

# DEMAND OF MENTORING AMONG NEW STARTERS

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## Abstract

Mentoring is considered of crucial importance to the survival and growth of small and medium sized companies (SME's), and that provision of new firm support can yield positive and worthwhile returns to the public sector investment. From a Swedish perspective there is a need for further action to become as competitive within business start-ups as the rest of the EU as well as the USA. The purpose of this paper is to get an indication of the extent to which new starters are interested in taking part as an adept in mentoring and their attitudes towards mentoring. The results are based on a questionnaire going out to 1 022 new starters in different branches located all over Sweden, with a reply frequency of 48,53%. Our research is a contribution within the field of supply and demand of mentors for new starters. Furthermore this could give new directions for governmental and other supporting agencies and indicate new directions for cost-effective business development programmes within EU to SME's and entrepreneurial firms.

Keywords: *mentor, mentoring, mentoring program, adept, start-up, new starter*

## **Introduction**

Mentoring is proved to be beneficial to the survival and growth for new businesses. But sadly in Sweden and many other countries we can not offer any extensive mentoring program to our new starters. We should work to be able to offer a mentor to any new starter that would like to have a mentor. From that perspective we need to know how many new starters that would like to have a mentor if they could decide. If we know this information and the amount of mentors that we can offer to new starters it will be possible to see the potential with mentoring programs.

## **Problem and purpose**

In a previous study we focused on entrepreneurs who retired and the possibility to keep this population for a longer time in the job market. We examined senior management from a survey with 406 answering respondents. This lead to the paper "*Mentoring New Entrepreneurs - a Course of Action to Retain Knowledge and Experience in Society*", which was presented at the ICSB World Conference in Johannesburg 2004. The question researched was senior management's interest to act as mentors when they become pensioners, due to emotional bonds to their profession, identity and the satisfaction to pass on accumulated knowledge and experiences, which they have built up during a lifetime. For the above mentioned survey constructed a questionnaire, consisting 61 questions, going out to 1269 respondents, with a response rate of 32%. According to this survey there was an unambiguous result. 97% of the respondents were willing to act as mentors after retirement. These results indicate a promising alternative by keeping senior management active in the market for a longer period of time and thereby helping new entrepreneurs succeed by decreasing the risk of failure. [Henningson, Hultman & Wikholm, 2004]

Starting a new business is demanding and there are many complexities that may serve as barriers to entry for new ventures. We have identified through research and practice, an example being the SCORE (Service Corps of Retired Executives) program in USA, a positive correlation between the mentorship of new starters and the success of these very same ventures. It is therefore of great importance to investigate further. Only small shares of the total amount of new starters have access to mentoring programs. Our earlier study revealed a potentially high number of mentors, which would go far towards filling the supply gap for our new start-ups, granted sufficient demand exists for such services, hence:

*The purpose of this paper is to get an indication of the extent to which new starters are interested in taking part as an adept in mentoring and their attitudes towards mentoring.*

## **The Swedish issue**

In Sweden the total amount of SME's are 99,8%, that is those enterprises with less than 250 employees according to the definition by EU. The privately owned companies occupy 2,6 millions Swedes. [Företagarna & SIFO, 2003]

From a Swedish perspective there is a need for further action to become as competitive within business start-ups as the rest of the EU as well as the USA. This issue has been much discussed in the media and is constantly researched.

It is a demanding mission to start a new business. This is a matter, which many times work as a barrier for new ventures. The total entrepreneurial activity, i.e. share of the population who

either are actively engaged in the start-up process or managing a business, in 2002, was low in the European Union (EU) with only 6% and even lower in Sweden with 4% [GEM, 2002].

This should be compared to the United States of America (USA) with almost 11% [GEM, 2002]. The interest in the EU to be self-employed instead for an employee has decreased to 45% and in Sweden to 32% but the interest in the USA has increased to 67% [EOS GALLUP EUROPE, 2002].

According to table 1 below, Swedish people do not, in general, consider starting a business; more do however in the rest of the EU and in the USA. The same survey also reveals what scares potentially new entrepreneurs the most and that is the possibility of going bankrupt, uncertain income and a risk of losing ones property. What is positive is that more than half (55%) of the EU respondents are willing to take classes on how to set up and manage a business. [EOS GALLUP EUROPE, 2002]

	Never came to his/her mind	Is thinking about it	Gave up	Currently taking steps to start
European Union	59	11	9	2
United States	41	20	4	10
Sweden	73	9	3	2

Table 1. Individuals taking steps to start a business, 2002, in% [EOS GALLUP EUROPE, 2002]

Potentially new entrepreneurs have good reason to be afraid, as business insolvencies in Europe have increased with 10.7% in 2002, compared to the previous year. The situation in Sweden as well with an increase of 5.2% the same period, but in the USA the bankruptcies fell and had a decline of 3,9% [CERU, 2003]. Bankruptcies do not only strike SME's, also large companies as the retail chain K-Mart, Philipp Holzmann in the construction sector and the Frankfurt bank Gontard & Metallbank amongst a lot of other companies went bankrupt in 2002. Only 55% of the new enterprises who set off their business in Sweden 1998 survived and were still running three years after start [SCB/ITPS, 2003a]. However there are people who conquer the barriers and start their own business and in Sweden there was an increase of 5.4%, in 2002, in the establishment of new enterprises. This is the secondly highest increase for 10 years. Then again the newly registered companies, excluding existing enterprises that expand, have decreased 15% in Sweden 2002. [SCB/ITPS, 2003b]. The same survey reveals that only 20% of the newly started companies have received support when they started their business.

When you put these figures together it could be said that Sweden is not in the optimal situation but it is improving. More needs to be done and mentoring programs are one measure toward becoming more equal with the rest of EU and the USA.

## Methodology

Our targets are new starters in different branches located all over Sweden. The definition we use for a new starter is a business that is within the period of 0 to 3 years since the start up.

We decided to use an online questionnaire, which is very effective; however it has two major weaknesses. Firstly it demands that respondents have access to and computer/Internet use knowledge. We assumed the target population was likely to have access and knowledge as

a result and condition of their profession and the fact that they have an e-mail address. Secondly Internet correspondence, in contrast to ordinary tangible mail correspondence for answering the questionnaire, is less likely to be answered. Reason for that being is that there is no envelope lying on the desk to remind the respondent to fill in the questionnaire every time she sees it; instead an e-mail is easily lost among all new e-mails that arrive to her mail box. For that reason it is of great importance to send out reminding e-mails more frequently and totally compared to tangible correspondence. It is however much cheaper, faster and more effective than tangible correspondence. We received the respondents from the Statistic Central Office of Sweden which is the most respectable provider of statistics in Sweden. The target population is a new started business that has been registered as a start-up year 2001 or later. When filtered this gave us a population of 1 022 respondents of which 496 answered, giving us a response frequency of 48,53%. To be able to receive a high participation rate from the respondents we followed up with three e-mails that reminded our respondents to answer the questionnaire. The reason for this being is that we assume that a survey e-mail is not of instantly importances in a business and as a result without difficulty get lost due to all new e-mails that arrive.

Table 2 shows some background variables of the respondents, almost a third of these being females. The age is structured in accordance with which decade the respondents were born, for example the interval 26–35 was born in the 1970:s et cetera. The mean age is within the interval of 36-45 years of, which are persons born in the 60's. Education can be of importance when you start business due to better knowledge if you start a business within your expertise. Among the respondents more than half, 51%, have obtained a university exam and 7% have only finished compulsory school. Before the respondents started their business they have at the moment, most of them, 62%, were an employee in a company, 21% managed a different company and 6% studied. The main product for the companies studied is for 26% goods and for 74% services in a wide spread of branches. The size of the respondents companies differ were 64% are micro- (0-9 employees), 30% small- (10-49 employees), 5% medium- (50-249 employees) and 1% from large ( $\geq 250$  employees) companies.

<b>Background of the respondents</b>			
<i>Gender:</i>	<i>Share:</i>	<i>Branch:</i>	<i>Share:</i>
Female	29%	Manufacturing sector	21%
Male	71%	Energy sector	3%
<i>Age:</i>		Construction sector	13%
< 25	2%	Service sector	31%
26 - 35	25%	Trade, hotel and restaurant	18%
36 - 45	37%	Transport sector	6%
46 - 55	22%	Communication sector	10%
56 - 65	13%	Finance sector	5%
> 65	1%	Business services	17%
<i>Employees:</i>		Movie-, video-, radio- and TV-activity	7%
0	14%	<i>Education:</i>	
1-4	32%	Compulsory school	7%
5-9	18%	Upper secondary school	42%
10-49	30%	College/University	51%
50-249	5%		
> 250	1%		

Table 2. Background of the respondents

## Definitions used in this paper

The following are abbreviated definitions or frequently used terms in this paper:

*Mentors* are retired or active senior management with a background as self-employed or top management position and are willing to provide mentoring to start-ups free of charge.

*Adepts* also referred as *new starters*, *start-ups* and *protégés*. These are defined as any small or medium sized business owner that has not been in business for more than three years.

*Mentoring* is a relationship process between an adept and a mentor, independent from age and gender, where the mentor motivate and guide the adept forwards an contracted given goal based on the mentors accumulated knowledge and experiences. Although in this paper we se mentors as retired senior management with the background as self-employed or top management position.

*Mentoring programs* in this paper refers to formal mentoring programs for new starters, where a third part engages in pairing mentors and adepts.

*New starters* also written as *Start-ups* is a business that is within the period of 0 to 3 years since the start up.

## Mentoring

Mentoring is understood as a journey that describes a unique relationship between mentor and student teacher [Awaya *et al*, 2003]. "Mentors function as teachers and coaches to create learning opportunities and to challenge their protégés to develop to full potential [Vincent & Seymour, 1995]." There are many other definitions regarding mentoring: "The process in which an experienced veteran helps to shape or guide a newcomer...true mentoring is an extended, confidential relationship between two people who have a mutual personal growth and corporate success as common goal...a protected relationship in which learning and experimentation can occur, potential skills can be developed, and in which results can be measured in terms of competencies gained" [Sullivan, 2000]. We would like in general to define mentoring as a relationship process between an adept and a mentor, independent from age and gender, where the mentor motivate and guide the adept forwards a given goal based on the mentors accumulated knowledge and experiences. Although in this paper we se mentors as retired senior management with the background as self-employed or top management position.

## History

These definitions are just a small amount of those existing and there seems hard to declare a definition that is suitable for each and every one within mentoring for start-ups. The history of mentoring starts in the old Greece and mythology. When the king Odysseus of the island of Ithaka is forced to go out in war against Troy, he have to leave his beloved wife Penelope and son Telemachos back home. To insure himself that they will be safe and everything will workout at home without him he wanted a guardian. For the assignment he selected his childhood friend Mentor to run the household and the bringing up of Telemachos, and that is

the origin of mentoring. Similarly actions have been present in to our time and will probably always exist. To take care of knowledge and experiences and pass them on were practiced in earlier days in the fields of trade, handicraft- and art profession et cetera. Mentoring was distinguished as a master and apprentice system, of which the master is familiar these days as a mentor and the apprentice as an adept.

The industrial revolution put an end to the master and apprentice system to the favour of an employer and employee relation. What was beneficial for the master were no longer beneficial for the apprentice, instead profitability was in centre of attention. Mentor has from this background developed to be a person for adepts to model themselves on, with the purpose to make the adept competent in her profession.

### **Comprehensive areas**

In business mentoring there is two comprehensive areas. These are (1) mentoring for career development [See Roche, 1979; Whitely & Coetsier, 1993; Aryee *et al*, 1996] and (2) mentoring for self-employed [See Deakins *et al*, 2002; Waters *et al*, 2002; Smailes, 2002]. The first-mentioned is the area most written about. On the basis of these areas new ones have developed and these are (a) mentoring for women [ See Berry, 1983] and (b) mentoring through Internet [See Bierema & Merriam, 2002; Perren, 2003] that have grown big. There have also arisen combinations of female and Internet mentoring [See Headlam-Wells, 2004].

### **Meaning of mentoring**

Regarding the meaning of mentoring two perspectives is most common. Firstly, (1) it is the adept that should develop, not he mentor [Murray & Owen, 1992; Annerstedt, 1998; Steinberg, 2004]. Secondly (2) it is a dialog and the exchange of knowledge and experiences that occurs between the mentor and the adept take place on an equal footing were the mentor and adept learn from each other [Franzén & Jonsson, 1994; Franzén *et al*, 1999]. Although the most common is, the first mentioned, that mentoring is a deliberate merger of two persons was one of them have less knowledge and experience and opposite. The common goal is that the person with less knowledge and experience should learn and develop certain skills [Murray & Owen, 1992; Annerstedt, 1998; Steinberg, 2004].

### **Informal and formal**

Mentoring can be arranged in two different forms as informal and formal mentoring. Informal mentoring is when the mentor and the adept find each other without arrangement from a third part in the background. Formal mentoring take place when third parts arrange a match and meeting between a mentor and an adept. [Clutterbuck, 2004]

It is argued that a large share of the mentoring relationships develop informally within an organisation because of the physical nearness and regular interaction that occurs between mentors and adepts [Kram, 1985]. However, in the small business environment the mentor is external to the adepts business and there is limited physical nearness and interaction. Consequently, being a mentor to a person who is starting up a business is more likely to occur through a formalised program rather than an informal connection [Hofman, 1998].

## **Purpose for mentors**

There are two fundamental types of purposes for mentors. First, they provide career development behaviours, which involve coaching, sponsoring advancement, providing challenging assignments, protecting protégés from adverse forces, and fostering positive visibility. Second, they provide psychosocial roles, which include such functions as personal support, friendship, acceptance, counselling, and role modelling. [Ragins, 1997]

## **The mentor role**

Finding or becoming a mentor may seem like a huge responsibility, but it is actually rather easy [Call, 2003]. The mentor plays five key roles (1) coach, (2) co-ordinator, (3) supporter, (4) monitor and (5) organiser, where the roles are changing dependent on the needs of the protégé [Clutterbuck, 1991]. Assigned relationships through formal programmes have, however, been found to be problematical [Kram, 1986].

## **Developing adepts**

To be able to develop an effective adept the mentor should remember five standing points. First, the mentor should not assume that the relationships she has developed successfully will work for the adept. Second, the mentor should ensure that the adept is not confused by the mentor's influence. Third, the mentor should not try too hard to shield the adept from mistakes that are bound to happen. Fourth, the mentor should not burden the adept with too great a burden of gratitude. Finally fifth, the mentor should avoid confining the adept's growing potential to her own limitations. [Bensahel, 1977]

## **The adept's selection of mentors**

Before an adept gets involved in a mentoring relationship the adept should ask them self questions when looking for a mentor, such as is this someone I admire, am I comfortable with this person's values, is the person in a position to offer me opportunities, does this person have strengths and skills that I want to acquire and finally is this person someone who can increase my visibility, that is, do people respect this person [McCune, 2000]?

## **Mentoring efficacy**

There are theoretical arguments suggesting that support for new ventures should be provided on a mentoring basis, where mentorship should have an impact on the management ability and confidence of such new start-up [Deakins *et al*, 1998]. It is also considered that mentoring is of crucial importance to the survival and growth of SME's [Sullivan, 2000], and that provision of new firm support can yield positive and worthwhile returns to the public sector investment [Deakins *et al*, 1998].

## **Mentoring programs**

National, regional and local economic development agencies use entrepreneurial mentoring as one ingredient in a wide assortment of assistance programs to entrepreneurs and small business owners. In Scandinavia, mentoring programs, where the involved offer their services free of charge to new and young entrepreneurs, are to be found in Sweden with the "Mentoring - Experience agency for new self-employees" at ALMI Business Partner; in

Finland at Yrityskummit ry and in Denmark with the “Sparring med erfaring” project. Other countries in Europe that offer similar services are the Professional Business Advisor (PBA) program in the U.K., ECTI and EGEE in France, SES in Germany and the “Saturno” project in Italy. In the USA there is the SCORE program.

### **Match mentor and adept**

It is recognized, that assigned mentoring relationships are not usually as beneficial as those that develop informally [Armstrong *et al*, 2002)]. There appears, therefore, to be a need to match partners in some way. It has been suggested that a better understanding of psychological factors is necessary if this is to be achieved [ibid] and try to match the mentors to clients based on the mentors sector experience [Deakins *et al*, 1997] et cetera. On the other hand a study shows that perceived attitudinal similarity was a better predictor of adept's satisfaction with and support received from their mentors than was demographic similarity [Ensher *et al*, 2002].

### **Female or male mentor**

A study reveals that gender composition found to have a significant impact on the mentoring process [Armstrong *et al*, 2002)]. Combinations with female mentors and male protégés were found to be the least favourable combination [ibid]. But regarding the issue of whether to have a man or woman as a mentor another study reveals that gender was not considered much of importance. But in the end mentoring can offer no guarantee of success. The mentors themselves can often be a bad influence for some people, men and women alike. Individuals must choose their mentors carefully and make sure the chemistry of the relationship "fits" both personalities and situations involved. [Simonetti & Aris, 1999]

### **Mentor supply**

In a research regarding senior management's interest to act as mentors when they become pensioners, interesting results came forward. Senior management want to become mentors due to emotional bonds to their profession, identity and the satisfaction to pass on accumulated knowledge and experiences, which they have built up during a lifetime. According to this survey there was an unambiguous result. 97% of the respondents were willing to act as mentors after retirement. These results indicate a promising alternative by keeping senior management active in the market for a longer period of time and thereby helping new entrepreneurs succeed by decreasing the risk of failure. The same survey also stated that more than 90% were interested to become mentors even before retirement, but for fewer hours. [Henningson, Hultman & Wikholm, 2004]



## Empirical data and discussion

### Have a mentor

According to a study made in New Zealand about small business uncover that 20% of the male respondent have a mentor and that another 33% wished for having a mentor [McGregor & Tweed, 2002]. This should be compared to the female respondents in the same study were 26% having a mentor and another 41% wanting a mentor. So you could say that females experience that they are in a more extensive need of a mentor than males to be successful. This should be compared to our study in Sweden were less persons have a mentor have a mentor than in New Zealand. About 13% of the start-up owners have a mentor. There is a small difference between the genders for having a mentor were 14% of the males having a mentor and 11% of the females having a mentor.

The reasons for the difference between the results in New Zealand compared to Sweden could be due to different atmospheres and attitudes towards mentoring between the two countries. But still the difference is not to extensive for making to drastic conclusions. According to our study it is start-ups that been in business for 2-3 years that have the largest share of mentors with 27%, for start-ups that been in business for 1-2 years it is 23% and the smallest is 12% and that is start-ups that been in business for less than one year.

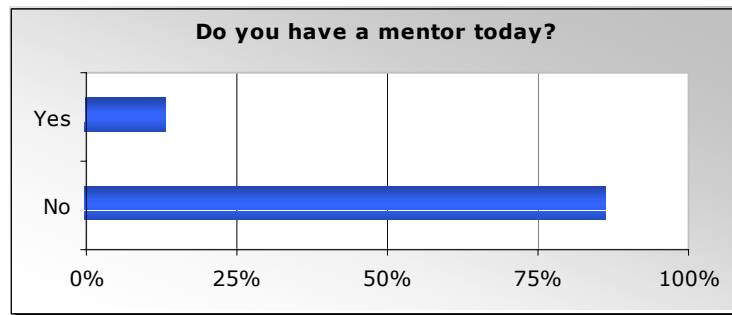


Figure 1. Start-ups that have a mentor

### Have had a mentor

Regarding those who do not have a mentor today there is 16% of the respondents who have had a mentor before. These figures are changing between the genders were 26% of the females and 13% of the males have had a mentor. The difference is too widespread to be ignored. So it seems that females seems to need a mentor more than males and according to the study made in New Zealand more females than males wished for having a mentor.

### Tried to get a mentor

If you not have or had a mentor it is of interest to find out how many there is who have tried to get a mentor but not succeeded, and according to our results that is 7%. As before there is a larger share females, 9%, who have tried to get a mentor compared to the males with 6%. It is first when you been in the business for 1-2 to years when you try to get a mentor. In this group 12% claims that they have tried to get a mentor compared to 6% for those who have been in business for less than one year and 2% for those that been in business for more than two years.

### Reflection towards mentoring

In general start-ups have a positive reflection towards mentoring, and as before there are more female respondents in favour for mentoring. According to our study 41% of the females are very positive compared to 28% of the male respondents. Further on it is the start-ups that been in business for less than two years that are most positive to mentoring for new starters were 78% are positive or more.

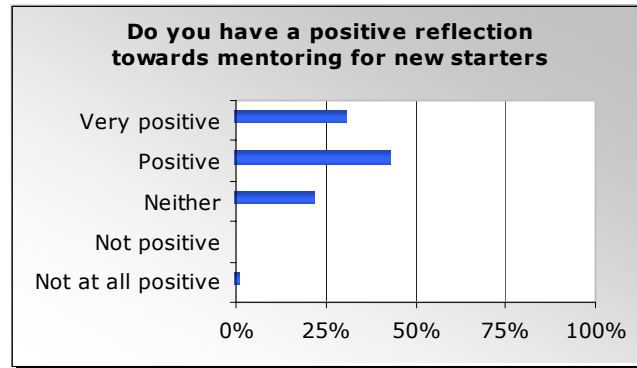


Figure 2. Start-ups reflection towards mentoring

### To have or not to have a mentor

If you could choose between having a mentor or not 85% of the female respondents and 75% of the male respondents would want to have a mentor compared to an average of 78%. And again it is those who have been in business for less than one year that would like to have a mentor. In this group 87% would like to have a mentor compared to 82% for 1-2 years and 78% for 2-3 years in the business.

### Take contact with a mentoring program

On the question if the respondents can imagine themselves taking contact with a mentoring program in their region if there was such a program, the results show that most of them, 63%, would. As we seen before there has been a difference between the genders towards different issues regarding mentoring. But not regarding taking contact with a mentoring program were the answers are fairly equal with 65% of the females and 62% of the male respondents. Respondents in the age of 25 or younger differ from the rest with 38% that can imagine themselves taking contact with a mentoring program.

Start-ups that have been in business for less than one year are most interested in taking contact with a mentoring program. In this group 78% are in favour for such behaviour and start-ups that have been in business for 1-2 years have 71% and 2-3 years have 56% that are interested.

## **E-mentoring**

Mentoring does not necessarily have to be arranged so that a mentor and an adept meet face to face. Mentoring can also, due to computer technology, be arranged over Internet and e-mails. Near half, or 49%, could see it as possible to have a mentoring relationship over internet. Females are considerable more in favour for internet than the male respondents, almost half as much. In figures that corresponds to 62% of the females and 45% of the males. The age factor does not seem to have too much of an impact, but it is the respondents in the age of 65 and more that are most positive, with 60%. Whether how long you have been in business there are the respondents who's been in business for less than one year that is least in favour for mentoring over internet, with 46%. Among those who could consider mentoring over Internet 25% finds mentoring over Internet as a better alternative than actually meeting a mentor. Those most in favour for this is respondents older than 65 years of age were 67% find mentoring over Internet as a better alternative than actually meeting a mentor. Finally when asking all the start-ups if they could consider not meeting a mentor and only has contact through e-mail and telephone 11% of the respondents were in favour.

## **Mentoring contributions**

In our population that we studied there were those who have and have had a mentor and their opinion of the contribution with having a mentor altered as one of the respondents proclaim:

*"A mentor can substantiate the 'truth' "*

But most of them, that is 96%, agrees totally or more that the most important contribution is a mentors support and tip-offs. Further the sharing of knowledge and experiences were 95% agrees totally or more. Receiving feedback from mentors (87%), develop the adepts knowledge (88%) and help to avoid mistakes (89%) of the respondents seeing as a contribution. Network is repeatedly mentioned within the field of mentoring and 84% of the respondents agree almost totally or more that a mentor helps the adepts networks to increase. The respondents experiences is that 76% of them agree almost totally or more that a mentor can help the adept's self-confidence and the motivation for 77% of the respondents. Further on 74% of the respondents believed that mentors can help put ideas into effect and 76% believed that a mentor can help adepts with how you lead a company. Finally 56% of the respondents agree totally or more that a mentor can help them to set up at international markets for their business.

These figures should be compared with those of the respondents that do not have or have had a mentor. Also these answers differed and as two of the respondents who have not had mentor proclaim:

*"A mentor can help me to get a structure and order in the different phases of my business."*

*"A mentor could be a good support when it comes periods of less good times."*

The majority, 89%, believe that sharing of knowledge and experiences are contributions from mentors. They are also united regarding that mentors can help avoid mistaken and give support and tip-offs, according to 88% of the respondents. When it comes to personal

development 83% believe that a mentor can help them to develop their own knowledge. 78% believed that mentors can help them put ideas to effect. 79% believed that a mentor can help them how to lead a company and 78% that a mentor can bring them a larger network. According 78% of the respondents they believe that feedback is a contribution from a mentor and 68% believed that a mentor can increase the adept's self-confidence and for 67% the motivation. Finally 66% of the respondents agree totally or more that a mentor can help them to set up at international markets for their business.

The figures are quite interesting between the two groups. The first group who have or have had a mentor express them selves from experience. The other group who have not had a mentor express them selves from what they expect and believe. Common for almost every answer is that group one, which expresses them selves from experience, have a higher opinion about the contribution of a mentor than group two who have no experience with a mentor. This tells us that mentoring have a higher impact on start-ups efficacy than what start-ups without mentoring experience expects. This gives implications that those start-ups who joins a mentoring program, for the most part, will experience immense satisfaction due to exceed of expectation.

### **Reasons for wanting a mentor**

Reasons for wanting to have a mentor for the group that have not had a mentor are many but there are a few that stands out. As a couple of the respondents say:

*"I want to choose the persons in my surroundings as I already respects."*

*"My business is to narrow."*

The main reason for not having a mentor, for those who answered that they did not want to have a mentor, is that they would like to succeed on their own without help according to 70%. Another reason is that do not believe that mentoring would help there company and 60% are sceptical and 67% believe that do not have time over to get engaged in such a commitment. Other reasons are for 57% that they believe that the difference is to big between the size of the adepts business and the business that the mentor used to have. 38% do not know what a mentor can contribute with. 32% feel that they do not want to "open up" for unknown person. 30% do not have any knowledge about mentoring. 39% do not want to share info about their business with a person they do not know. 43% do not want to get involved in new projects. 37% believe that it would cost too much. Finally 11% are afraid that the mentor could become a competitive to the adepts business.

Contrary to those who did not want to have a mentor we have the respondents who would like to have a mentor. The reasons for this are several and two of the respondents express them selves as follows:

*"My needs of a mentor are totally dependent of my competence and my weaknesses."*

*"To be told from a mentor if I am going to the right direction."*

To be able to have someone to exchange ideas with is the main reason for 98% of the respondents for having a mentor. Supplementary knowledge from another person is a reason for 95% of the respondents. 92% wants mentor for the reason that they believe it is worth a

try. Concerning network 85% believe that mentoring could expand their contacts. 79% believes that mentoring can teach them more about running a business. 81% believe that mentoring can help them with strategies and concrete solutions. Finally, 62% believes that mentoring can help them with issues regarding the change of lifestyle when you start a business.

### **Mentoring program fees**

Start-ups do not in general have extensive funds and mentoring programs require large funds to finance. The advantage of charging start-ups for involvement in a mentoring program and not offer the service free of charge are two. Firstly, you will only receive participators that are serious with their business. These start-ups see a future in their business and honestly want to succeed. By only receiving seriously start-ups you will not invest capital in start-ups that do not believe in their business up to 100%. Secondly, a fee would bring some money into the mentoring program that can be used to finance the expenses voluntarily mentors receive when they meet their adepts.

According to our study 48% can imagine them self to pay for a mentoring program. These figures would increase or decrease depending on the size of the fee and their knowledge about the efficacy impact mentoring can have on a start-up. There are more females, 54%, that could imagine them selves to pay a fee for joining a mentoring program compared to 45% of the male respondents. What is more interesting is that the willingness to pay a fee for participate a mentoring program increase with the age of the respondent. This result in that 33% of the respondents age 25 or younger and 61% of the respondents older than 55 years of age could imagine them selves to pay a fee for joining a mentoring program.

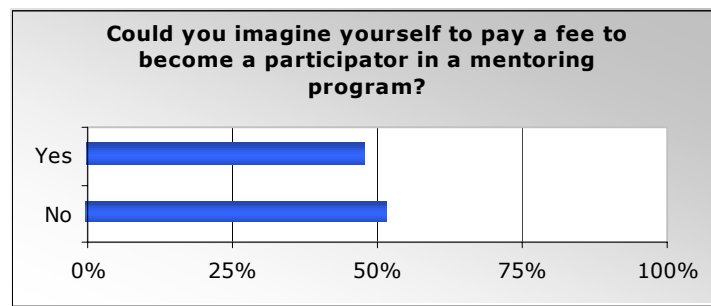


Figure 3. Start-ups reflection towards paying a fee to become part of a mentoring program

### **Meeting the mentor**

Our respondents state that they would like to meet their mentor approximately once a month according to 49%. Another 34% would like to meet their mentor less than once a month, 12% would like to meet their mentor every two weeks and 4% would like to meet their mentor every week.

### **Practical issues within mentoring**

Some practical issues regarding mentoring for start-ups are that they want the mentor to have extensive experience from being self-employed, 85%, and extensive experience from a top management position, 69%. Among the respondents 71% find it as important that a

mentor have experience from the same branch as them. The mentor should be able to meet the adept in the local community according to 57% of the respondents and this should be on regularly basis according 72%. Of the respondents 68% would like to also meet other mentors than their own for ideas and feedback. More than a third, 36%, of the respondents would like to have a central meeting point were mentors and adept can meet up. It is of importance for 45% of the start-ups that there is a working plan to follow in a mentoring relationship and courses to follow about the subject according to 34%.

### **Demand and supply of mentoring**

There is a remarkable possibility within mentoring in Sweden. Today only one of five start-ups has a mentor. It seems like start-ups do not know about the efficacy and benefits of taking part of a mentoring program. We know from research that mentoring have positive on impact new starters. Therefore there is of great importance that mentoring effects will be informed to start-ups and that there is mentoring programs available to join without costing to much.

Mentoring programs in Sweden are in general very small and have approximately 20 mentors or less available in every assembly, which are not many. We know from this research have input that makes it possible to see in which extent mentoring programs could be build up so that the mentoring programs could reach out and be accessible to all start-ups that would like to have their own mentor.

In our research we found that eight out of ten start-ups would like to have a mentor. Among start-ups in business for the first year almost nine out of ten would like to have a mentor. In Sweden we get 49 500 new businesses each year. The consequences would be that 31 680 start-ups would like to have a mentor during the first three years and could consider contacting a mentoring program. The figure 31 680 times three years will be 95 040 start-ups that demand a mentor if they could decide. That is a lot of start-ups that potentially needs a mentor and would require about 60 000 mentors.

A realistic perspective is that there will never be that many start-ups, but still. Not all of them could consider pay a fee for entering a program. After taking the fee in to consideration this would give 68 310 start-ups wanting mentor, start-ups that will contact and pay a fee to participate. This is a figure that will correspond to approximately 45 000 mentors that will be needed in Sweden.

If these figures would be put in to context of a region like Orebro, located in the middle of Sweden between Stockholm and Oslo, that would correspond to how many start-ups and mentors an average mentoring program would require. Orebro gets about 850 new starters each year. But only 46% are willing to pay a fee for mentoring giving us 391 start-ups left for possible mentoring. This figure times three gives us the total amount of new starters, which is 1 173, that needs to be matched against a mentor. The total amount of mentors that will be needed if all would contact a mentoring program would be about 780 mentors.

The truth often is that not that many start-ups or mentors will contact a mentoring program even if they say they would. Real figures would probably be a third of our calculations, which are 391 start-ups and 260 mentors.

We do have the start-ups and we do have mentors according to our studies, the only thing that is needed to be done is to bring them all together.

## **Conclusion**

We do know that mentorship have a positive impact on society. There is for that reason of great importance that mentorship is being implemented in wider scale in our society than ever before. This could be done in if can arrange an arena for both mentors and adepts to get together. For this to be promising interests need to act on a regional and local level within the nation. It would also be favourable if this could also be arranged over the nation borders if necessary, but have in mind that the mentors have a need in meeting the adepts on regularly basis.

Mentoring have great possibilities if handled correct and wisely. But it is not only positive. Mentoring can also fail due to the fact that it is not a guarantee for success. Many things can go wrong. The big issue is how to match the mentor with the adept, and the efficacy of doing so. Mentors can even have a bad influence on the adepts. So there is not only a problem with matching the mentor with an adept it also has to be a correct one. We discussed earlier that assigned mentoring relationships are less beneficial than those who develops informally. This gives us further complications regarding how to match informally. Further on the adept have to ask them self if this person have the skill and values that are acquired.

Even if the mentors are willing to offer their services free of charge and the demand from new starters extensive, there are plenty of barriers to triumph. The mentors want to share their knowledge and experiences. The mentors want to meet new and interesting people. The mentors want a new challenge in life. But sadly are not all of the mentors likely to be appropriate to become mentors. Not all qualify for such pedagogic assignment.

Most important is that we know the potentially supply of mentors and the potentially demand of mentors from the new starters. This gives an indication how extensive third party managed mentoring programs can be arranged to receive best possible efficacy and survival of start-ups.

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