IEEC 2014: Newcastle

Heading for the Exit:
Tough Times for Digital Creative Graduate Entrepreneurs

Richard Hanage
Visiting Lecturer, Teesside University Business School
richard@hanage.com

Dr Jonathan M. Scott
Reader in Entrepreneurship, Teesside University Business School
Education + Engagement = Impact

Take seven creative graduates ……

Educate them:
- Good quality BA (& MA) degree education.
- Almost no enterprise education.
- Good post-grad business start-up education.

Engage with them:
- Selected for extensive start-up support (cash & kind)
- Good business sector mentors
- Embedded in lively start-up community

Observe the impact:
- Seven ‘failed’ businesses and no serial entrepreneurship
- A few good career outcomes

What happened? Why did it happen? What can we learn?
Research Question and Approach

What happens to graduates with a creative degree when they try to start a digital-creative business on graduating?

- Four year longitudinal study of 7 graduates, through 6-monthly in-depth semi-structured interviews and periodic questionnaires (eg GET test, Learning Styles)
- A ‘convenience sample’ from my start-up workshops.
- All had been independently assessed as having ‘promise of business success’, but were young and lacked business experience.
- They had high levels of start-up support, eg DigitalCity Fellowships
- Interviews were recorded, videoed, transcribed, and analysed by topic. Also used business plans, tweets, Facebook, for some minor triangulation. No other contact.
- Researcher tried to be a ‘disinterested observer’, but inevitably influenced the participants’ thoughts and actions, through the questions asked.
Creative Graduates: Stages of Business/Career Development

Phase 1: Life up to graduation and intent to start a business.

Transition 1: from creative student to creative entrepreneur.

Phase 2: Trying to be a successful creative entrepreneur.

Phase 3: Sustaining a successful (entrepreneurial?) career.

Prior creative experience

Utilising ‘creative’ experience

Their personal world and experience

Utilising business experience

Transition 2: to a viable career in line with new personal objectives.

Personal development: learning, shifts in expectations, skills, identity, career etc

Utilising creative learning

Personal learning and events

Utilising business learning

Creative development

Entrepreneurial development

Personal development in new role(s)

Utilising creative learning (if any)

Personal learning and events

Utilising business learning

Personal development

Creative development

Entrepreneurial development

Personal development in new role(s)
## Business/Career Routes

### Growth Business Owner
- **E**: Animation business
  - **A**: Website design
  - **F**: Motion graphics
  - **C**: Music design

### Solo Freelancer
- **E**: Something animation-related (??)
  - **A**: Website design
  - **F**: Motion graphics

### Employee
- **A**: Web-site designer
  - **B**: Marketing Manager
  - **C**: Teaching Asst.
  - **D**: Signage Manager
  - **F**: Betting Shop Mgr (pt)
  - **G**: Trainee Chocolatier

### Practice their art

<table>
<thead>
<tr>
<th>Practice their art</th>
<th>Use their art</th>
<th>Abandon their art</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E</strong>: Animation business</td>
<td><strong>C</strong>: Music publishing &amp; record labels</td>
<td><strong>G</strong>: Sales lead generator idea</td>
</tr>
<tr>
<td><strong>A</strong>: Website design</td>
<td><strong>B</strong>: Designer goods E-commerce</td>
<td><strong>G</strong>: Retail e-commerce idea</td>
</tr>
<tr>
<td><strong>F</strong>: Motion graphics</td>
<td><strong>D</strong>: Animation sales</td>
<td></td>
</tr>
<tr>
<td><strong>C</strong>: Music design</td>
<td><strong>C</strong>: Collate DJ music reviews</td>
<td></td>
</tr>
</tbody>
</table>

---

© Richard Hanage – www.hanage.com
Varied Journeys

A: Linear
- Web-site design job.
- Other ideas (unused)
- Web-site design business

B: Serial
- E-commerce marketing manager job.
- Other projects (paying)
- Freelance work in schools
- E-commerce website for designer products

C: Portfolio
- Teaching Asst..
- Record labels
- Freelance work
- Music publishing
- DJ-ing
- Music for computer games

£20k+ → £10-20k → £5-10K → £0-5k → £0k → Annual income

© Richard Hanage – www.hanage.com
Observations, please!

• Fill in your name & email on the feedback sheet
• Jot down at least three thoughts about the presentation so far (practical or academic).
• Discuss with your neighbour(s)
• Select one to tell us all about

Be ready to do this again at the end of the workshop………..
Academic Analysis:
Changes to ‘Entrepreneurial Intent’ after Start-up.

Perceived desirabilities (‘pull’)

Subjective norms

Internal locus of control

Risk-taking propensity

NEW: Need for autonomy

NEW: Need to innovate/ create

Undesirable alternatives (‘push’)

Net benefits and perceived desirability

Propensity to act

Perceived Feasibility

Attitude to entrepreneurship

Intent to start a business

Actual behaviour

Perceived self-efficacy

Perceived support

Perceived barriers

NEW: Recognise market opportunities

NEW: Conform with sector structure
## Practical analysis: Reasons for Failure?

<table>
<thead>
<tr>
<th>Reason</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents not entrepreneurial</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Little prior enterprise activity</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little enterprise education</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Naive about business</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Did not understand market</td>
<td>X</td>
<td>XX</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Product below standard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market too small</td>
<td>X</td>
<td>XX</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ideas too ambitious/untested</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
<td></td>
</tr>
<tr>
<td>Team issues</td>
<td>X</td>
<td>X</td>
<td>XX</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>No confidence to network/sell</td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
<td></td>
</tr>
<tr>
<td>Over-optimistic support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Alternative income source</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Insufficient effort</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Insufficient charm</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

© Richard Hanage – www.hanage.com
Issues Arising from the Insights

- Is prior enterprise experience valuable?
- Are there too many creative graduates?
- How to select start-up programme participants?
- Insist on market testing (as in lean)?
- How to deal with personal weaknesses?

Pre-uni

More and better enterprise education?

At Uni

Can courses be more industry relevant?

Start-up progs

Is start-up support too optimistic?

Teach selling skills?

Start-up

Help build real/virtual teams?

On-going

How crucial is charm & passion?

Are start-up programmes for creative graduates value for money?
More observations, please!

• Jot down your additional thoughts
• Discuss with neighbour
• Select one to tell us all about

• Please hand in your feedback sheet.

### Many thanks for your feedback ###