Entrepreneurial Training Intervention: The Case of the Creative Industries and Community Entrepreneurship

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Abstract

The Estonian economy is at a stage where the ability to create and sell higher value-added products and services is becoming increasingly important. Different creative methods within the local culture create a new understanding of economic activity as a competitive advantage for the whole community. It is crucial to understand the role of a learning process to help trainees find attractive ideas for new ventures, and what useful aspects of experiential learning theory can be implemented in entrepreneurial teaching in the field of the creative industries and community entrepreneurship. The research uses a case-study strategy and semi-structured interviews to analyse key factors of the venture creation process of creative and community entrepreneurs who focus on their personal experience, skills, capabilities and motivation. Synergy and integration are crucial elements of the experiential learning and sustainable venture creation process.

JEL classification codes:
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1. Introduction

“The Wise and Active Estonia 2035” strategy highlights the crucial role of the creative industries as a source of competitive advantage for Estonia in the fields of education, research, social innovation and economy (Haridus- ja Teadusministeerium, 2019). The local culture, creative solutions from the past and the relationship between people and their environments improve our understanding of the real needs of communities and their entrepreneurial culture.

Entrepreneurship education and the learning process are seen as fundamental to developing an entrepreneurial culture (Rae, 2007). Both entrepreneurship and learning are behavioural and social processes, so they are not just about ‘knowing’ but also acting, and they are not merely individual but continually involve interaction with other people as an inescapable part of the learning process. The term ‘entrepreneurial learning’ means learning to recognise and act on opportunities, for example, by working socially and by initiating, organising and managing ventures in social and behavioural ways (Rae, 2007).

Numerous studies have exposed the connection between entrepreneurship training programmes and broader perceptions of the desirability of launching an enterprise (Levie, Hart & Anyadike-Danes, 2009; Peterman & Kennedy, 2003). We have taken into consideration that according to competence theory such elements as knowledge, experience, motivation, capabilities and characteristics enable a person to undertake and succeed in entrepreneurship (Karhunen et al., 2011).

Research has discussed whether it is at all possible to teach and learn entrepreneurship. Entrepreneurial learning includes different experiential and tacit dimensions, environmental factors, personal relations with potential and established entrepreneurs and their network, the development of one’s entrepreneurial behaviour and personality, and the learning process itself. We assume that it is possible. Still, as Koch states, “any reflection on the teachability and learnability of entrepreneurial expertise first demands an understanding of the teaching and learning subjects. Here the focus is on subjects who undertake something innovative as intrapreneurs or entrepreneurs in order to generate added value through change” (Koch, 2003, 638).

Knowledge has to be allowed to flow freely in an open learning community. Knowledge is dynamic and a result of dialogue, reflection and experiences, and it is transformed into a learning community by coaches and learners who work together (Senge et al., 2000). Therefore, the new venture creation process is a complex interplay between the environment, the individual founder, the organisation, and the process adopted (Gartner, 1985). Nevertheless, in spite of such complexity, entrepreneurship theory and research have generally found that there is a close interconnection between the role of the founder or individual entrepreneur and the new venture’s success or failure (Davidsson et al., 2008).

Previous research has demonstrated that new ventures have a low rate of success because of the quality of the start-ups, the ability of the venture to meet realistic or sustainable growth objectives, and an inability to generate profits over a sustained period (Davidsson et al., 2008). Within a holistic macro perspective, the new venture creation process has been captured in Shane and Venkataraman’s (2000) conceptual framework. The scholarly field of entrepreneurship is an examination of “how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” (Shane & Venkataraman, 2000, 218). Mayombe (2017) stated that by integrating specialist skills and
entrepreneurial skills, the approach to delivering training based on experiential learning theory enables the utilisation of acquired skills in self employment.

Chrisman, Bauerschmidt and Hofer have said that a new venture is the result of the process of creating and organising “a new business that develops, produces, and markets products or services to satisfy unmet market needs for the purposes of profit and growth” (Chrisman et al., 1999, 6). Founders, as individuals are directly attributable to the formation of the venture. Moreover, a new venture is often considered to be new until it reaches the stage described in many new venture lifecycle models as maturity (Chrisman et al., 1999).

The Nordic culture and its craft tradition provide a wise model for future generations in tackling climate change, social problems and waste. While current entrepreneurship students are exceedingly talented and skilful users of digital virtual reality tools, problems arise when virtual ideas and images have to be transformed into real prototypes and products (Summatavet 2019a, 279). Entrepreneurs who are trained to combine traditional skills and experiential knowledge appear to have an advantage in innovation because they can predict and overcome the flaws that digital reality overlooks. They are skilful at combining creative solutions with their environment and the needs of the community. Changing societies and economies also require people to have different competencies. Knowledge, skills and attitudes are increasingly essential to help people create their jobs.

The aim of this research is to assess entrepreneurship training intervention that helps trainees to find attractive ideas for new ventures in the field of handicraft. That means searching for answers to the following research questions:

- What useful aspects of experiential learning theory can be implemented in entrepreneurial training in the field of creative industries and community entrepreneurship?
- What kinds of new ventures are founded?
- What sources help trainees find attractive ideas for new ventures?

Our study looks closely at the experiential knowledge of two creative entrepreneurs to understand and bridge the gap between local people and entrepreneurial communities, and lectures, memos and other documents collected during the training process. The research highlights the experiential knowledge gained through the project Handicraft for Job 2 as an innovative model of teaching entrepreneurship and product development for unemployed handicraftsmen. It may be argued that “conventional” teaching methodology would be inapplicable where the objective is creative competences, skills and behaviour. We discuss what aspects and conditions enabled the outcome of the project Handicraft for Job 2 to become effective and what role networking, creating community, product development and mentoring played in the learning process and results.

Creative enterprises have traits of social entrepreneurship and there are many lifestyle enterprises and NGOs that economists sometimes do not consider to be part of mainstream entrepreneurship. These entrepreneurs contribute to raising the competitiveness of the economy and making the living environment more worthy of human beings and more attractive (Uba, Raudsaar & Reijlan, 2012). In 2015, the average number of employees in handicraft enterprises was 3.3 (Estonian Institute, 2013; Estonian Institute, 2018), so our study is focusing on one specific sector of micro- and small enterprises. Current research highlights the role of craft skills from the past as a tool-kit to overcome the borders between the past and future, to predict and create new ideas and to point towards innovative solutions for the future. The ‘old’ solutions from the unique Nordic culture (including craft traditions)
provide a wise model for future generations to combine present knowledge with smart solutions from previous generations.

This paper consists of three integral parts. First, the theoretical overview briefly introduces community entrepreneurship and creative industries and how they differ from mainstream entrepreneurship trends. We look closely at the experiential learning process as a useful method for implementing a certain tool-kit in the context of teaching entrepreneurship in the field of the creative industries. In the second part of the article, we explain how empirical research and data collection enables us to analyse the experiential learning process as one of the main platforms for creative entrepreneurship and community innovation. And third, we present the outcomes and discuss the importance of our findings in the context of the theory.

2. Theoretical Framework

2.1. Community entrepreneurship and creative industry

In this paper, we define community entrepreneurship as the social process of creating and exploring opportunities and mobilising resources to create new ventures in the form of activities, services and institutions for the common good of a community (Austin, Stevenson & Wei-Skillern, 2006; Morris & Jones, 1999). New entrepreneurial propositions and ideas are not created in a void but are supported by an entrepreneur’s previous experiences and the particular social needs of local communities. In our case study, the key factors are prior knowledge, skills, capabilities and motivation, which have a direct impact on the novelty, essential quality and consequences of the new enterprise.

Different approaches have been used to define creative industries in different countries, which vary according to local conditions. At a general level, the ‘creative industries’ is the collective term for those businesses in the economy that focus on creating and exploiting symbolic cultural products (such as the arts, films and interactive games), or on providing business-to-business symbolic or information services in areas such as architecture, advertising and marketing and design, as well as web, multimedia and software development. In a practical sense, the creative industries are defined by a selection of Standard Industrial Classification (SIC) codes that are implemented in national datasets that encompass the specialist businesses that produce creative goods or services (Higgs, Cunningham & Bakhshi, 2008).

Successful economies reorganise their economic statistics and, depending on the country, segregate them into sectors commonly including a sector referred to as the creative industries. There are, however, significant differences between countries in what is meant by the creative industries. Estonia’s approach to the choice of fields is similar to that of Great Britain. Still, it cannot be denied that the experience of countries that include highly entertaining areas (zoos, theme parks) in the creative industries is also an interesting research topic. Despite the potential of the cultural sector, it remains poorly exploited and at risk, both from an environmental and human perspective (European Commission, 2018).

The creative economy is an economic field based on individual and collective creativity, skills and talent. The creative economy can provide well-being and jobs by creating
intellectual property and using this as the primary sales argument. Creative people are at the centre of these processes (Pallok, 2019). Generally speaking, the creative economy is a term that denotes a fast-growing new economic sector in the world (e.g. Haines, Lutshaba & Shelver, 2018). The creative industries can be subdivided, for example, according to whether they are operating mainly with money from the cultural market or financed by the state (with various funds) and municipalities. In this way, museums and libraries operate to a large extent only at the expense of the state budget. Architecture, advertising companies, entertainment software, however, earn most of their sales from the open market. The creative industries can also be distinguished by the importance of the creative person in the field and the length of time between the creative person and the consumer.

Development strategies are needed to unleash the creative potential of all to respond to the far-reaching cultural, economic, social and technological shifts that we are living through. In this context, the concept of ‘the creative and cultural economy’ is growing around the globe in the interface between culture, economics and technology (e.g. Newbiggin, 2010). A creative enterprise is a collection of individuals with different backgrounds and competencies.

In general, the community as an environment has vital importance for any entrepreneurial activity through its social networks and motivation to search for mutually beneficial win-win solutions. To analyse entrepreneurship and innovation within communities, we look at the mix of entrepreneurial resources at the individual, organisational and societal level. Community entrepreneurs rely heavily on their social networks. We agree that the incentive patterns, the cultural dispositions guiding practice, the individual and local resources and the social relations are critical factors in understanding the entrepreneurial processes at the community level (Alsos et al., 2007).

In the creation of the project Handicraft for Job 2, we proceeded from the opinion that folklore and local heritage are a valuable source of inspiration, the versatile possibilities of which will create new ideas in the field of handicraft, creative industry and cultural tourism (Summatavet, 2012). Providing education in the area of the creative industry by combining art education and entrepreneurship training has a high impact on the future of the local communities and community entrepreneurship.

In our case study, the experiential learning process provided many creative ideas that encouraged new personal experiences for the trainees. However, the importance of personal experience as a source for entrepreneurial ideas combined with social needs and assets is another source of such ideas (Guclu, Dees & Anderson, 2002). We focused on the experiential learning methods to encourage our trainees to implement both implicit and explicit resources of the community. We emphasise (1) the implementation of synchronistic entrepreneurship training and product development; and (2) the development and implementation of cultural heritage in the field of community entrepreneurship.

In the project Handicraft for Job 2, we aimed to activate trainees’ creative imagination in finding new product development or service ideas based on their personal experience and tacit knowledge. Traditional crafts and mental patterns of Nordic culture are outstandingly relevant sources of inspiration for future venture creation in many sectors of the creative industries (Summatavet, 2019b). Product ideas born from the local culture and family traditions, and the inherited skills and shared knowledge of the local community gave great joy to their creators and also captivated various consumer and client groups.
2.2. Experiential learning theory for designing the training methodology

Experiential Learning Theory (ELT) (Kolb, 1984) primarily consists of two methods: learning-by-doing (Dewey, 2009) and dialogue. Learning-by-doing is quite close to the problem-based learning method, where learners learn by applying the subject to be learned to practical problems. After recognising a problem, the learners look for various kinds of solutions to it and then evaluate the effects of those solutions. While implementing projects, the learners use textbooks and other sources, and previous experiences of their own, or those of other teams to find answers to the challenges and problems they encounter.

To develop thinking and practical professional skills, it is not, however, enough to plan, do, evaluate and re-plan. It is also necessary that the tacit knowledge that the learners gain and possess is exchanged and shared. This takes place through dialogue. But one must remember that readiness for dialogue develops heterogeneously and differently inside every group of learners.

New things and learning situations generate new ideas and provide the learner with new viewpoints for looking at old issues. These ideas are transformed into practical activity and plans that are realised in life. In these plans, single thoughts are put to paper and/or digitalised thus making them concrete. After this, experiments are conducted, testing how the plan works in practice. When the experiment has been carried out, for example, in the form of a development project, its successes and failures generate personal experiences of those things that work and those that do not. These experiences then form the basis for new learning situations and events and create more thoughts. Ideas, their realisation, experiments and experiences form Kolb’s (1984) cycle of learning that keeps feeding itself and enables learning-by-doing.

Learning takes place in a goal-oriented manner so that learners can apply the things they have learned directly to practice. The objective of the training is to serve real life in particular so that new information is genuinely useful in one’s project or business activity. But re-positioning and re-attunement must be accepted if one decides not to be an entrepreneur right now.

To analyse our case studies, we have focused on Kolb’s (1984) experiential learning theory (ELT) framework. ELT is a dynamic view of learning based on a learning cycle driven by the resolution of the dual dialectics of action/reflection and experience/abstraction. It is a holistic theory that defines learning as the major process of human adaptation involving the whole person (Kolb & Kolb, 2009). ELT helps describe the process of learning in individuals, teams and organisations for problem-solving and decision-making, entrepreneurial opportunity and strategy formulation incorporated in the teaching methodology Entrepreneurship Home* used within the project Handicraft for Job 2 (2008–2012, conducted by the University of Tartu). The methodology makes it possible to recognise different aspects of and potential in the learning environment and to develop new ideas in a safe and trusting environment (Mets, Raudsaar & Summatavet, 2013).

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3. Methodology

3.1. The learning model of the Entrepreneurship Home*

During the last ten years, we have tested the vitality of the idea of the Entrepreneurship Home* teaching methodology in Estonian conditions and adapted the model with different target groups (e.g., young people, unemployed, handicraftsmen) at the Centre for Entrepreneurship at the University of Tartu.

The background to Entrepreneurship Home* uses aspects of several theories: Social Constructive Learning (Dewey, 2009; Vygotski, 1978), Humanistic Learning (Rogers & Freiger, 1994; Knowles, 1990) and Co-operative Learning (Johnson & Johnson, 1999). The Entrepreneurship Home* model of learning combines these theories and applies them to their learning environment, where one goal is to help participants grow into entrepreneurs and professionals.

Generally, it means that: (1) each learner is responsible for developing his professional skills. The learner constructs his learning by participating in projects that add to his skills. As the projects are often from real life, the learner receives feedback from the coach, from the other members of the group, and the customers and organisations (Social Constructive Learning); (2) each learner draws up an Individual Learning Contract, in which he writes down his current skills, his learning objectives and the indicators to measure the process. The contract is updated during the programme, when the goals have been reached (Humanistic Learning); (3) each learner is a member of a group. The group members support each other in the learning process: they understand that by helping each other to learn they learn themselves (Co-operative Learning).

The learning process of Entrepreneurship Home* is based on Experiential Learning Theory (Kolb, 1984). There must be a reason why an individual takes on challenges in order to learn. Otherwise, it is challenging to find the motivation to direct one’s focus to study. Therefore, in Entrepreneurship Home*, learning is inspired by the individual’s drive – he/she feels some need to learn new things. This need can be, for example, planning a project, crystallising a business plan or launching a new product concept onto the market. After finding a purpose to study, the learners utilise different learning events and tools to find information. These help them to learn new things to reach their goals.

We set the following goals for the Entrepreneurship Home* learning programme: participants develop their entrepreneurial attitude and acquire the basic knowledge and practical skills for planning, financing, designing, starting, developing and leading business plans and projects. The programme consists of two stages: (1) entrepreneur characteristics and project skills (during this stage, the participants improve their abilities in marketing their skills, project working and building customer networks); and (2) entrepreneurship and business skills (this stage aims to crystallise one’s skills, networks and business ideas into a business plan, and build a path from training to working as an entrepreneur).

As one’s business idea is becoming clearer and becomes more focused, the need for personal support increases. A team of mentors that consists of experienced entrepreneurs offer their experience bank. As outsiders, they can evaluate the business idea and the early stages of the activity in a critical but supportive way. The role of mentors is to support new entrepreneurs and help them to avoid the pitfalls typical of the early stages, as well as to give practical instructions.
During product development and entrepreneurship training, we focused on distinctive local Estonian features and singularities, the use of local natural materials and the economical way of thinking that lies hidden in the local cultural heritage. The main task of every participant was to acquire “literacy” in product development to devise a product family, product or service that would become the basis for creating a specific business idea, entrepreneurship project and business plan for starting handicraft entrepreneurship.

3.2. Research design and data

The research design was guided by our aim to assess the entrepreneurship training intervention helping trainees to find attractive ideas for a new venture in the field of handicraft.

The empirical part of this paper uses qualitative methods, and more specifically a case study strategy and action research. The case study method provides information through the analysis and interpretation of data and is suitable for our study, taking into consideration the context and reciprocal dependency of social actors. Social interactions are considered a holistic, interactive and complicated system, that cannot be observed as independent discrete variables one can measure statistically (Rossman & Rallis, 1998). To describe the meaning and impact of a particular experience, we offer a specific mapping of it. Such an individual description is used to derive more common and universal meanings; in other words, the structural core of the experience (Creswell, 1998). According to Yin, “case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator has little control over events and when the focus is on a contemporary phenomenon within some real-life context” (Yin, 2003, 1).

Action research usually takes place in a natural environment where small intervention projects are created to study the impact of the intervention. The object of the study is the social practice that in our study looked at what activities existed in the learning process, and how they influenced the development and implementation of the participants’ ideas. It seeks to solve real problems, understand the social practices and behaviours of the team.

Handicraft is an important area in the Estonian creative economy sector and in order to systematically evolve product development in this area, two projects Handicraft for Job (2004–2007) and Handicraft for Job 2 (2009–2012) were carried out under the European Social Fund’s Measure 1.3 “Equal Opportunities in the Labour Market”. The documentation, description of teaching methods, quotes from the essays of trainees, teaching materials, documentation of product ideas and new ventures as well as photos of the learning process, products and different competitions, lists of partners and participants were published in the final reports from the projects (Summatavet, 2007; Summatavet, 2012). The final reports explain how these two projects were linked and how the handicraft product development training provided thorough preparation in the field of studying handicraft techniques and product development combined with the product-making experience acquired during the project.

The target group for the projects were women with handicraft skills living in rural areas with insufficient jobs or employers suitable for them in their area, and limited possibilities to participate in the labour market. The participants in the project are divided into age groups as follows: 15–24 years (5); 25–49 years (176); 50–54 years (23); 55–64 years (13). The target group had the following level of education: primary and basic education (11); general
secondary or vocational education after basic education (69); vocational education after general secondary education (73); higher education (64).

The reports are descriptive overviews of how product development skills and entrepreneurship training provided the target group with qualifications to return to the labour market. The final report from Handicraft for Job 2 (2012) emphasises that the results of the training in the first project made it clear that in addition to developing designing skills from idea to execution, it is also essential to organise systematic training activities for the target group on sustainable handicraft entrepreneurship and marketing. The regional political aspect of the project was highly imperative because most of the participants were from small rural areas where the only possibility of finding a job was to create a job for oneself. During the training they learned how to cooperate and arrange matters together in their neighbourhood. As a result of the project, several joint non-profit organisations were established.

The Handicraft for Job 2 project was an excellent provider of cases because it combined training courses offering two different skills – handicraft product development and entrepreneurship (including marketing) in the creative industry sector. Both authors were involved in the project as lecturers and mentors in the product development and entrepreneurship segments. In our research, through the individual and collective training process, we observed the learning environment and progress of a total of 217 people (211 women and six men) who participated in the project. Participants in the project Handicraft for Job 2 were unemployed people and parents with children if they were on parental leave for more than 1.5 years. The project aimed to create new jobs through product development and entrepreneurship training mainly in rural areas. Many participants created their business ideas and new ventures during the study process.

The drawback of such richness and flexibility in the learning process is that it makes it more difficult to make systematic comparisons or to draw unambiguous conclusions (Alvord, Borch & Letts, 2002). To make it possible to understand how a process-based entrepreneurial study and ecosystem would assist the trainee in deciding upon creating a new venture and its features, we included two case descriptions.

First of all, we used the detailed documentation of the study process and the project database where we had collected information about the development of the participants in the Handicraft for Job 2 project to map whether they have launched new ventures or created new product ideas during the training and applied for monetary resources to develop their activities. The database was created for the whole period of the project (2009–2012). Every mentor and lecturer also had memos about the progress of the learners and any problems they experienced. Second, we chose two cases to explore deeper and investigate how they identified and developed their ideas and how they described their learning process. The criteria for selecting the cases were as follows: a) one case involved creating a non-government organisation (NGO) and the other a private limited company (Ltd); b) the launch stage was completed during the training, and c) one participant already had an idea at the beginning of the training and the other did not. We interviewed the participants to obtain more detailed and more in-depth information, which was helpful during the learning process to observe and assist them in creating and developing their ideas. The interviews were conducted immediately after the end of the project (in 2013) in order to map the tacit knowledge and immediate experience of the participants. The aim was to collect initial and primary data before the participants would forget or modify their stories.
For the case studies, we collected a considerable amount of data from different levels, using combined data collection methods, such as interviews with participants but also with coaches and mentors, observation and learning diaries, reports, and statistics. The primary resource was the semi-structured interviews. We then used thematic analysis (Miles & Huberman, 1994; Strauss & Corbin, 1994) to construct the themes of the transcribed interviews.

The cases are presented with the real names of the participants and the companies. The authors offered the opportunity to remain anonymous in the article, but neither interviewee considered it necessary and preferred to be named.

3.3. Description of the Case Studies

Case 1: Private Limited Company – Kibekäsi (Swift Hand)
Kati Kibena studied to become a professional dressmaker and has worked in large companies engaging in mass production, but she has also offered tailor-made sewing. Kati began to deal with handicraft in the seventh grade because she has always wanted to wear interesting and unique clothes. On joining the course, she already possessed entrepreneurial experience, having exported vegetables to the Russian market in a family venture during her childhood. She had also completed sales training, and obtained the profession of a salesperson and had been a sole proprietor for one year.

On joining the project, Kati had no specific business idea, rather believing that her future would be not related to sewing. Still, her initial idea was to create a sewing room for youngsters, as there are sewing lessons held at school but many students do not have machines at home – and she presented that idea at the very beginning of the course.

During the product development phase of the training, she had the idea to deal with home textiles instead and she made some curtains as a sample. After visiting the Estonian National Museum collection, she had her next idea to exploit national motifs in her sewing work and decided to make linen dresses for children, including elements leftovers from traditional textiles. She chose dresses for children because there was no linen clothing for children available at all on the market. The course mentors instantly offered positive feedback and the museum agreed to sell her products in its souvenir shop. Such positive feedback and recognition encouraged her to start designing linen clothes for children: first for girls and then for boys.

In parallel with her product development during the entrepreneurial learning, it was possible to test products at fairs, where customers could offer feedback. The feedback was especially useful in the beginning, as it made her more aware of customer requirements, market specificities and the status of her competitors. In addition, she appreciated the support of her course mates, with whom she could acquire and critically apply communication and marketing skills. The entrepreneurial training provided her with a first-hand understanding of production quantities and timelines, as well as tips about marketing, and how to remain sustainable and profitable. At the end of her training, the business plan was finalised. Financial support from the Labour Market Board was the final boost to launch the production of her own company. During her training the trademark Kibekäsi (Swift Hand) was registered, so everything was ready for a successful launch (Kibena, 2012).
Case 2: MTÜ Lahemaa Käsitöökoda (NGO Lahemaa Craft Workshop)

Marit Oinus had completed teacher training in arts and crafts and acquired the profession of special education teacher. She has worked as a teacher both at a secondary school and at a school for children with special needs. She complimented her education with art as therapy, ceramics and many other fields. She had no direct involvement in entrepreneurship before participating in the Handicraft for Job 2 project but she had had some experience in project management teams.

Some years ago, Marit needed to change her life and started to search for a new place for her and her family to live. It took a long time, and several locations in Estonia were visited until Tooma farm (cottage) was found in Lahemaa National Park. The main property with its impressive architecture and rich history was an ancient barn-dwelling of almost 300 square metres. The new surroundings instantly inspired Marit and soon the vision for how the place would help her become her own master was complete. She came to the course with this vision.

Her previous business idea was to organise several craft workshops and events at her cottage, making musical instruments (e.g. harps), baking bread, firing ceramics, heritage camps and exhibitions. Since some additional financial support is accessible only for companies, Marit decided to establish an NGO. The preliminary idea was developed into projects and after an initial negative response, she received funding after the second application (two projects financed by the LEADER programme). The group members and mentors actively participated in developing her ideas and projects. Through the development of the ideas, contacts with the local community were intensified. Active people are welcomed to join the local community, which holds meetings at the local government level, to discuss how to develop tourism services together. The community network was supportive, being open to cooperation in the context of promoting tourism. Marit’s training and activities were open to the community and as a result, an active network has started to appear.

During the course, Marit organised a bread making course for the members of her group. Earlier she had subcontracted most of courses but now she tried to hold everything herself. Led by Marit, the members of her group also conducted the training in baking bread. The experience appeared to be very valuable. It revealed bottlenecks in her services, and she also received hints and tips on how to develop the technique and content of her activities. Due to this experience, she was able to collect further feedback from her course mates and test her services. She was also able to learn from her mistakes and suggestions from others – it was a valuable example, offering her the strength to continue.

Marit’s activities and her NGO have been related to lifestyle issues. She has been involved in archaeological digs, nature worshippers and others – all this has influenced her to develop a lifestyle close to nature. She can also use this knowledge in her business and that distinguishes her services from other similar craft workshops. Marit has very consistently developed the idea. Throughout testing, more workshops and events were booked, which she then organised and executed by herself. According to her, this process has made her much more confident and decisive; at the same time, she can assess risks more adequately. Her activities are now more thoughtful and planned. There is a more elaborate action plan for fulfilling objectives, and the objectives themselves are better defined (Oinus, 2012).
4. Findings and discussion

4.1. What kinds of new ventures are founded?

The product development training and entrepreneurship training of the project improved the experiential knowledge and skills of our trainees and developed their creative capabilities. All learners created a new venture either (1) to offer a new community service(s); (2) to produce a novel product or “product family”; or (3) to do them both – to combine and offer products and services. As a result of the project, 25 Ltds were established by 26 learners, four started a sole proprietorship and nine non-governmental organisations were established involving 27 learners. Among the private limited companies (Ltd), 13 Ltd belonged to the first group above, four to the second and eight to the third. None of the new NGOs belonged to the first group, seven belonged to the second group and two to the third group, and two sole proprietorships offered a new product or services. Sole proprietorships and non-government organisations overwhelmingly considered it important that their business idea and enterprise should be connected to their local community (three sole proprietorships out of four, and seven NGOs out of nine). However, although ten private limited companies also valued their impact on the local community, 15 rather recognised the importance of foreign markets.

Moreover, the project Handicraft for Job 2 has been successful in terms of applying for various sources of monetary support offered by the state (Labour Market Board) or different EU measures (Enterprise Estonia, LEADER programme, etc.), and other sources. The most significant source of financial support was the Labour Market Board: it supported 17 private limited companies and two sole proprietorships during and after the project. Enterprise Estonia supported two private limited companies. Other sources of financial support were found for six NGOs and two private limited companies. Nevertheless, five Ltds, three NGOs and two sole proprietorships started without any financial support.

The project also offered product development, entrepreneurship training, opportunities to compile a business plan or project for existing companies among our trainees. As a result of the training, seven enterprises (both NGOs and Ltds) created new products or services and applied for financial support. One enterprise out of those seven received financial support from the Development Estonia Foundation, and the other six were successful in receiving financial support from other sources.

The success of applications for financial support in a clear measurement tool for assessing the impact of the entrepreneurship teaching methodology provided by the Entrepreneurship Home programme. To evaluate the impact of particular experiences, the two following individual interpretations of the personal experiences of our trainees are described. To map the experiential learning process that provides a creative learning environment for the creation of a promising business idea, those cases inform us what sources helped the trainees to find attractive ideas for a new venture, and encouraged them to improve their cooperation and networking skills with different consumers and target groups.

4.2. Sources helping the trainees find attractive ideas for a new venture

As the observations show, creating a learning environment marked by trust and a space for knowledge creation helps to remove barriers between the trainees, motivates them to share
in an empathic and creative atmosphere, and stimulates the development of new ideas and a solid foundation for new ventures in the fields of community entrepreneurship, creative industry or cultural tourism (Mets, Raudsaar & Summatavet, 2013). The two entrepreneurs were open to share their personal learning experience and information about their new venture because of their interest in introducing their business ideas via different sources, including local papers (Ehrlich, 2013), newspapers (Oinus, 2013; Randoja, 2011), national broadcast media (Kõösel, 2012) and social media. In 2006–2012, there were a limited number of entrepreneurs in Estonia who purposefully identified attractive ideas for their new venture from Estonian handicraft, cultural heritage and the needs of local communities. According to the words of one trainee:

"... the most important thing for me was the training atmosphere - it was safe and supportive. Fellow students were always there to support our ideas and to help improve the idea. In such an atmosphere, there was no one who was concerned about their intellectual property and the discussions were all open.

Creating a safe knowledge creation space helps to avoid concerns and fears related to intellectual property issues. This motivates a responsible attitude in every individual who has joined the working group. As they were unemployed or mothers who had stayed home for a long period, the first part of the training involved a lot of encouragement and confidence building. Starting with simpler project implementations, they gained more courage and later started to develop business ideas more confidently. This was confirmed by one trainee as follows:

"... it was helpful that in the first half of the training we were able to practice product/service development at the project level. Later it was easier to go into the context of a business plan. Fears were calmed by the feedback from the fellow students and the supportive feedback from the trainers."

So both cases show quite transparently the main factors of the experiential learning process. First, it is important for creative entrepreneurs that the content of their specialist field forms the basis for their business idea, and this ensures the practical applicability of the knowledge and skills acquired in the training. Second, the importance of layered support from peers/coaches/mentors and social/local/specialist networks was emphasised by the trainees-entrepreneurs, as these made it possible to test the products/services directly at the “grass-roots level” in the community. This was described by one trainee as follows:

"... I received valuable feedback just testing my service on my fellow students. I did bread making training for my fellow students, but I was able to test it in the local community. This helped me to further develop my training according to their needs and expectations and also to take into account local specificities and traditions."

The idea of a new venture created by community entrepreneurs in our case study relies mainly on local culture, traditions and previous education, intertwined with personal experiential knowledge and creativity:

"... I had learned sewing before, but when I got to the training, I was sure that I wouldn’t go into it. But as I studied the archive of patterns in the product development course and explored different motifs, the idea of using old traditional patterns in contemporary clothing began to develop."

In our cases, the shared values of traditional communities also functioned as an inspiration source for our own experimentation and combining inherited skills with the needs of modern society. Two cases described in this study prove that a new venture may be
comprised of: (1) a new product or ‘product family’; (2) a community service; or (3) a combination of different products and services; for example:

/ I focused on the heritage of Tartu County and developed a collection of clothes for children using local patterns. / 

/ I started offering workshops as part of a tourism service. The community was very supportive and the people there offered their help as well as partnerships to make the service even more diverse. Together with the rural municipal government we were able to cooperate in marketing. /

These two cases as examples of the outcomes of the Handicraft for Job 2 project reflect the need for a trusting and supportive learning environment that bridges the gap between the creative industry, community entrepreneurship and traditional business practices.

In summary, based on our data, we can argue that approximately 80 of the 217 participants were active in creating 38 new ventures. Second, all 38 new ventures created an attractive new idea on the basis of the local cultural heritage, and 28 of them have successfully received additional financial support from different financial mechanisms within one year of completing the programme (Summatavet, 2012). Third, the experiential learning process of our trainees revealed an unexpected pattern – the creation of a new venture in the field of the creative industry and community entrepreneurship embraces obligatory cooperation and networking with the local community: the creators of 20 ventures out of 38 consider this very important. In terms of sustainability, we checked to see if they are still active today – according to our observations based on public information available on different e-government platforms 5–6 years after the training, 96% of the enterprises are still active.

Each training period (starting in autumn and finishing in spring) included product development training carried out regularly every two weeks, entrepreneurship training planned as a cyclical study and an intensive course on using the internet environment. Voluntary local handicraft specialists were involved in training activities and supporting the workgroups by teaching specific handicraft skills required during the product development training. Before registering as small entrepreneurs, the participants received comprehensive help from entrepreneurship mentors at the University of Tartu (up to six months).

Three stages for developing new ventures combined creative industry and community entrepreneurship:

1) **Implementation of synchronistic entrepreneurship training and product development.** Providing education in the field of the creative economy by combining art and design education with entrepreneurship training having a significant impact on the future of local communities – many companies created during the training process were connected with local communities. In the Handicraft for Job 2 project, we proceeded from the opinion that folklore and local heritage are a valuable source of inspiration. As the cases proved, the key factors in the creative entrepreneur venture creation process are his/her personal experience, skills, capabilities and motivation, which have a direct impact on the novelty and quality of the new enterprise (see the list of entrepreneurship ideas realised during the training period 2009–2012 in Uba, Raudsaar and Reiljan, 2012, 155–160). Our research shows the role of synergy between product development and entrepreneurship training in the field of creative industries and community entrepreneurship. Synergy and integration are crucial elements of the experiential learning process and sustainable venture creation.
2) **The development and implementation of cultural heritage in the field of community entrepreneurship.** New entrepreneurial propositions and ideas are not created in a void, but they are supported by an entrepreneur’s previous experiences and the particular social needs of local communities. Local cultural heritage embedded in community entrepreneurship is an essential source for the new venture creation process. Folklore and local handicraft heritage are a valuable source of inspiration, providing versatile opportunities that have not been used well (Summatavet, 2012, 41–42). However, individual entrepreneurs thrive in these cases when the idea becomes tangible and intangible shared values or needs in the local community.

3) **Sources help trainees identify attractive ideas for new ventures.** The mapping of the experiential learning process of finding different sources for new ventures embedded in the minds and oral histories of the trainees is crucial, and it is highly recommended to document this during the training and during the year after the end of the session. Oral history has become a significant methodology for understanding creative practitioners and the context and meaning of the work they produce. Interviews provide first-hand narratives and experiences, and therefore offer additional information of a different kind compared to “traditional” historical documents. Oral history also suggests new methods for research in entrepreneurship training and product development. It is a multilevel, co-constructed practice that challenges conventional autonomous production and identities; it seeks to uncover hidden and marginalised aspects of the past (Sandino, 2010; Sandino, 2013; Portelli, 2016). However, detailed documentation of the study process and the project database has to be collected at every step of the training process because the tacit knowledge of the trainee will change over time and many important details will be lost or forgotten. The documentation of the primary data will be extremely valuable for future research in order to understand the formation of sources that help trainees identify attractive ideas for new ventures in specific contexts.

5. **Conclusion**

In this paper, we looked more closely at the experiential knowledge of creative entrepreneurs to understand and bridge the gap between local cultures and entrepreneurial communities. Experiential learning theory has been proven to be useful in designing the learning modul for the Entrepreneurship Home project and the teaching methodology for the resulting training. We introduced two cases from the creative industries and community entrepreneurship as an experiential teaching model within the Entrepreneurship Home project for teaching entrepreneurship and product development based on local cultural heritage. The venture creation process within the current study proves our earlier understanding that new venture ideas are the result of the creative experiential learning process based on the entrepreneur’s prior knowledge, creative interpretation of cultural heritage and specific local needs.

Ideas for new ventures were identified based on ‘old’ cultural patterns found in local traditions. Semiotician Juri Lotman in his book *Kultuur ja Plahvatus* (Culture and Explosion) approaches the process the creative innovation of new ideas as a cognitive process and a mental experiment (Lotman, 2001, 170–172). In our case study, founding a new venture and finding attractive ideas for a new venture are innovations and mental experiments to change
the cultural patterns of the trainees and their communities as well as to enlarge the boundaries of the local culture, offering new knowledge, experiences and know-how to inspire people to create new experiments and test novel opportunities. The local community played a crucial role in planning and implementing the results of innovation processes in both case studies. The trainees found attractive ideas for new ventures from their own family stories, customs in the local community, and natural and cultural environment, as well as in the needs of particular target groups.

In recognising and assessing the unexpected patterns emerging from our study, we may point out that as the “conventional” teaching methodology is not inapplicable for creative and community entrepreneurs, key factors in their venture creation process focused on their personal experience, skills, capabilities and motivation, which have a direct impact on the novelty and quality of the new enterprise. The primary engaging motivator in these cases has been self-realisation and mission rather than earning a profit. The creative competencies, skills, experiences and behaviour of the community entrepreneurs enable us to map unmet market needs in the field of creative industry and community entrepreneurship.

Our research proves that smart solutions from the past can be an attractive source of inspiration for innovation. ‘Old’ knowledge is becoming increasingly more useful in tackling social problems and environment issues. The mapping of the experiential knowledge of creative entrepreneurs bridge the gap between local people and entrepreneurial communities. However, providing education in the field of the creative economy by combining product development and entrepreneurship training is still in progress and has to be improved. The cooperation of local entrepreneurs and communities also has to be supported by local authorities and popularised as an investment in the future.

Nevertheless, the harsh local climate and lack of resources have formed the Nordic culture and its craft traditions as wise models for future generations. Such thoughtful solutions for the future are embedded in local cultures. We only need to heed these communities and target groups.

The main focus of future research is to map both the new challenges facing community entrepreneurs as well as the gaps between the creative industries and the competitive advantage for Estonia in the fields of education, research, social innovation and economy. Future research aims to find smart solutions based on local culture and develop this increasingly growing trend in cooperation with other Nordic countries.
References


