



## ***A White Paper***

***ECVET based further VET training to support the enhancement of entrepreneurship skills of young people and micro-SMEs via management accounting***

Project number: 2018-1-BG01-KA202-047867

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## Executive Summary

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Starting your own business. A dream for many! A reality for a minority! According to a study by BVA and France Active in September 2016, 55% of young people would like to start or take over a company, but only 6% say they actually did. Is starting a business a risk for a student? What are the different steps to start in entrepreneurship? Do schools encourage these initiatives?

Project: “ECVET based further VET training to support the enhancement of entrepreneurship skills of young people and micro-SMEs via management accounting”, project number: 2018-1-BG01-KA202-047867, answers the above mentioned questions. The project addresses:

- Economic crisis and young business failures: young low skilled people embark in entrepreneurship without having the necessary skills to avoid the many caveats that they will encounter when starting and operating their business.
- Fear for business failure and lack of start-up skills: young people often have little work experience, either as employees or entrepreneurs, and are unlikely to have been able to acquire significant specialised technical, business management or personal entrepreneurial experience.
- Management accounting and entrepreneurship: the planning and monitoring of an organisation, both financially and non-financially quantified, while crucial, often is not part of the skills set of (aspiring) entrepreneurs.



## Introduction

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Europeans are an entrepreneurial population. There were an estimated 25,1 million small and medium-sized enterprises (SMEs) in the European Union in 2018, with the vast majority of these micro-sized enterprises employing fewer than nine people. However, our European SMEs employ over 97 million people, or approximately 70% of the entire workforce, thus being the driving employment engine of Europe's economy.

Setting up a business is a goal for many enthusiast people and aspiring entrepreneurs, willing to take the risk and realise their dream. However, bankruptcies account for some 15% of all company closures. Around 700000 SMEs are affected annually and some 2.8 million jobs are involved throughout Europe on an annual basis. In the EU, the stigma of failure is still present and society underestimates the business potential of re-starters. 47% of Europeans would be reluctant to order from a previously failed business, while the average time to complete a bankruptcy in the EU varies between 4 months and 9 years.

These are equally daring times. Due to the COVID-19 pandemic, over 50% of Europe's small and medium sized companies report facing bankruptcy in the next year if revenues don't pick up.

Among the most vulnerable entrepreneurs are young and low-skilled people who have little experience and lack specialized business experience and knowledge in the field of entrepreneurship and accounting, which makes it very difficult for them to survive in a competitive environment.

As a result of the deepening economic crisis and the ensuing health crisis, an even more vigorous undertaking of political, economic and educational / training actions is needed to improve the entrepreneurial skills of young people. This is to be achieved through:

- Entrepreneurial training (vocational training through experience) using the methods and techniques for formal and non-formal learning.
- Consulting and mentoring for the acquisition of entrepreneurial skills and the use of economic measures to stimulate businesses, as well as to restart failed businesses where considered economically viable.
- Creation of early warning systems by applying the results of the relationship management accounting - entrepreneurship.
- Overcoming social isolation during and after the pandemic, through active listening, emotional intelligence and corporate behaviour, as well as mentoring by more experienced entrepreneurs whereby silver knowledge is crucial to share do's and don'ts.

The innovative thinking of young people is a prerequisite for starting their own business, which would be successful if combined with the relevant knowledge, skills, competencies, attitudes and motivation.



An important aspect in avoiding bankruptcies and making decisions on time before the situation becomes uncontrollable is offered through management accounting. Management accounting is a reporting system that provides the information necessary for the needs of the manager, offering an accounting approach for planning, controlling and making decisions in the enterprise.

The developed Intellectual Outputs under Project № 2018-1-BG01-KA202-047867 "ECVET based further VET training to support the enhancement of entrepreneurship skills of young people and micro-SMEs via management accounting" offers such source material that can form the basis for adequate and intensive training. In addition, the handy booklet outlines some of the main aspects of management accounting as a first stepping stone towards our online course available at <https://management-accounting.eu/elearning/>.



## Background

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We will focus on three learning design choices: experiential learning, use of mobile learning, and focus on quantitative and qualitative methods in management accounting. Constructs of change, risk taking, goal setting, feedback, and success have been assessed via Y4B's piloting and testing phases in Belgium, Bulgaria, Greece and Turkey. Results offer evidence to confirm effects of experiential learning designs for goal-setting. Additional findings suggest the need for rethinking the role of management accounting in entrepreneurship courses and putting more emphasis on its relevance towards entrepreneurial success .

The enormous economic, social, and educational benefits resulting from entrepreneurship have caused the proliferation of entrepreneurship education programs in colleges and universities around the world. In the European Union alone, more than 1500 colleges and universities offer entrepreneurship-related training in different formats. The exponential growth of entrepreneurship education is a challenge to educators, and prompts more thinking and research on what to teach and how to teach entrepreneurship in a classroom setting. The entrepreneurship education literature highlights two dimensions relating to the outcomes of entrepreneurship education. One is the development of an individual's skill set (e.g. the skill to identify opportunity and to set up a business and manage its growth), the other is to build an "entrepreneurial mindset", meaning to mold an individual's entrepreneurial personalities or attributes (e.g. an individual's creativity, innovation, and risk-taking). After all, entrepreneurship is a personality trait: a combination of personality and talent that can be cultivated and trained. It is a cognitive declarative knowledge: individuals who are goal-setters, who need achievement, and who are risk takers, tend to become successful entrepreneurs. Entrepreneurship education can strengthen the individual's entrepreneurial attitudes. To train and cultivate entrepreneurial traits requires an integrated learning and teaching strategy that aligns intended learning outcomes with the effective selection of pedagogy. There is a strong belief that the most effective pedagogical approach to teaching entrepreneurship is action-oriented and experientially based learning that embeds hands-on project-based activities.

We applied three learning design choices: experiential learning (also driven through real-life European cases that are explained in detail by the teaching staff as well as documented in videos), use of mobile learning (a mobile app offered for Android and iOS), and focus on quantitative and qualitative methods in management accounting (including a set of supporting online tools).



## Potential impact:

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The results of our project are to be implemented in the following VET courses:

1. Entrepreneurship
2. Eco-entrepreneurship
3. Agro-farm entrepreneurship
4. Project planning and management
5. Accounting for entrepreneurs
6. Effective time management
7. Consumer behaviour
8. Management accounting
9. Organizational development
10. Small business planning
11. Business strategies
12. Risk monitoring and prevention
13. Project management
14. Innovation in the HORECA sector
15. Company management
16. Economic reporting
17. Small and medium business project management
18. Rural tourism
19. Innovations in tourism" and others.

It is also envisaged that our results will be incorporated into the curriculum of the following courses (included in the curricula of bachelor's and master's degree education):

1. Project Management
2. Public Administration
3. Industrial Business and Entrepreneurship
4. Accounting and Control"

The course / training material as well as handy booklet, case studies and video cases, as well as tools for assessment and self-assessment of the acquired knowledge, skills and competencies that have been developed by the project consortium and Y4B, will assist teachers in the learning process and will enrich the applied methods of teaching and learning. They will be supplementary materials for learning methods such as 1) the illustrated lecture, where the speaker relies on visual aids to convey an idea to the students; 2) the briefing type of lecture, where the speaker presents the information without any elaborate material to support the ideas; 3) a formal speech where the purpose is to inform, entertain, or persuade the audience; or 4) the teaching lecture for which the instructor must



plan and deliver a concise oral presentation in order for the students to achieve the desired learning outcomes.

Equally however, our provided materials provide support for teacher-centred and student-centred approach, as well as uses high-tech and low-tech material. Below image illustrates this very clearly. As teacher, every desired teaching method can benefit from our developed outcomes.

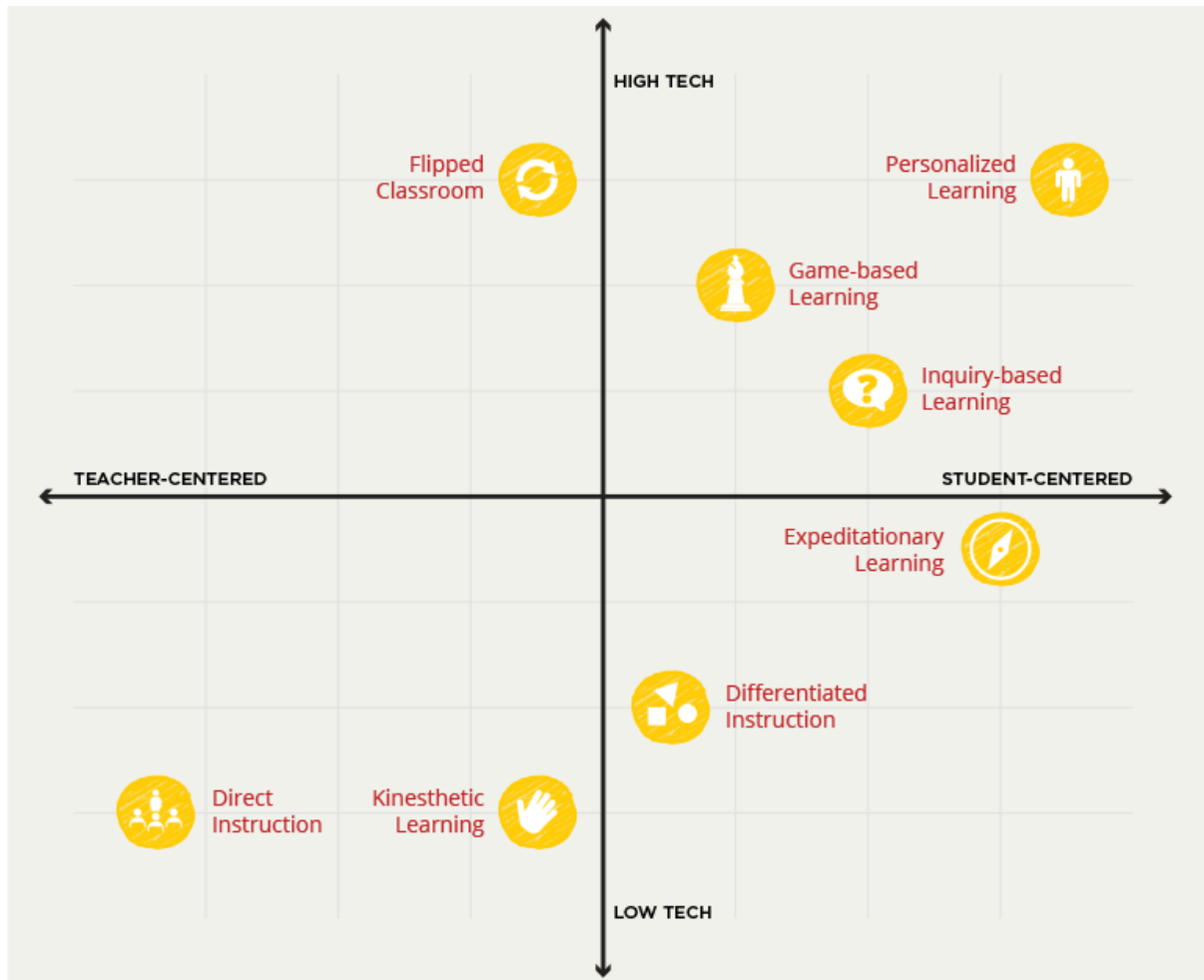


Figure 1: Various teaching methods (source: <https://teach.com/what/teachers-know/teaching-methods/>)

Additionally the learning materials will be used by the teachers for project assignments, direct instructions, learning by doing, individual assignments, coaching to the students.

The created mobile application is a supporting tool in management accounting and entrepreneurship, which improves the learning process in bachelor's, master's degree education, as well as in VET centres due to its flexibility and portability in line with 21<sup>st</sup> century teaching and learning practices.





## Objectives

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Our project addresses a pan-European need for young aspiring entrepreneurs, while especially targeting youth affected by unemployment Greece, Bulgaria and Turkey. Being able to bring expertise from different countries has been crucial to ensure a pan-European validity, considering the local realities.

Y4B project beneficiary groups:

- unemployed/uneducated aspiring entrepreneurs (special attention to females)
- failed entrepreneurs
- those with refugee/immigrant background
- those with socially disadvantaged backgrounds

Our vision is that educators must support young starting entrepreneurs (or those that have previously failed) to embark into entrepreneurship, with special support directed towards management accounting. This becomes more challenging when we consider entrepreneurs that come from a disadvantaged background.

The educators must use a range of technologies to support this: mobile and online learning platforms, video-based testimonials and case studies, interactive community portal supporting peer support, online coaching by a mentor / coach, webinars (lecturing), and a set of interactive financial tools wizard-style simulators for management accounting. The educators should equally be equipped with adequate and experience driven training materials: a dedicated curriculum, handbook for trainers, the actual training content, supporting training material and a learning community where students can meet and exchange experiences..



## Background of the training course

The developed training course includes:

- curriculum,
- learning content by modules (customised per country),
- assessment and self-assessment tools
- European relevant case studies.

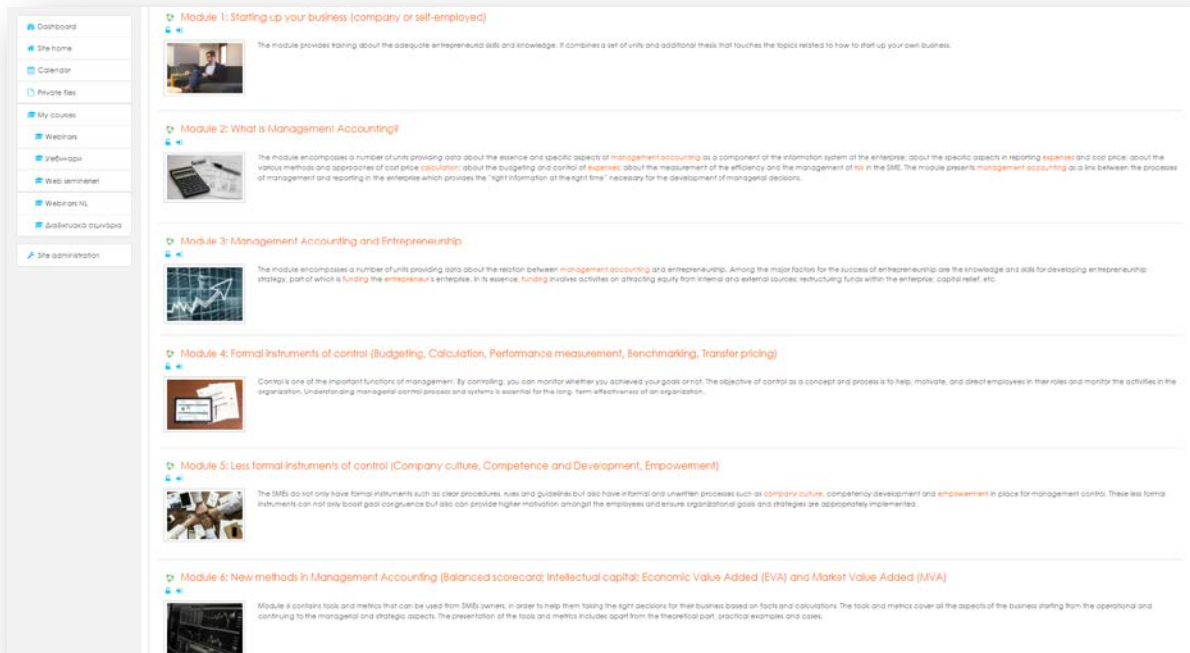


Figure 2: Online learning platform - Modules

The following modules were developed by the respective partners:

- Module 1: Starting up your business (company or self-employed), developed by Zgura-M EOOD, Bulgaria;
- Module 2: What is Management Accounting? – developed by Academy of Economics "Dimitar Apostolov Tsenov", Svishtov, Bulgaria;
- Module 3: Management Accounting and Entrepreneurship, developed by the Academy of Economics "Dimitar Apostolov Tsenov", Svishtov, Bulgaria;
- Module 4: Formal instruments of control (Budgeting, Calculation, Performance measurement, Benchmarking, Transfer pricing), developed by University of Gazi, Turkey;
- Module 5: Less formal instruments of control (Company culture, Competence and Development, Empowerment), developed by the University of Gazi, Turkey;
- Module 6: New methods in Management Accounting (Balanced scorecard; Intellectual capital; Economic Value Added (EVA) and Market Value Added (MVA), developed by E-compass, Greece;
- Module 7: Start-up accounting tips, developed by PHOENIXKM BV, Belgium.



For each academic discipline (module) a schedule of teaching hours in theory and practice was defined, the total duration of the course being 60 teaching hours, distributed in a ratio of 50:50 theory / practice.

For each of the study modules (presented in a lesson form), the content was predefined, including: organization of the training, ECVET learning content, basic and additional literature, dictionary of keywords, supporting case studies.

The section "Organization of training" gives a brief annotation of the relevant module and indicates, respectively, the objectives of the training, hours of study, prerequisites for students, the teaching methods and teaching aids used, as well as the method of assessment.

The "ECVET Learning Content" section presents the units of learning outcomes with described learning outcomes (knowledge, skills, competences) in accordance with EU legislation on the European Credit System and the possibility to clearly and accurately describe learning outcomes that allow knowledge, skills and competences acquired in one European country to be recognized in another.

The section "Used literature" correctly indicates the literary and normative sources that partners use in developing the curriculum.

The section "Dictionary of keywords" emphasizes the main terms and their respective meaning, in order to systematize the acquired knowledge in each module.

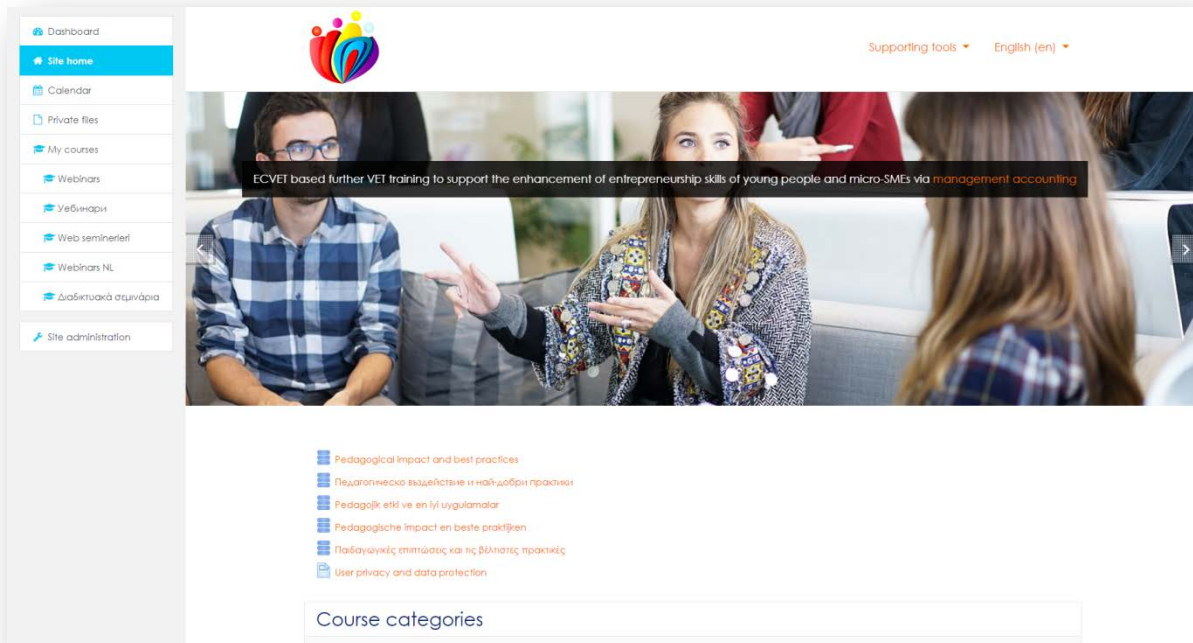
Along with the study content, the students were given the opportunity for self-preparation by solving sample cases and answers to questions and assignments that are included in the textbook.

Additionally, a handy booklet has been provided both in downloadable version as well as an online interactive "live book" version.



## Online and mobile application details

The online and mobile applications are developed in 5 languages and can be accessed and used by the user, as a guest or as a registered user.



**Figure 3: Online learning platform - Pedagogical impact and best practices database**

All 7 study courses (study modules) are available in following languages: Bulgarian, English, Greek, Turkish and Dutch. In addition, also the handy booklet has been made available online in various formats (pdf, online learning course, HTML5 annotated livebook).

The application allows anyone with an entrepreneurial spirit to enrol in the course, thus gaining access to all content and related functionalities. Each training course (training module) includes a self-assessment test, as well as additional literature for improving the acquired knowledge in entrepreneurship and management accounting.

The application also contains many supporting tools for management accounting: applying activity based costing and cost-plus pricing, calculating the present net value, deploying the balanced scorecard to make adequate management decisions, applying strategic planning tools such as SWOT-analysis and PESTLE-analysis.

In search of sustainability of the project, the application also provides a rich collection of good practices and case studies relevant for each of the 7 training courses (training modules) in text and/or video format. In addition to that, concrete European based video cases have been created by all partners and have been added to the course material.

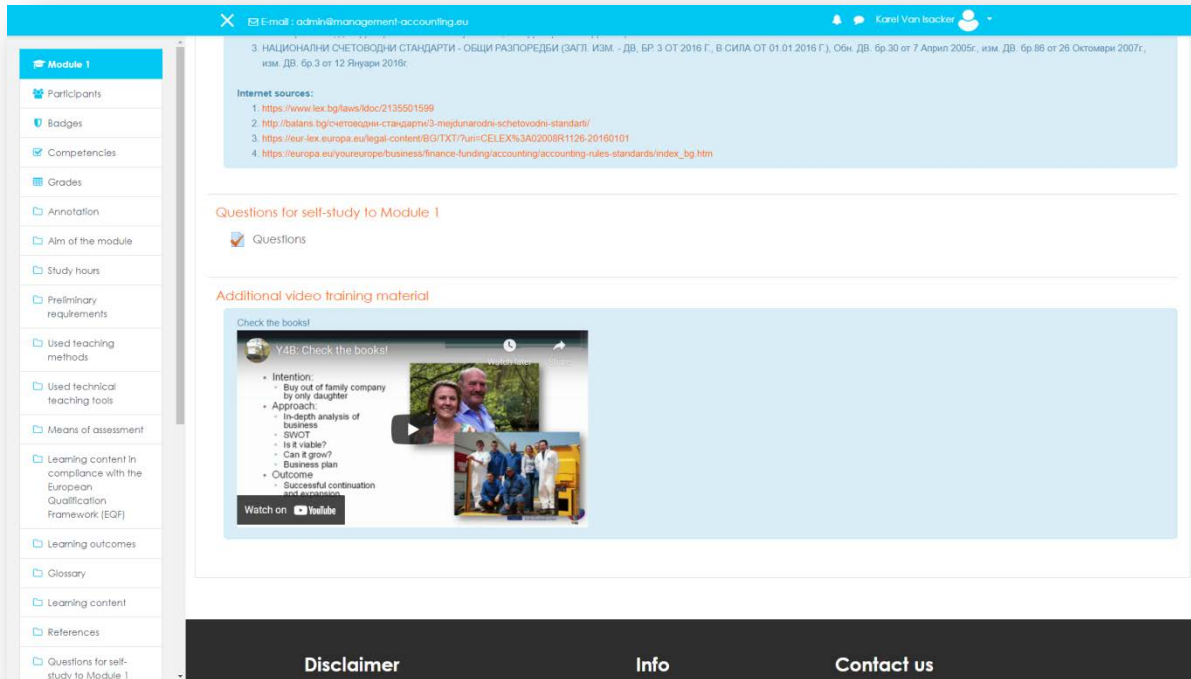


Figure 4: Online learning platform - Additional video training material

The developed platform also offers integrated webinar possibilities so that –especially considering the COVID-19 pandemic-, we offer to both the teachers and the students the opportunity to join the courses.

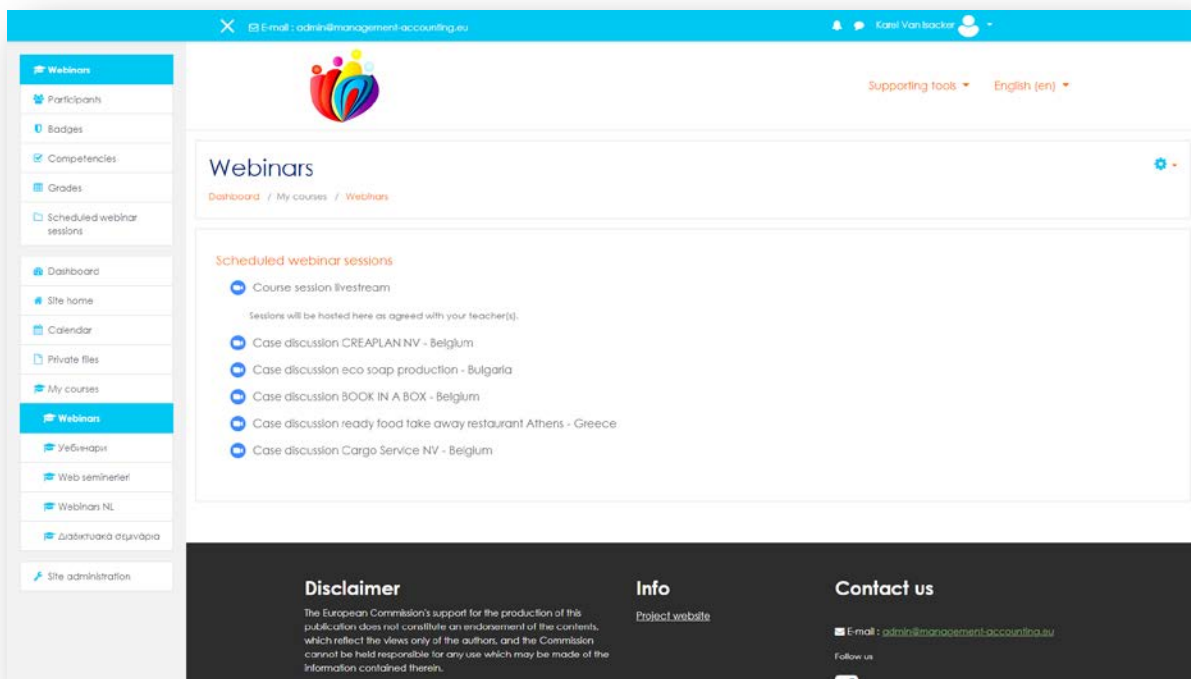


Figure 5: Online learning platform - Webinars

Finally, all course and training material as well as all supporting tools are equality readily available via our Android and iOS mobile application.

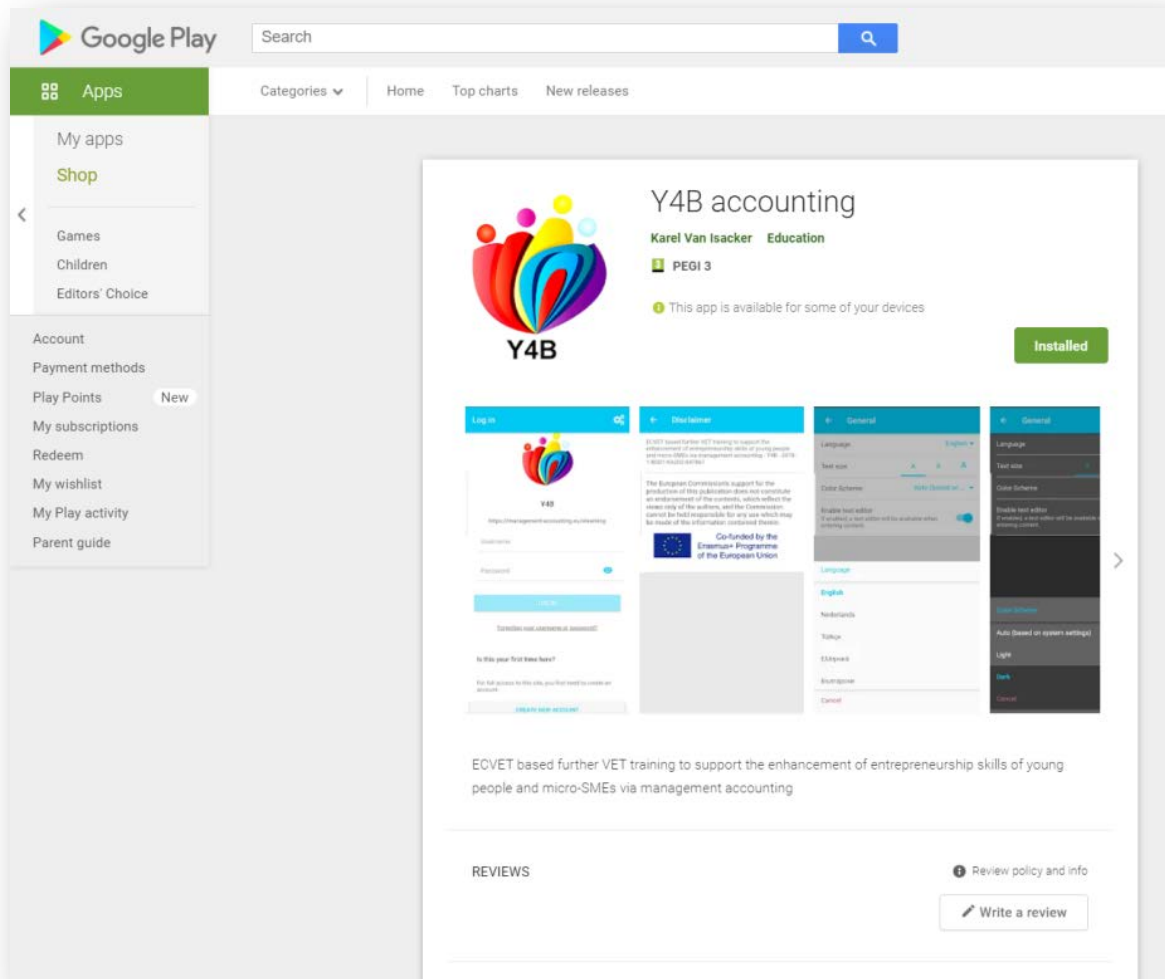


Figure 6: Google Play (Android)



## Call to action

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If you are a teacher or other professional who would like to benefit from our novel training approach, we would like to hear from you. We are particularly keen to engage teachers and other professionals in applying the “Y4B management accounting course” and feeding it into existing entrepreneurial courses.

You can contact us via <https://management-accounting.eu/contact-us/> or via below contact details.

### Project coordinator:

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### Partners:

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**PhoenixKM BV, Kortemark, Belgium**

Contact details: Karel Van Isacker, e-mail: [karel@phoenixkm.eu](mailto:karel@phoenixkm.eu)

**GAZI UNIVERSITESI, Ankara, Turkey**

Contact details: prof. Seyhan Firat, e-mail: [seyhanfrt@gmail.com](mailto:seyhanfrt@gmail.com), associate prof. Alper Guzel – [alper\\_guzel@hotmail.com](mailto:alper_guzel@hotmail.com)

**ELECTRONIC COMPASS, Athens, Greece**

Contact details: Konstantinos Pouloupoulos, e-mail: [info@e-compass.gr](mailto:info@e-compass.gr)



## References

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Project web site: <https://management-accounting.eu/>

e-Learning platform: <https://management-accounting.eu/elearning/>

Facebook page: <https://www.facebook.com/Y4Bproject/>

Google Play: <https://play.google.com/store/apps/details?id=com.y4baccounting.mobile>

App Store: <https://apps.apple.com/app/id1560803739>