

Excerpt from:

Innovation and Entrepreneurship in VET

**A professional development guide for the Australian
vocational education and training sector**

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Available from <http://www.ibsa.org.au/jma>

Purpose

It is innovation and entrepreneurship that are at the heart of success for the individual firm and of national advantage (Burns 2007, p.63).

Numerous calls are being made for vocational education and training (VET) organisations and individuals to be more innovative and entrepreneurial. These calls are coming from governments, industry associations and business leaders. They are also coming from VET clients and customers and from key VET administrators, senior managers and researchers.

The **purpose** of the book is to assist all those working within the VET sector – from frontline practitioners to senior managers – to meet those calls to become more innovative and entrepreneurial.

Background

The book is based around:

- an adaptation of 50 articles that I wrote from February 2006 to February 2007 in my ‘Inside VET’ column for *Campus Review*, the national Australian weekly publication for VET and higher education
- selected ideas from the international literature on innovation and entrepreneurship.

Structure

I have organised the articles under ten sections or **themes**, to assist you to identify topics of most interest. For each theme I have provided a two-page introduction which includes:

- an overview of the articles and their highlights
- insights from the contemporary literature with discussion prompts
- a list of other articles in this book on the same theme.

Within each theme, I have modified or expanded on the original articles from *Campus Review* by:

- updating *the content* of articles, where appropriate – to ensure the articles are current and relevant
- adding *questions and topics for discussion* – to encourage reflection and conversations.

In addition, I have provided:

- a discussion in this introduction section of *the challenges* of managing innovation and entrepreneurship
- a *definition of key terms*, also in this introduction section
- an *index* of the articles and the organisations profiled (Attachment 1)
- *suggestions* for the different ways facilitators can use the book – to promote deeper explorations of the future of VET (Attachment 2)

- *references and further reading*, listed after the appendices – to invite you to follow up on topics.

Target user: individual

While the book is relevant to all VET personnel, some individuals who could use this book include:

- experienced practitioners who want to learn about VET developments outside their specific vocational field or in other organisations
- people involved with the Training and Assessment (TAA) Training Package
- people undertaking study programs in vocational, adult or further education
- people currently in leadership positions in VET organisations or practitioners preparing for promotion
- anyone who wants to read about a significant cross-section of initiatives in the sector
- people new to the sector who wish to learn about good practice and current issues.

Target user: groups

Other intended user groups for this book include:

- management teams who are addressing innovation and entrepreneurship as part of their change management priorities
- project groups undertaking structured professional development activities, including Reframing the Future and LearnScope or structured state or territory programs
- groups of staff within Registered Training Organisations (RTOs) who wish to understand the changes moving through the sector and to develop new skills and strategies.

Reflect on your own, in groups, with a facilitator

While individuals are encouraged to use the book, you will also benefit significantly by participating in groups examining the articles.

With the assistance of a group facilitator, you can use the book to generate more ideas. I have set out in Attachment 2 some ideas for facilitators, on ways to use the book with groups.

Theme 2

Characteristics of innovators and entrepreneurs

Overview

The articles in this section:

- describe characteristics of innovators in both for-profit and not-for-profit training providers, such as their imagination and their attention to detail
- describe the characteristics of VET entrepreneurs, such as their ability to be resourceful and shrewd
- clarify the motivations of innovators, such as their deep commitment to improving the VET sector
- clarify the motivation of entrepreneurs, such as their passion for growth
- emphasise the importance for entrepreneurs of relationship building.

Highlights

Highlights of the articles in this section include:

- Article 2.1: The characteristics of innovators from Challenger TAFE raise the bar in terms of the criteria we can use to analyse innovators in VET.
- Article 2.2: The characteristics of a NSW ACE entrepreneur, Glennis Brooking, are critical to the success of her organisation.
- Article 2.3: A program conducted by TAFE NSW – North Coast Institute develops in staff the entrepreneurial skill of building relationships with clients.
- Article 2.4: Ruth Browne, General Manager of Pivot Point Hair Design College, has an entrepreneur's passion for growing her business, from multiple revenue streams.
- Article 2.5: Two fishing lecturers from WA TAFE exemplify the innovative features of the new VET practitioner.

Other related articles

Articles in *other* sections of this book refer to the characteristics of innovators and entrepreneurs. These include articles 5.3, 6.1, 7.1 and 7.2.

Ideas from the literature

There is much, ongoing debate in the literature about whether there are personality characteristics of entrepreneurs.

Arguing that there is not an entrepreneurial personality, Drucker (2006) suggests that it is commitment to systematic innovation, not personality, that drives entrepreneurs:

Despite much discussion these days of the 'entrepreneurial personality', few of the entrepreneurs with whom I have worked during the past 30 years had such personalities. But I have known many people – salespeople, surgeons, journalists, scholars, even musicians – who did have them without being the least bit entrepreneurial. What all the successful entrepreneurs I have met have in common is not a certain kind of personality but a commitment to the systematic practice of innovation. (p.69)

1. *Do you think there is an 'entrepreneurial personality'?*
2. *What are some key features of people you know who are successful entrepreneurs?*

Drucker (2006) is more comfortable describing how innovators function, rather than referring to personality types:

Because innovation is both conceptual and perceptual, would-be innovators must also go out and look, ask, and listen. Successful innovators use both the right and left sides of their brains. They work out analytically what the innovation has to be to satisfy an opportunity. Then they go out and look at potential users to study their expectations, their values, and their needs. (p.78)

3. *What are some key features of people you know who are effective innovators?*

Article 2.1

Raising the bar for innovation

Leading VET providers continually strive to become more innovative, so they can respond flexibly to the complex needs of learners and clients.

To improve their understanding of how innovation occurs, senior executives of the 2005 Large RTO of the Year, Challenger TAFE in Western Australia, recently commissioned me to examine the work of ten different individuals or teams within that College who had received Challenger Achievement Awards in late 2005. I was invited to design the approach to the research project, and decided to analyse the overall data I collected by benchmarking Challenger against established criteria for innovative VET providers.

The resultant report provides insights into how innovation occurs across many different sections of Challenger TAFE, from teaching areas such as horticulture, fishing, beauty, plumbing and Indigenous health, to administrative areas such as occupational safety, student advisory services and computerised bookshop systems. The ten case studies also include accounts of staff undertaking research in aquaculture and a staff member working with universities to develop new models for articulation.

Just one of the ten Challenger case studies I investigated was the establishment in the central business district of Fremantle of a beauty clinic called Visage. An aim of Visage is “to assist students to become ready for work or to improve their current performance in the workplace”, says Liz Harris, general manager, training, research and development, who led the Visage initiative. In the field of beauty training, the shortage of trained beauticians “intensifies the need to pursue this aim,” says Harris, who also challenged the staff to create a commercially viable business where students could undertake training and learn about owning and managing a clinic.

Staff member Julie Manning believes that the Visage model she helped develop is an innovative approach to training “because we put the classroom straight into the workplace. There is a place for the classroom, but the real world is not a classroom. So we do it as the industry would do it.”

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“Visage students not only learn skills in relation to the training package, they learn a high level of social skills,” says Manning’s colleague Andrea Quintal. “They learn how to manage a client and how to sell services and products to clients. They all learn how to on-sell.” Visage is so successful that many students are offered job positions before they complete their training, says Manning: “Many students leave and get jobs, which is good.”

Criteria for innovators

A key finding from the research was that Challenger TAFE meets all the criteria of a highly innovative VET organisation, as summarised by Callan (2004) in an NCVER publication. He found that such organisations possess six key characteristics: they create learning cultures which promote innovation as a core organisational capability; they employ leaders who are 'failure-tolerant'; they identify innovators; they reward people who propose innovative ideas; they use partnerships; and they promote innovation through teams.

The case studies indicate that Challenger TAFE not only meets these criteria, but also that there are some special characteristics of innovators in the College, such as a shared goal of continuous improvement and the courage to face resistance. These outstanding characteristics raise the bar for

other innovative organisations in Australian VET, above the benchmarks documented in the NCVER report.

CHARACTERISTICS OF CHALLENGER'S INNOVATORS

- a deep commitment to improving VET
- a shared goal of continuous organisational improvement
- an intrinsic drive to set and meet high standards of performance
- a self-directed determination to improve the college's impact
- a culture of service to the community and industry
- a respect for the values of both their profession and of the college
- the application of both imagination and attention to detail
- the courage to face resistance and resolve opposition to new approaches
- an understanding that innovations take time to embed
- an appreciation that change will always be needed in VET

Challenger's managing director Malcolm Goff is clear about the advantages of raising the bar for innovation: "It has many benefits, but above all innovation adds value to student learning and to enterprise performance."

Questions and topics for discussion

1. Which of the characteristics of Challenger's innovators are evident in VET practitioners in your organisation?
2. What motivates the innovators in your organisation?
3. How can your organisation provide more support to its innovators?

Article 2.2

Portrait of an entrepreneur

An entrepreneur is sometimes an opportunist who takes a calculated risk.

Governments alone cannot fund the burgeoning training demands of the national workforce. Rather than wait for government funding, providers need to be more entrepreneurial in identifying new sources of business growth and developing value-laden products and services.

Professor Alan Williams, formerly at the University of Newcastle, describes entrepreneurs as people who have both the desire and the ability to project an idea or scheme into the future and, by backing their judgement with innovative action and persistence, can turn that idea into reality.

This portrait of an entrepreneur fits well with the following account of the CEO of a community college based in Nowra, 160km south of Sydney, who used a mixture of luck and good judgment to turn a potential calamity into a thriving new business operation. In September 2005 Glennis Brooking, head of South East Community College, found that she urgently needed to take over the training of a group of ten students in the beauty field; training which she had previously contracted to a third party.

Brooking explains: “Beauty training was on our scope and we had a contractor looking after a group of ten students, but we did an internal audit and I wasn’t happy with the results.” She then had a crisis on her hands: in two weeks she had to create a beauty training facility, find appropriate staff, and ensure the students were able to complete their one-year program.

After spending \$30,000 converting training rooms to the required specification, Brooking’s luck began to improve: “A strange chain of events fell into place”. Highly experienced staff emerged unexpectedly, the word went around that the College was expanding the beauty training area, and inquiries for 2006 started to roll in. “The initiative was forced upon us,” says Brooking, “but it soon turned out to be very lucrative.”

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It is lucrative because each full time trainee undertaking a certificate IV in beauty therapy pays over \$10,000 to attend three days per week for a year. Brooking not only secured a minimum of eight starters for the program in early 2006, but determined that she would have continuous intakes during the year. She also decided to offer training for other people in specific units of competence, in areas such as facials, make up or nail technology. “We have a constant barrage of demand for courses in waxing and tinting.”

Brooking runs the beauty training salon on a commercial basis but looks for opportunities to invest the profits in the local community. She is delighted that training programs for the unemployed utilise the facilities and is proud that the volunteer models for the students are from aged care or disability groups.

All of the current students have been offered jobs next year and the demand from employers is rising. “Yesterday I had a call from a woman who runs an upmarket day spa centre, and she wants forty graduates!”

Brooking is now expanding the program range to include wellness, massage and aromatherapy. A second beauty training salon is opening soon in Bowral and future prospects are strong: “We have a long waiting list for 2007 and we expect to quadruple the number of full time students. There are years of growth in front of us.”

ENTREPRENEUR CHARACTERISTICS

- creative individuals, full of ideas and schemes
- action people who make things happen
- catalysts who are initiators of change
- ambitious and competitive
- moderate risk-takers, neither gamblers nor risk-averse
- self-reliant and independent
- resourceful and shrewd
- highly tolerant of ambiguity and uncertainty
- determined and persistent
- optimistic and future-oriented

Adapted from Williams 1999

“All this has come at a good time for us, with the cut back in our state government funds. It means we have a future as a community college.”

Brooking lists the secrets to entrepreneurial success: “Get the cash flow right. Get the right people in the right jobs. Keep your eye on the market and listen to your trainers. And make sure you think strategically.”

Questions and topics for discussion

1. What motivates entrepreneurs like Glennis Brooking?
2. Which of the characteristics of entrepreneurs, as set out in the box above, could describe practitioners in your organisation?
3. Discuss any changes you would make to Brooking’s list – in the last paragraph – of the secrets to entrepreneurial success.

Attachment 1: Index of articles

The index table below supplies additional information about each article, to provide you with further guidance in selecting topics to meet your needs. It lists the title of each article and the organisation profiled.

<i>No.</i>	<i>Title</i>	<i>Organisation</i>
1	Imperatives driving innovation and entrepreneurship	
1.1	Moving from inflexibility to agility and excellence	Department of Education, Science and Training (DEST)
1.2	Challenges shared by industry, government and the training system	National Industry Skills Committee
1.3	Achieving strategic goals	Charlton Brown Group QLD
1.4	Entrepreneurialism ensures TAFE Institutes are sustainable	Kangan Batman TAFE VIC
1.5	TAFE system responds to call to be innovative and entrepreneurial	TAFE NSW
2	Characteristics of innovators and entrepreneurs	
2.1	Raising the bar for innovation	Challenger TAFE, WA
2.2	Portrait of an entrepreneur	South East Community College, NSW
2.3	Entrepreneurs' relationship skills	TAFE NSW North Coast Institute
2.4	A passion for growth	Pivot Point Hair Design College, VIC
2.5	Gone fishing for skills in the real world	Challenger TAFE, WA
3	Innovative and entrepreneurial industry training	
3.1	Workforce training – not just training – the overall focus in working with industry	University of Ballarat, TAFE Division, VIC
3.2	Engaging rural industry	TAFE SA
3.3	Group training satisfaction	MEGT, VIC
3.4	Quality training delivers student success, industry respect and provider longevity	JMC Academy, NSW and VIC
3.5	Pathways partnership model	Pilbara Iron, Apprenticeship WA, Pilbara TAFE, Tom Price Senior High School
4	Innovation in teaching and assessment	
4.1	Recognising the whole story	Service Skills Australia, NSW
4.2	Reframing recognition of prior learning	Reframing the Future
4.3	The increasing importance of professional judgement in VET	Victoria University, VIC
4.4	Engaging communities for remote delivery	Charles Darwin University
4.5	Learners change training	Queensland Ambulance Service
5	Innovation in e-learning and e-business	
5.1	Disruptive activities will secure a future for e-learning	Macquarie University, NSW
5.2	World class design of blended e-learning	e-Works, VIC

5.3	Reaching learners' cocoons	Lesley Graham Training and Consulting, NSW
5.4	Frontier of collaboration	e-Works, VIC
5.5	Managing productivity	Deakin University, VIC
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6	Leadership and management of innovation and entrepreneurship	
6.1	Ideas about leadership from an outstanding learner	TAFE NSW – North Coast Institute
6.2	Increasing innovation capability in staff, students and industry	Swinburne University of Technology TAFE Division, VIC
6.3	Managing the emotional impact	TAFE Tasmania
6.4	Driving a cultural shift	Sunshine Coast Institute of TAFE, QLD
6.5	Innovation makes a learning journey a healing journey	Marr Mooditj Foundation Inc., WA
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7	Strategies for innovation and entrepreneurship	
7.1	Commercial and compassionate	Pivot Point Hair Design College, VIC
7.2	Inventing business models	Australasian College of Natural Therapies, NSW
7.3	Unique four-paradigm model guides providers	Challenger TAFE, WA
7.4	Remote indigenous learning	Kimberley College of TAFE, WA
7.5	Empowering isolated practitioners	Hunter Trainers and Assessors Network, NSW
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8	Cultures for innovation and entrepreneurship	
8.1	Creating a climate in which ideas can flourish	Photography Studies College, VIC
8.2	Encouraging a culture of innovation and ideas	TAFE NSW – Sydney Institute
8.3	New ideas drive successful learning region	Gwydir Learning Region, NSW
8.4	Creating the space for reflection at work	University of Technology, NSW
8.5	Improving the quality of workplace learning teams	TAFE Tasmania
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9	Structures for innovation and entrepreneurship	
9.1	Restructuring for better connections with customers and enterprises	Adelaide North Institute, TAFESA
9.2	Sophisticated analysis of the labour market repositions Queensland VET	Department of Employment and Training, QLD
9.3	Entrepreneurial consortia	Community Colleges NSW
9.4	Driving the dual sector advantage to new levels	RMIT, VIC
9.5	Championing the high end of the training market	Southbank Institute of TAFE, QLD
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10	Professional development for innovation and entrepreneurship	
10.1	The making of the VET practitioner	TAFE NSW – Northern Sydney Institute
10.2	Accentuate the positive	Reframing the Future
10.3	Coach selectively, mentor extensively	BBC London UK
10.4	Improving TAFE's workforce	Victorian TAFE Association
10.5	Lifting the quality of professional practice	Chisholm Institute of TAFE, VIC