This is essential as you find many growing businesses in the position of not being able to pay for the services that will ultimately help them grow.

Connecting people to information

The database of the business name registration programs could also be used to communicate on a quarterly or annual basis the list of programs and support groups that exist to help new and growing businesses. With a CRM (Customer Relationships Management) system driving this, information can be sent on a tailored basis, as requested or required.

Funding mentoring & coaching programs

The provision and development of mentoring programs is key in guiding young entrepreneurs to the next level of their business.

There are existing programs which can be far better funding to provide the mentoring that is so desperately sought by many young professionals and entrepreneurs (eg. Small Business Counselling Service). Alternatively, a grant program could be established to allow existing networking groups and associations to apply for funding to set up an active mentoring program, which can prove an administration heavy project.

Business coaching is also a growing field that needs regulation to ensure an accredited level of professionalism. However, there is a great opportunity to utilise selected coaches to help drive entrepreneurial business venture growth, perhaps in a more strategic and consistent role than volunteer mentors can provide.

(c) Federal

Development of Angel Investment Guidelines

To support and increase in entrepreneurial activity, creating a reputable and respected set of guidelines, sample contracts, etc would ensure this valuable funding source continues to grow. In a nation like Australia, such an initiative would be better received if government backed and funded. Existing work done in this field, like that of the Kauffman Foundation, could be tapped into.

Access to shared technology & infrastructure

Many networking and support groups have extremely similar technology needs. Most rely increasingly on email marketing as a cost effective and timely business communications too. These needs includes a membership management system, email marketing and a ticket processing and payment system. Start-up business networking groups would have a huge barrier to entry removed if there existed the opportunity to tap into a low or no cost solution (or an ongoing, user pay system with no high entry fee)

Minister for Entrepreneurship

We have a small business minister but no minister for entrepreneurship. As Australia slips in international competitiveness, continuing to be a net importer of technology and manufactured goods, it seems logical to have an office dedicated to supporting and driving value creation and innovation in real, tangible ways that go beyond rhetoric.

Mirror the SBA Business Matchmaking project

The Small Business Administration in the US is undertaking a joint project with Hewlett Packard to match contracts from large companies with the capabilities of smaller organisations. I would recommend the government watch this program with keen interest to determine its success.

4.3 Educational Institutions

(a) Supporting student entrepreneurs

Partner & support networking initiatives in the market

Educational institutions have regular access to large numbers of young professionals and entrepreneurs. Channelling these people into existing networking groups – or developing a more targeted and meaningful alumni community – would offer the next level of practical support and education to their students.

Better create and support an alumni community

The alumni market in the US and the UK is extremely well developed. Alumni programs are varied, targeted and financially supported by key institutions. This acts to create a bond between past students and a bond with the university, which can be tapped into for later funding and other support. It also offers a genuine service to past students, far beyond their time in the classroom.

Facilitate access to funding

Universities have vast networks and credibility which can be used to tap into the business and private investor community. This can create valuable partnership opportunities for those in new or growing businesses and has proven (in the UK) to provide excellent investment opportunities for those brought in by the University.

(b) Education

Teach networking skills

I find it astounding that one of the primary business success factor for new businesses has been shown to be social capital, yet no skills in building a network or how to actively network, is taught in any business school curriculum. Whilst opportunities may be provided for “networking in action” through the classroom and Alumni events, not equipping people with the right skills in networking and relationship building is akin to giving someone a drivers license without a test or driver training.

Introduction of entrepreneurship to school students at a younger age

To truly create a community that supports and values entrepreneurship, the concept needs to be introduced at a younger age. A career as an entrepreneur – a creator of value and devotee of innovation – needs to be introduced as a real and viable option. This can be done through lessons, project work, game play and competitions.

4.4 Philanthropy/Investors

(a) Expanding definition of philanthropy

In the US we have seen an expansion of the definition of philanthropy to include supporting young and fledgling businesses. In Australian society, where the country’s economic health affords us high standards of living and a relatively supporting social structure, it seems to make common sense to foster business growth through as many means as possible. This then injects a “culture of giving back” into organisations and trains new business that the pursuit of profit should not be their sole objective.

(b) Establishment of a foundation supporting young entrepreneurs

Having seen the astounding work that the Kauffman Foundation has been able to achieve, I call on the wealthy and successful people of Australia to consider setting up a similar foundation in Australia. This could act to part fund and administer programs, acting as an independent supporter of entrepreneurship in Australia.

5. Conclusion

Young entrepreneurs in Australia are the future of our country. Nurturing and supporting them, in part via the development and support of relevant and well funded networks, is vital to their success.

Everyone has a role to play in this vision. Entrepreneurs, networking groups, industry associations, educational institutions and various tiers of government.

This report has provided some insight into best practice from around the world, which can be emulated by Australian's. The recommendations I have then made apply to a wide variety of people and organisations and also have an impact on the way I run my own networking group.

I plan to make this report available via my website and publicise it's completion to my existing business database of approximately 6,000 young professionals and entrepreneurs. I will also run also selectively contact organisations and government departments who I believe will find this report useful. I have already been approached to conduct some public speaking engagements based on my findings and will also be using this as a means to disseminate the information in this report.

“Some regard private enterprise as if it were a predatory tiger to be shot. Others look upon it as a cow that they can milk. Only a handful see it for what it really is - the strong horse that pulls the whole cart.”

Winston Churchill

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