

LEONARDO RESEARCH AND TRAINING PROGRAMME

Technological Toolkit for Entrepreneurs - TTE@40

The Slovak Case

PRO-Orava
Dolný Kubín – Slovak Republic



LEONARDO DA VINCI II

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INTRODUCTION

Small and medium enterprises (SMEs) have a significant and irreplaceable role in any market economy. Their dynamic development represents one of the principal priorities for a sound economic development in the production and service sector as well as in the area of employment. The importance of SME may also be emphasised by the fact that it has become subject of a separate negotiation chapter within the process of Slovakia accession to the EU.

The first part of this report provides overview of the environment for SMEs in Slovak Republic. The second part deals with the survey focused on training needs of SME managers and entrepreneurs. Particularly on the needs of start-ups and those who have been managing SMEs no longer than two years.

Development of the SME sector

The history of the small and medium enterprises sector as a part of the private sector in Slovakia started in the year 1990 with the break down of communist regime and the state control over the economy. Development of the SMEs is closely related to the development of the whole private sector. Throughout the history of the enterprising in Slovakia two phases may be identified. In the first phase the SMEs' sector was created by the privatisation and restructuralisation of formerly state-owned enterprises. The second phase of the late 1990s brought the green-field SMEs' establishments, as the restructuring as a source of their development had gradually approached exhaustion. As far as the SMEs' share of all the enterprises and share of GDP creation are concerned, current situation in Slovakia is comparable with situation in EU countries.

According to the Slovak legislation SMEs can take a form of a natural persons (entrepreneurs) and legal persons. This categorisation is also a way, in which Statistical Office publishes the information about enterprises.

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As for the natural persons the bulk of them exist in a form of small trade licences (92%). The historical development of small trade licences is illustrated on the chart 1.

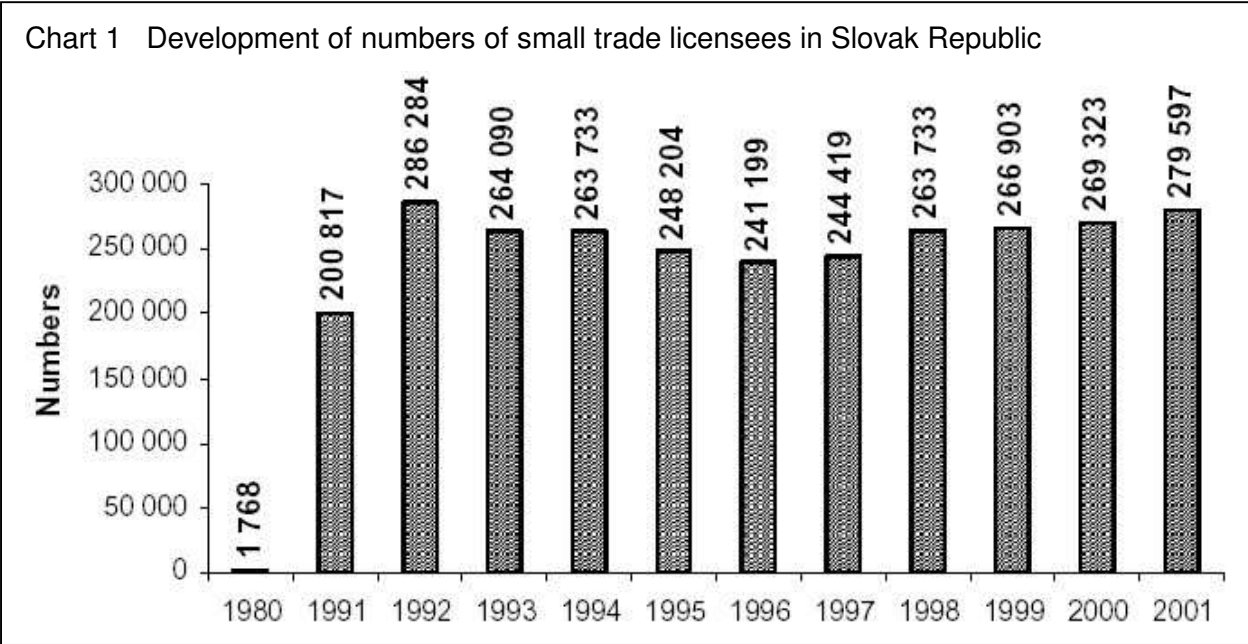
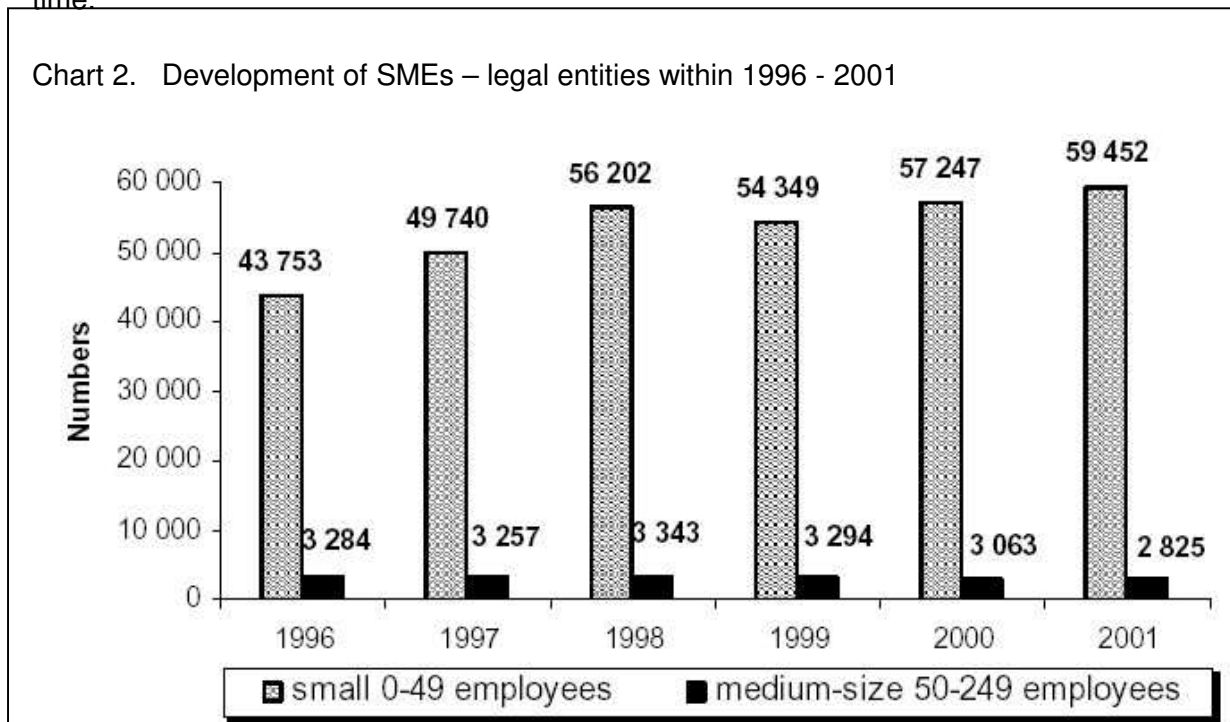
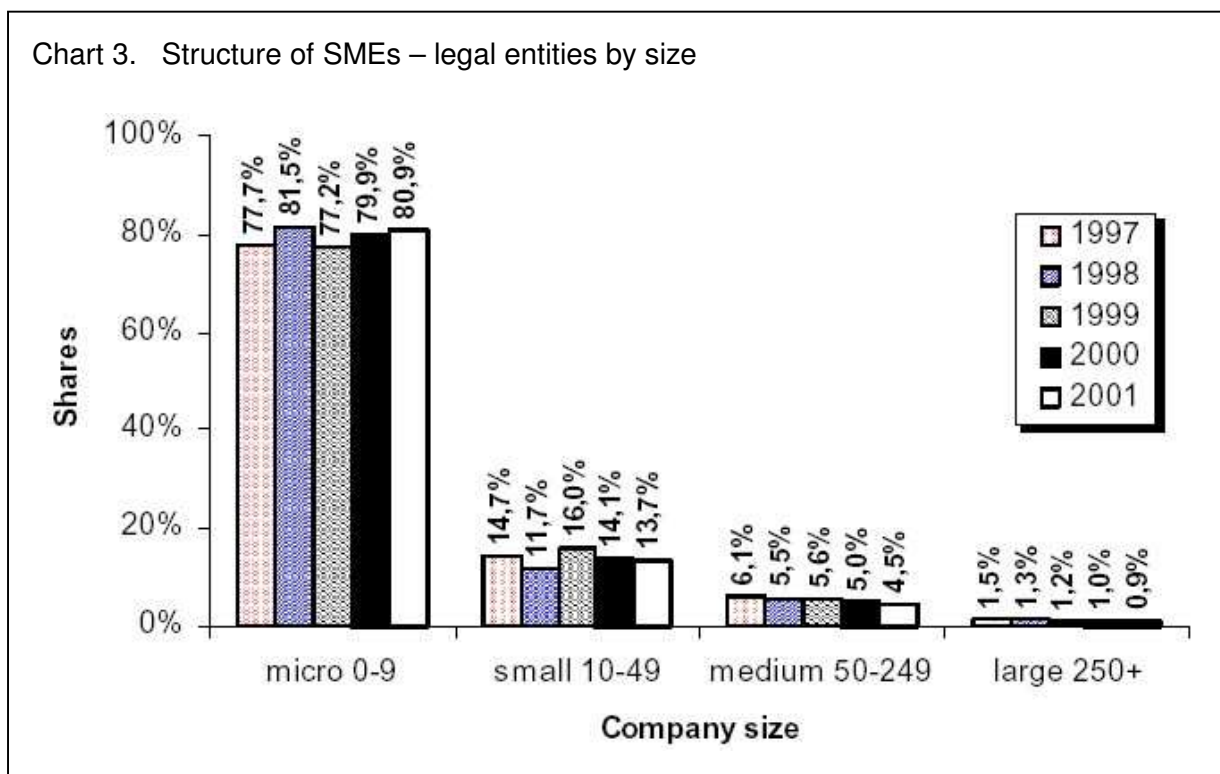


Chart 2. shows the development of the number of the SMEs in a form of legal person over time.

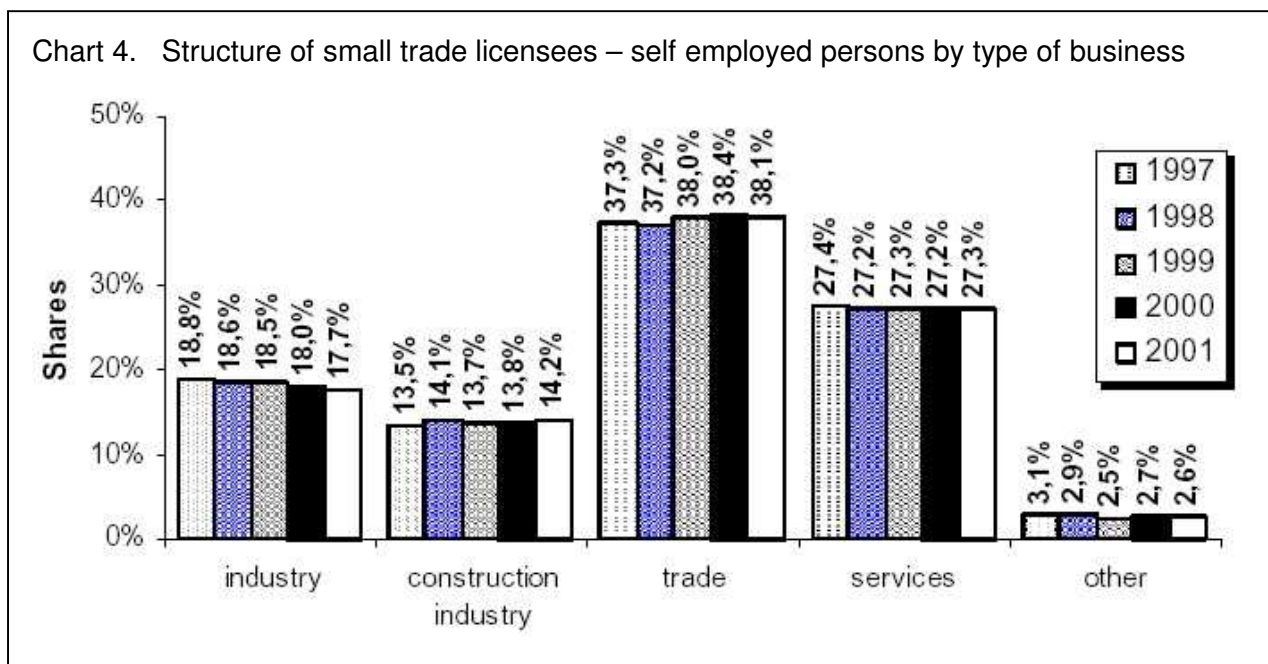


An increasing trend of both, natural and legal persons, reflects positive effects of the business environment development as well as the overall macroeconomic growth of the last years.

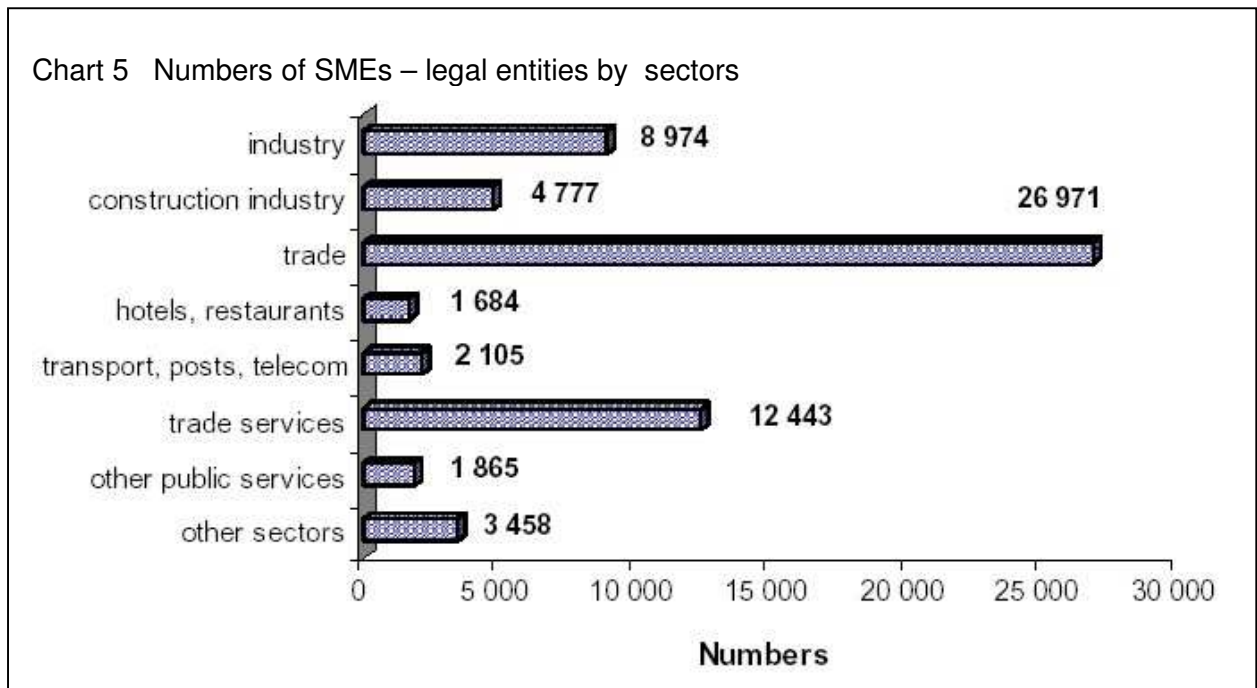
Interestingly enough, micro companies (up to 9 employees) count for the majority of the legal entities in Slovakia (see the chart 3.)



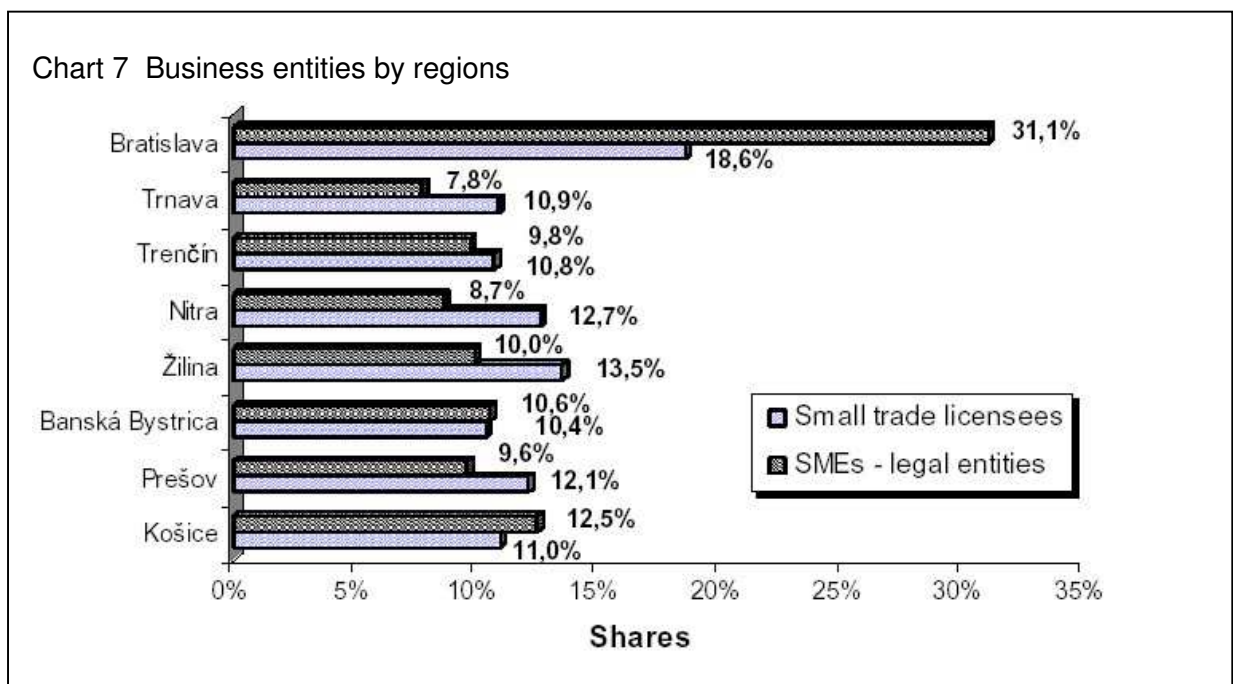
As may be seen on the chart 4. the most popular business area for trade licences has been trade (around 38%) followed by services (27%) and various industrial production (around 18%).

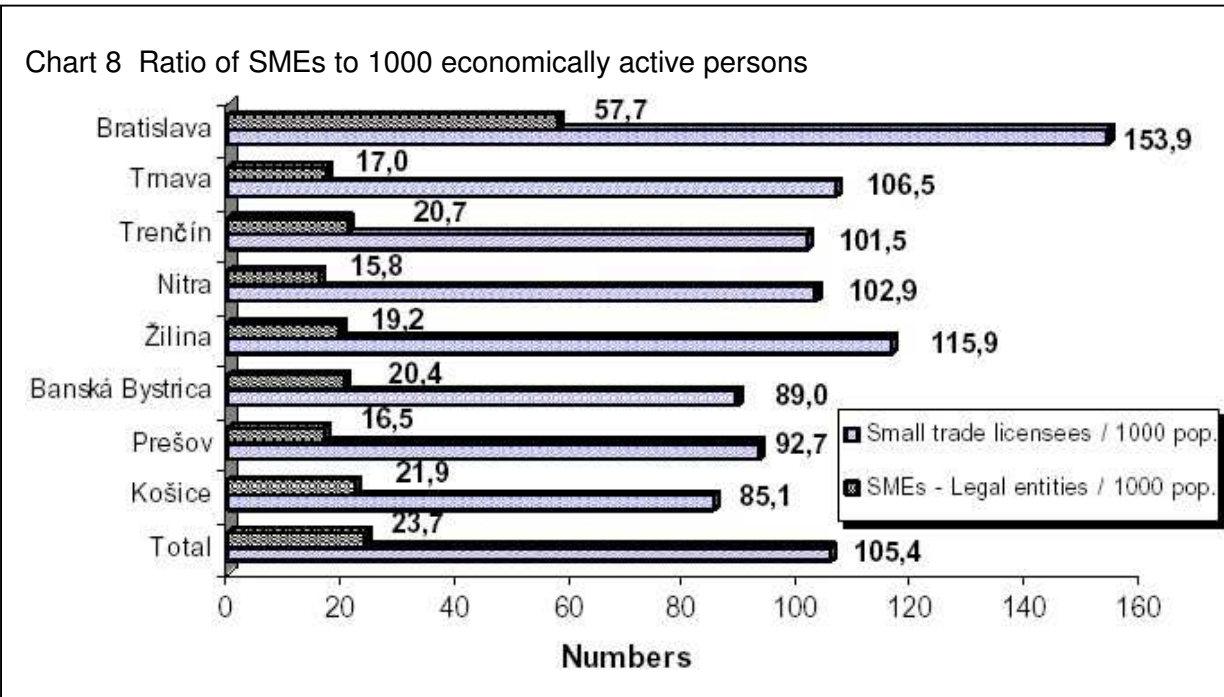


The legal entities show a similar pattern concerning the business sector. As suggested by chart 5 trade, trade services and industry were the most important sectors for the legal persons.



Regional disparities as one of the most important features of the Slovak economy is also mirrored through the development of the SMEs' sector. Charts 7 and 8 describing the proportion of SMEs out of total number and the ratio of SMEs to the economically active population support the argument of Bratislava being economically the strongest region in Slovakia.





In the developed countries the SMEs' contribute highly to the gross production as well as to the employment. The proportion of GDP created by the SMEs is around 80% in OECD countries while the proportion of created jobs fluctuates around 60%. SMEs sector in the Slovak Republic is still lagging behind, in particular with respect to the values produced. Charts 9 and 10 illustrating gross production and value added by the firm's size supports this argument. However, as far as the employment is concerned, Slovak SMEs creating 60% of jobs catch up with the most developed countries.

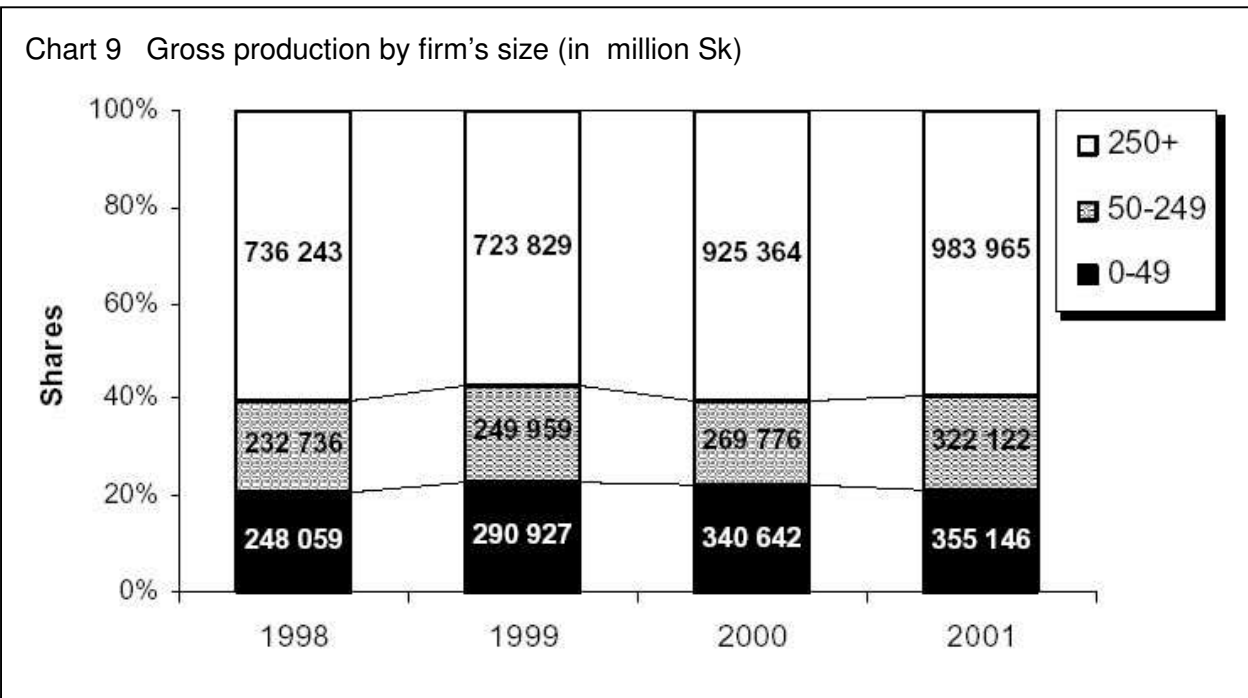
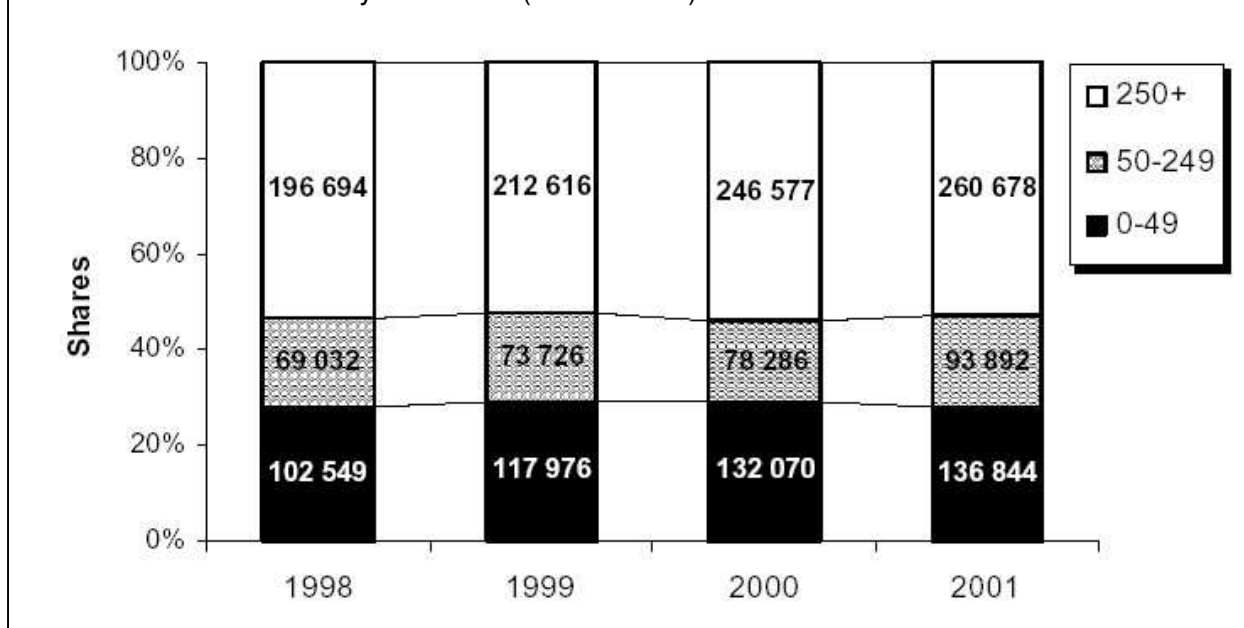


Chart 10 Value added by firm's size (in million Sk)



The year 2001 represented a breakthrough in the history of the formation of the business environment in the Slovak Republic. Improvement of the business environment and progress in SME-related policy revision was also stated in the Regular Report by the European Commission on Slovakia's preparedness for EU membership, dated 13 November, 2001. The improvement of the SMEs' environment could be suggested also by the statistical data: increasing numbers of small trade licensees, freelancers, legal entities, as well as of shares on employment or added value can be observed. The legislative measures that mitigated the effects of the barriers to the development of business as identified in preceding years created the basis for such a positive development. Nevertheless, the business environment in Slovakia is still associated with a couple of barriers that hinder a more dynamic development of SMEs. They mainly include:

1. limited access to development funding
2. significant demands put on the administration of SMEs
3. discriminatory tax rate on income of natural persons
4. various levies reflected in a high tax wedge (i.e. the difference between total costs of labour spent monthly by employers per employee and the net monthly income of the employee)
5. legal uncertainty and problematic enforcement of law,
6. non-functional capital market
7. fragmented system and the framework of SME support

The overall importance of the SMEs for the Slovak economy can be stressed by the measurements taken at the government level. Ministry of Economy of the Slovak Republic

(MH SR) is the carrier and coordinator of activities that concern small and medium enterprises. The activities of this type are conducted within the framework of:

a) *development strategy of small and medium enterprises.*

b) *co-operation with international institutions (OECD, LTNIDO, SEI, EEC)*

c) *institutional environment for SME support* (National Agency for the Development of Small and Medium Enterprises -implementing assistance programmes oriented towards counselling services, training courses and workshops for SMEs, aiming at raising the managerial and business-related capacities and skills of SMEs and assisting them to withstand the pointed competition of domestic and foreign companies -and the network of Regional Advisory and Information Centres and Business Information Centres)

The state support of SMEs is realised in a form of training, counselling and information services provided by the Regional Advisory and Information Centres and Innovation Centres and subsidised from the state budget.

Methodology of project survey

The project survey consisted of two parts. The first part was questionnaire survey followed by quantitative analysis and interpretation of the survey result.

The second part of the survey was undertaken in a form of qualitative analysis of the information obtained through the focus group sessions. Discussions with the focus group was oriented on their opinion about the training needs for start-ups.

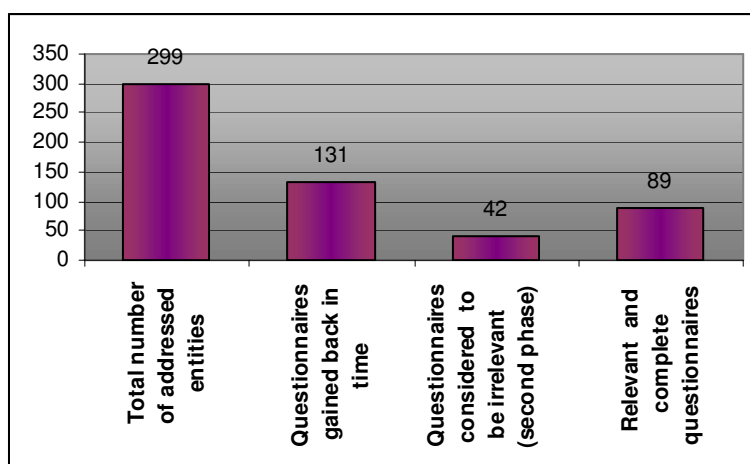
Sample

To obtain results relevant to Slovakia the sample group of the survey was formed of individuals from the west, central as well as east parts of the country. In accordance with the survey methodology agreed by the TTE40 project partnership, the interviewed persons have either been SME entrepreneurs no longer than two years or has been in the process of setting up their business. Preferable sectors were production oriented ones. Hotel/catering, tourism, retail and any advisory services were excluded from the survey.

The survey was performed in co-operation with :

- five enterprise centers - four Regional Advisory and Information Centers (Trencin, Poprad, Nitra, Presov) and one Business Innovation Center (Banská Bystrica.);
- two district units of the National Labour Office – Namestovo and Dolny Kubin.

These organizations were selected to obtain reliable representative results from various regions of the country. Co-operation with the National Labor Office units strengthen survey of PRO-Orava in the Orava region. Complete sample group of the survey consisted of the relevant selected clients of PRO-Orava and the above co-operating organizations.



There were totally 299 questionnaires sent by post or delivered personally to the selected individuals. The survey was done in April, May and June 2003. There were totally 131 completed questionnaires received back on time. Analysis of the received completed questionnaires showed that 89 questionnaires is in accordance with the set-up criteria and properly completed. The survey success ratio was 29,8%.

Focus group

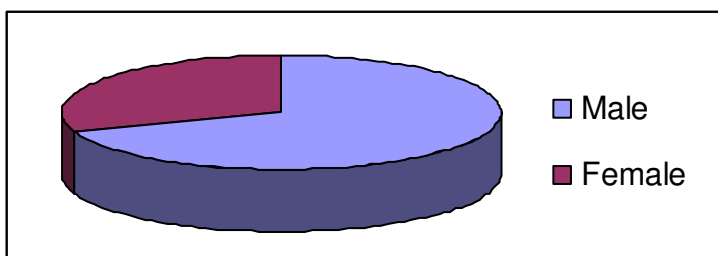
The focus group consisted of entrepreneurs and start-ups. It was divided into four subgroups. One subgroup was organized in the Orava region. Two subgroups in Central Slovakia and one in Eastern Slovakia. Total number of the interviewed persons was 63. All focus group panels were held as face-to-face discussions. Each discussion took about 30-45 minutes.

Questionnaire review results

Section 1 Respondents' characteristics

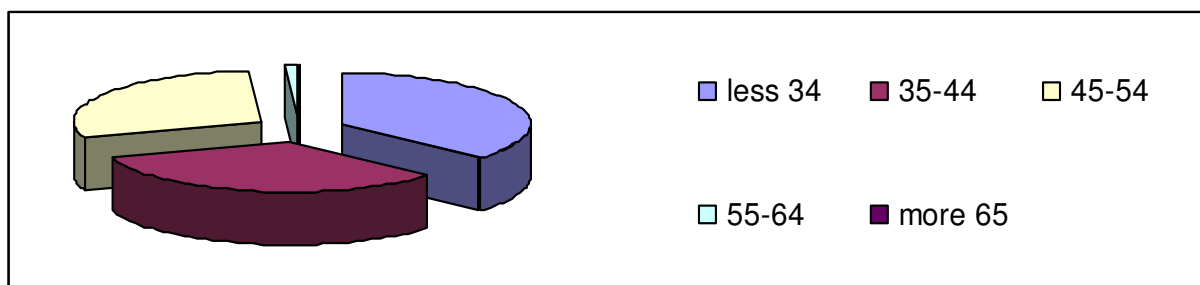
1 Gender

	number	%
male	62	69,7
female	27	30,3
total	89	100



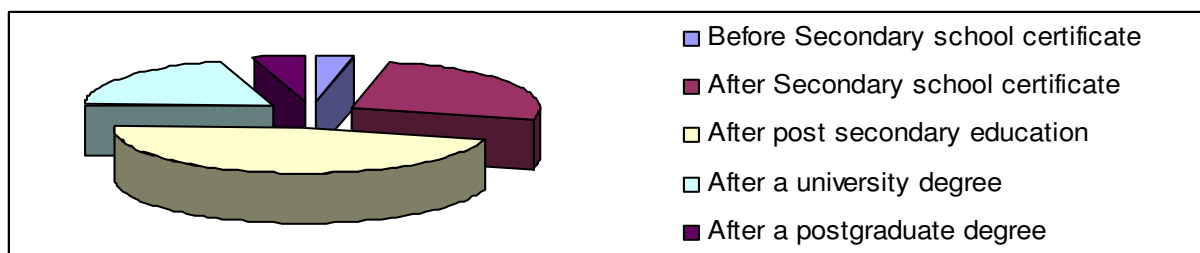
2 Age

Under 34		35 - 44		45 - 54		55 - 64		65 +	
number	%	number	%	number	%	number	%	number	%
33	37.1	29	32.6	26	29.2	1	1.1	0	0



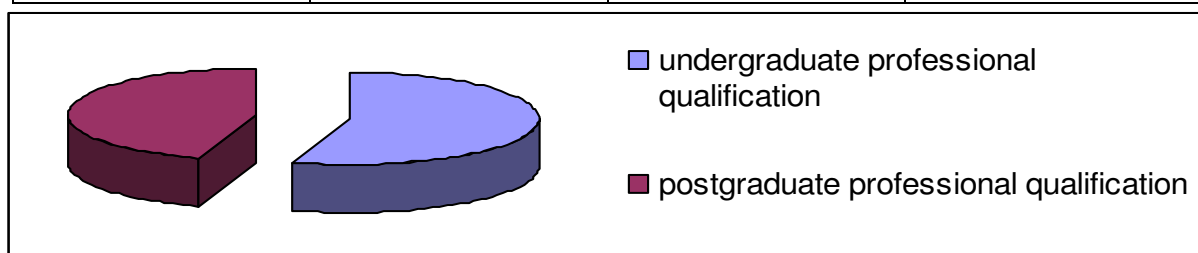
3 Education

Secondary school without certificate		Secondary school certificate (age 16)		Post secondary education (vocational, technical or academic)		University degree		Postgraduate degree	
Number	%	number	%	number	%	number	%	number	%
3	3.4	23	25.8	41	46.1	18	20.2	4	4.5



4 Other training/professional qualifications

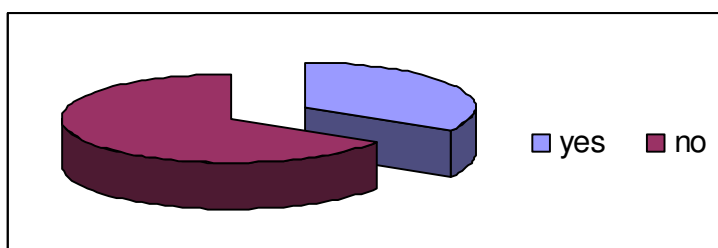
Undergraduate professional qualification		Postgraduate professional qualification	
Number	%	Number	%
49	55.1	40	44.9



5 Respondents that started in the last 2 years

(till point 16 – responses only from respondents planning to start a business in the next 12 months)

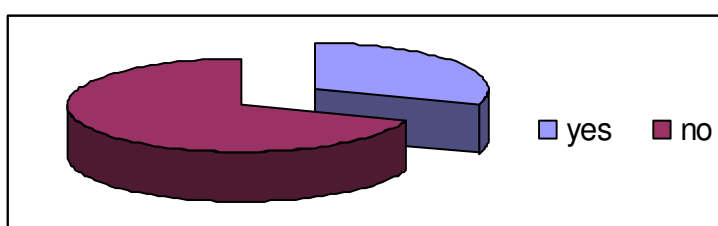
Yes		No	
number	%	number	%
30	33.7	59	66.3



6 Involvement in the company (shares' ownership)

(Respondents that started a business in the last 2 years)

Yes		No	
number	%	number	%
9	30	21	70

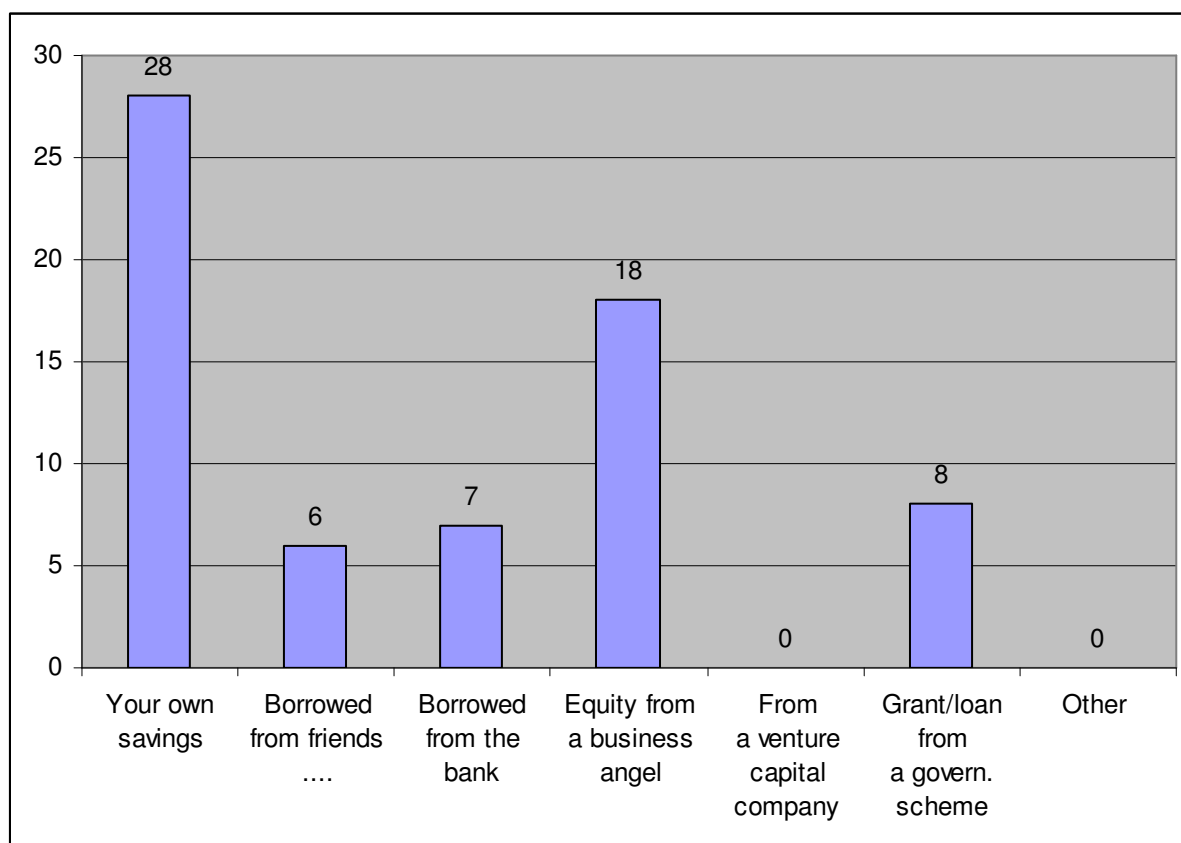


7 Financial sources for the business

(Respondents that started a business in the last 2 years)

	Number of answers	significance
Your own savings	28	1
Borrowed from friends/family, neighbours, work colleagues	6	5
Borrowed from the bank	7	4
Equity from a business angel	18	2
From a venture capital company	0	
Grant/loan from a government scheme	8	3
Other – specify:	0	0
Total	67 *	--

* respondents stated more than one options

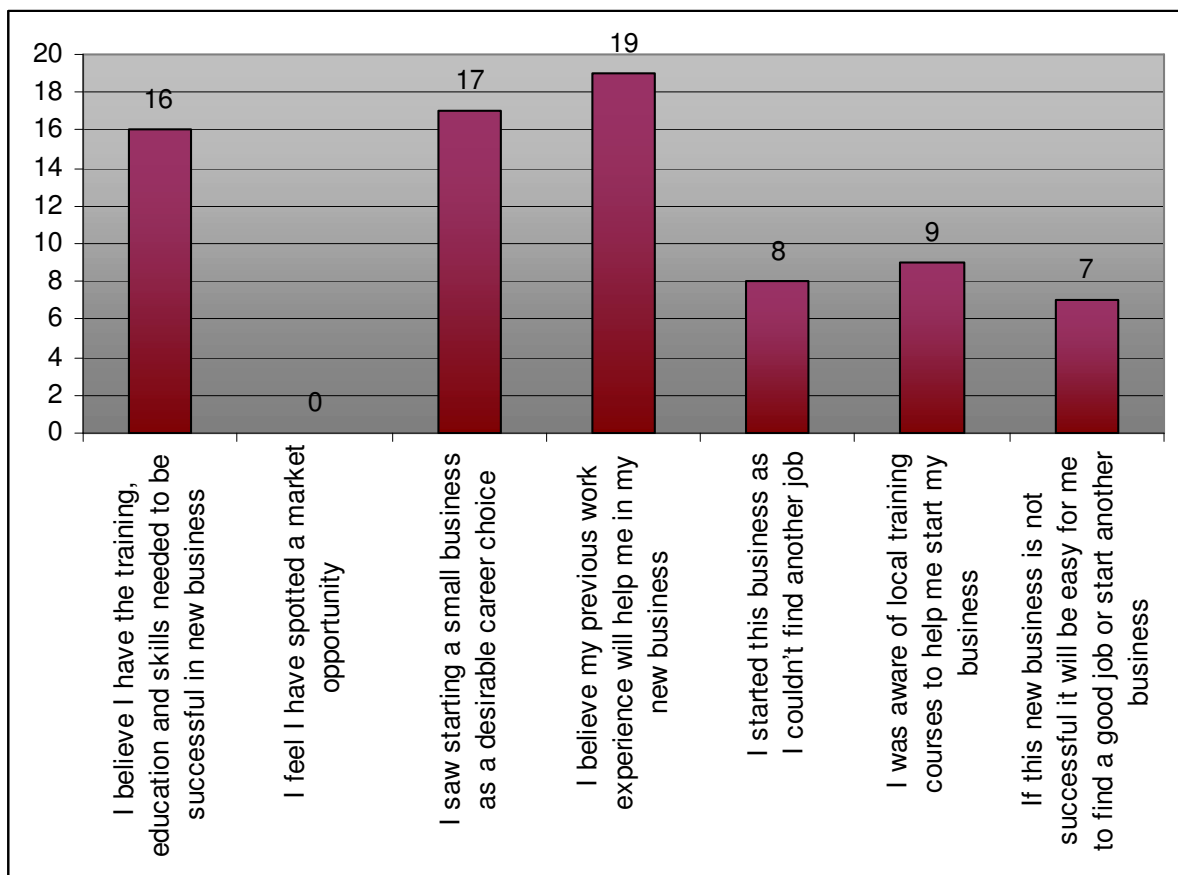


8 The most common expressions of the entrepreneurial attitudes

(Respondents who started a business in the last 2 years)

	Number of answers	significance
I believe I have the training, education and skills needed to be successful in new business	16	3
I feel I have spotted a market opportunity	0	
I saw starting a small business as a desirable career choice	17	2
I believe my previous work experience will help me in my new business	19	1
I started this business as I couldn't find another job	8	5
I was aware of local training courses to help me start my business	9	4
If this new business is not successful it will be easy for me to find a good job or start another business	7	6
Total	76	---

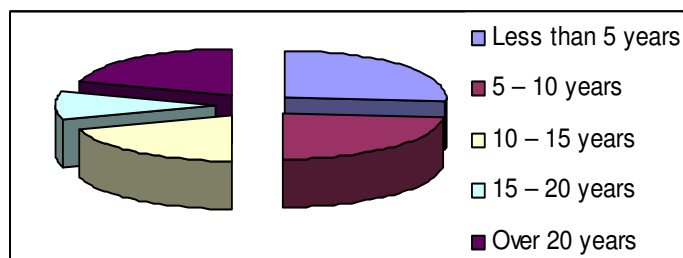
* respondents stated more than one options



9 Work experience before starting business

(Respondents that started a business in the last 2 years)

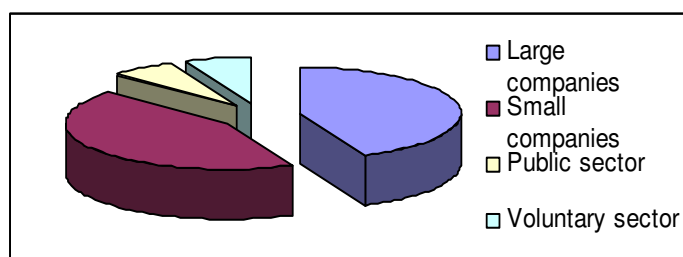
	number	%
Less than 5 years	8	26,7
5 – 10 years	7	23,3
10 – 15 years	6	20
15 – 20 years	3	10
Over 20 years	6	20
Total	30	100



10 Previous employment (predominantly in)

(Respondents who started a business in the last 2 years)

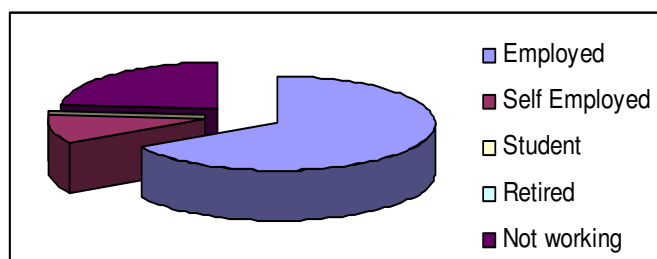
	number	%
Large companies	13	43,3
Small companies	13	43,3
Public sector	2	6,7
Voluntary sector	2	6,7
Total	30	100



11 Respondents backgrounds

(Respondents who started a business in the last 2 years)

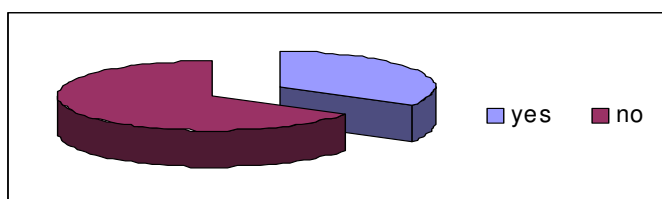
	number	%
Employed	20	66,7
Self Employed	3	10
Student	0	0
Retired	0	0
Not working	7	23,3
Total	30	100



12 Plans to start a business in the next 12 months

(till point 16 – responses only from respondents planning to start a business in the next 12 months)

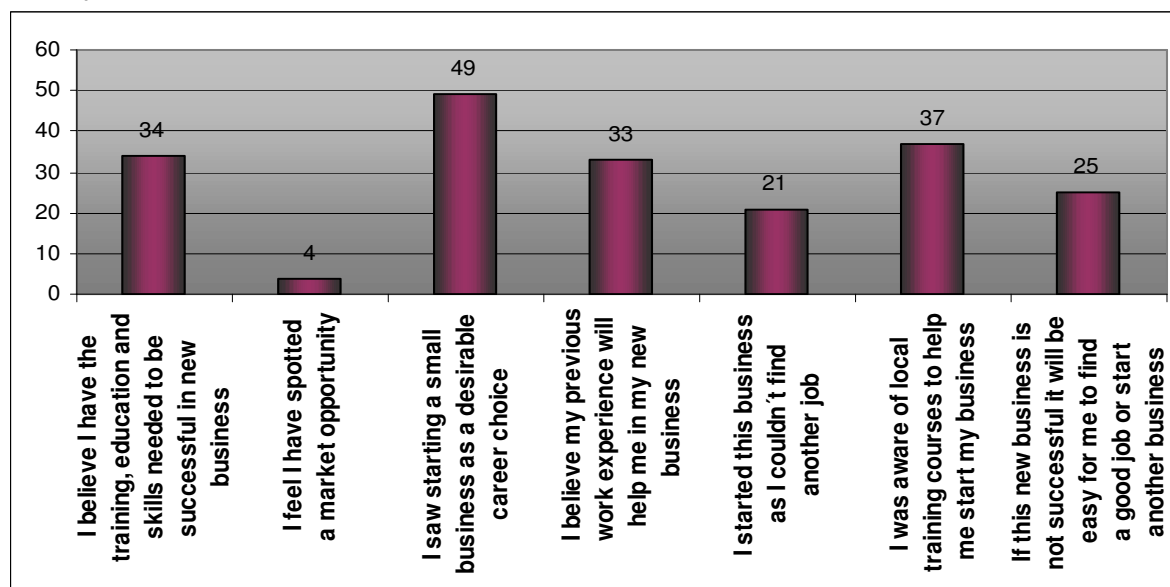
	number	%
yes	59	66,3
no	30	33,7
Total	89	100



13 The most common expressions of the entrepreneurial attitudes (Respondents planning to start a business in the next 12 months)

	Numbers of answers	Significance
I believe I have the training, education and skills needed to be successful in new business	34	3
I feel I have spotted a market opportunity	4	7
I saw starting a small business as a desirable career choice	49	1
I believe my previous work experience will help me in my new business	33	4
I started this business as I couldn't find another job	21	6
I was aware of local training courses to help me start my business	37	2
If this new business is not successful it will be easy for me to find a good job or start another business	25	5
Total	203*	

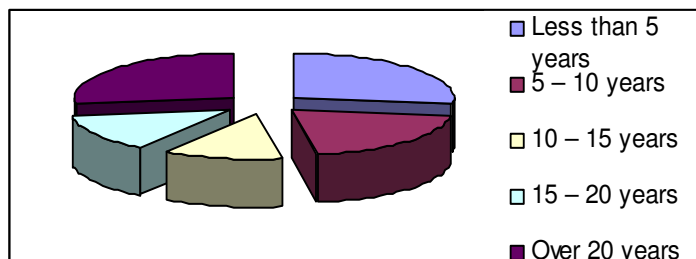
* respondents stated more than one answer



14 Work experiences before starting business

(Respondents planning to start a business in the next 12 months)

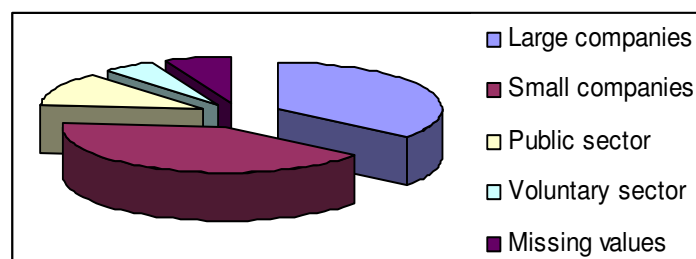
	Number	%
Less than 5 years	16	27,1
5 – 10 years	12	20,3
10 – 15 years	7	11,9
15 – 20 years	8	13,6
Over 20 years	16	27,1
Total	59	100



15 Previous employment (predominantly in)

(Respondents planning to start a business in the next 12 months)

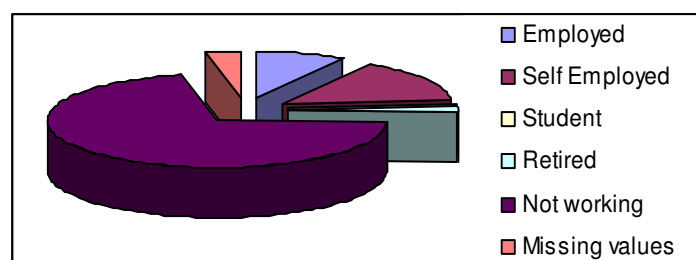
	Number	%
Large companies	21	35,6
Small companies	24	40,7
Public sector	7	11,8
Voluntary sector	3	5,1
Missing values	4	6,8
Total	59	100



16 Respondents background

(Respondents planning to start a business in the next 12 months)

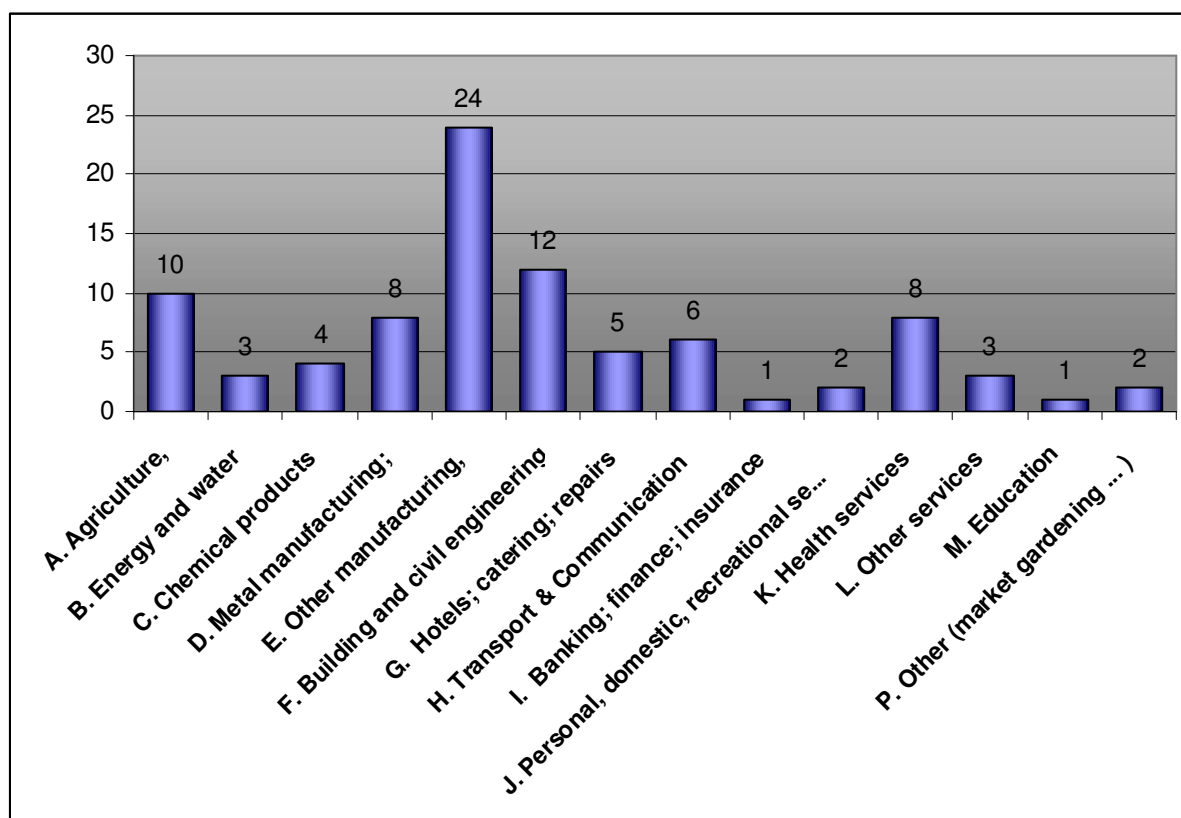
	Number	%
Employed	5	8,5
Self Employed	9	15,2
Student	0	0
Retired	1	1,7
Not working - unemployed	42	71,2
Missing values	2	3,4
Total	59	100



Section 2 – Respondents' business

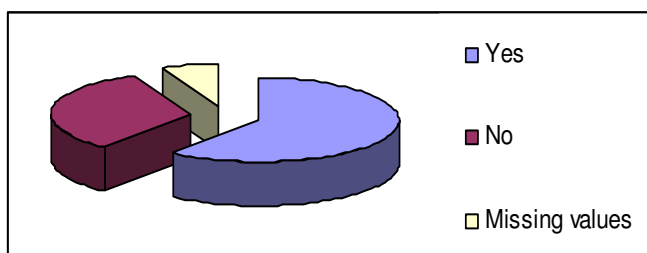
1 The main sectors of starting up the new business

	number	%
A. Agriculture, hunting, forestry, fishing	10	11.2
B. Energy and water	3	3.4
C. Chemical products; extraction and processing of non-energy minerals + ceramic production	4	4.5
D. Metal manufacturing; mechanical, electrical and instrument engineering; Office and data processing machinery	8	9
E. Other manufacturing, (e.g. food, drink and tobacco; textiles; clothing; paper, printing & publishing; processing of rubber and plastics, etc.) + manufacturing of wooden products	24	27
F. Building and civil engineering	12	13.5
G. Retail and distribution; hotels; catering; repairs	5	5.6
H. Transport & Communication (e.g. rail, postal services, telecom, internet, etc.)	6	6.7
I. Banking; finance; insurance; business services (e.g. consultancies, PR and advertising, Law firms, etc.)	1	1.1
J. Personal, domestic, recreational services	2	2.2
K. Health services	8	9
L. Other services (e.g. television and radio, R&D, charities, etc.)	3	3.4
M. Education (including universities and further education)	1	1.1
P. Other, please specify (market gardening)	2	2.2



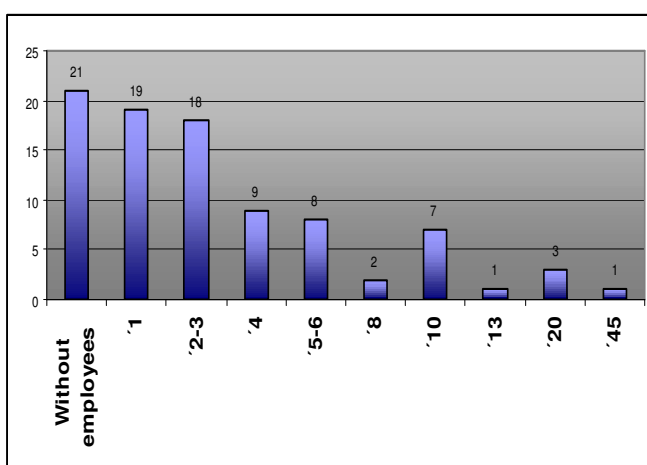
2 Relying on the use of new technology

	Number	%
Yes	54	60,7
No	29	32,6
Missing values	6	6,7
Total	89	100



Number of employees

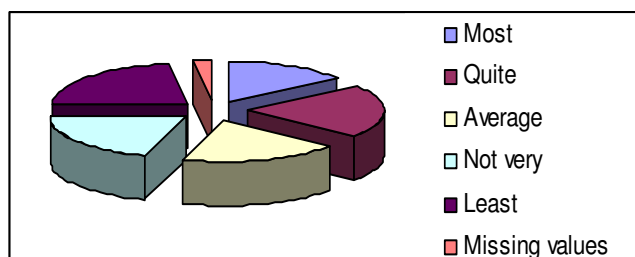
	Number	%
Without employees	21	23,6
1	19	21,3
2-3	18	20,2
4	9	10,1
5-6	8	9
8	2	2,2
10	7	8
13	1	1,1
20	3	3,4
45	1	1,1
Total	89	100



Section 3 – Areas of respondents' training needs

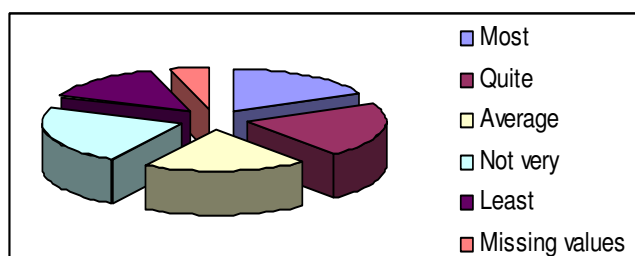
A. Exporting

	Number	%
Most	13	14,6
Quite	19	21,4
Average	17	19,1
Not very	18	20,2
Least	20	22,5
Missing values	2	2,2
Total	89	100



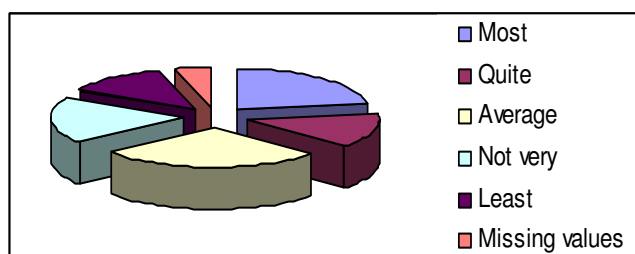
B. Global business environment

	Number	%
Most	16	18,0
Quite	19	21,3
Average	17	19,2
Not very	20	22,5
Least	13	14,6
Missing values	4	4,4
Total	89	100



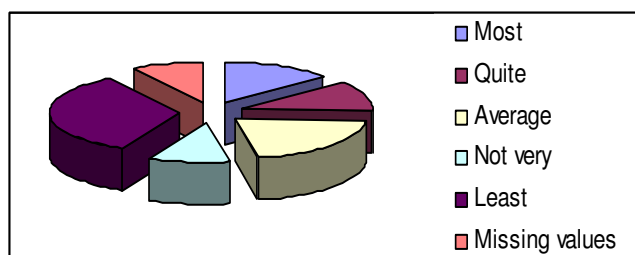
C. Information technology

	Number	%
Most	20	22,5
Quite	13	14,6
Average	24	27,0
Not very	17	19,1
Least	11	12,4
Missing values	4	4,4
Total	89	100



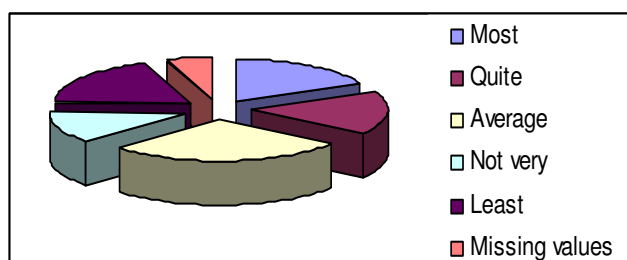
D. Business plan writing skills

	Number	%
Most	12	13,5
Quite	11	12,4
Average	19	21,3
Not very	9	10,1
Least	30	33,7
Missing values	8	9,0
Total	89	100



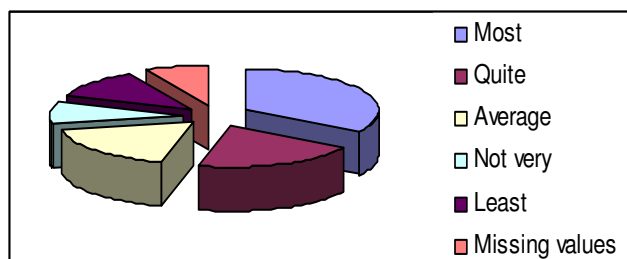
E. Advertising and promotion

	Number	%
Most	16	18,0
Quite	15	16,9
Average	25	28,0
Not very	11	12,4
Least	17	19,1
Missing values	5	5,6
Total	89	100



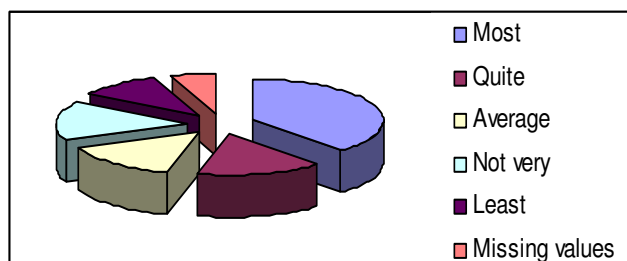
F. Strategic management

	Number	%
Most	30	33,8
Quite	18	20,2
Average	16	18,1
Not very	8	8,9
Least	10	11,2
Missing values	7	7,8
Total	89	100



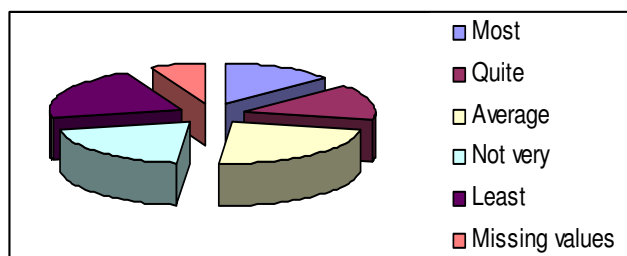
G. Market analysis / segmentation

	Number	%
Most	34	38,3
Quite	14	15,7
Average	13	14,6
Not very	14	15,7
Least	9	10,1
Missing values	5	5,6
Total	89	100



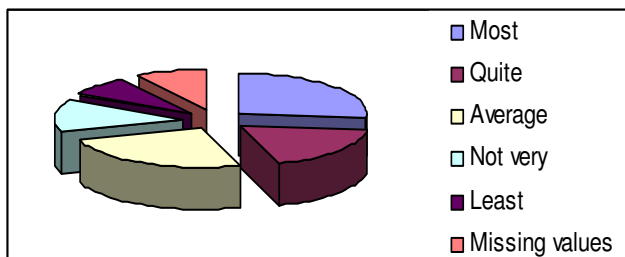
H. Human resource management

	Number	%
Most	19	21,3
Quite	21	23,7
Average	20	22,4
Not very	17	19,2
Least	9	10,1
Missing values	3	3,3
Total	89	100



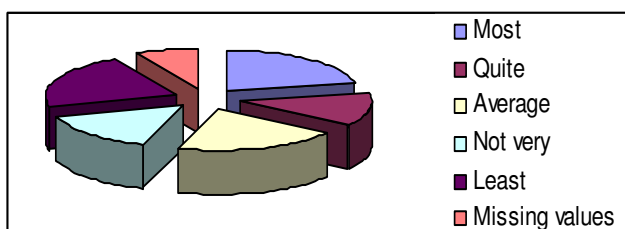
I. Employment law

	Number	%
Most	24	27,0
Quite	16	18,0
Average	22	24,7
Not very	12	13,5
Least	7	7,8
Missing values	8	9,0
Total	89	100



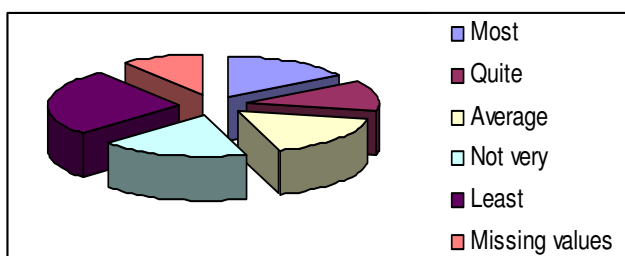
J. Creativity / Innovation

	Number	%
Most	19	21,3
Quite	12	13,6
Average	18	20,2
Not very	14	15,7
Least	19	21,4
Missing values	7	7,8
Total	89	100



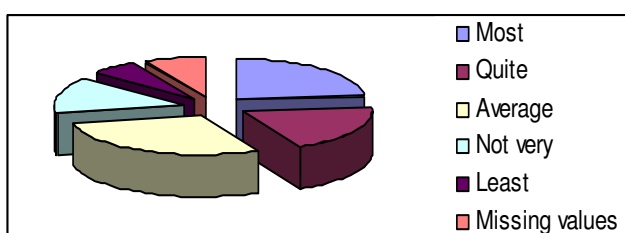
K. Supply chain management

	Number	%
Most	14	15,7
Quite	11	12,4
Average	15	16,8
Not very	16	18,0
Least	24	27,0
Missing values	9	10,1
Total	89	100



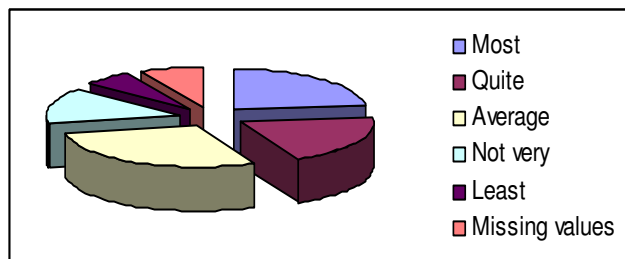
L. Business law

	Number	%
Most	21	23,6
Quite	17	19,1
Average	26	29,3
Not very	13	14,6
Least	5	5,6
Missing values	7	7,8
Total	89	100



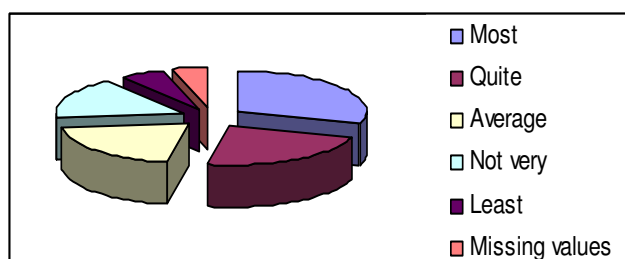
M. Language skills

	Number	%
Most	21	23,6
Quite	17	19,2
Average	26	29,2
Not very	13	14,6
Least	5	5,6
Missing values	7	7,8
Total	89	100



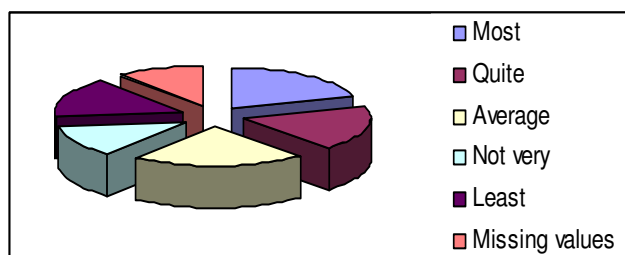
N Financial management

	Number	%
Most	27	30,5
Quite	20	22,4
Average	18	20,2
Not very	15	16,9
Least	5	5,6
Missing values	4	4,4
Total	89	100



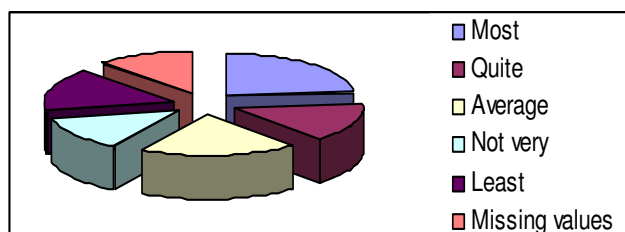
O. How to exploit scientific R & D

	Number	%
Most	18	20,2
Quite	16	18,0
Average	20	22,4
Not very	11	12,3
Least	14	15,8
Missing values	10	11,3
Total	89	100



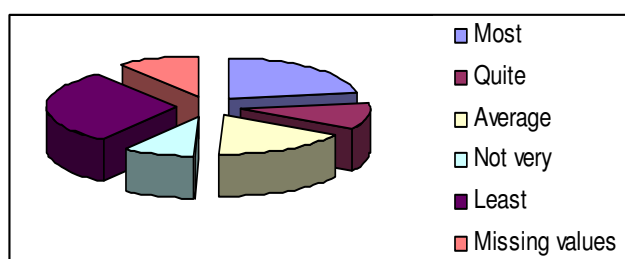
P. Pay and benefits

	Number	%
Most	21	23,6
Quite	13	14,6
Average	18	20,2
Not very	12	13,5
Least	14	15,7
Missing values	11	12,4
Total	89	100



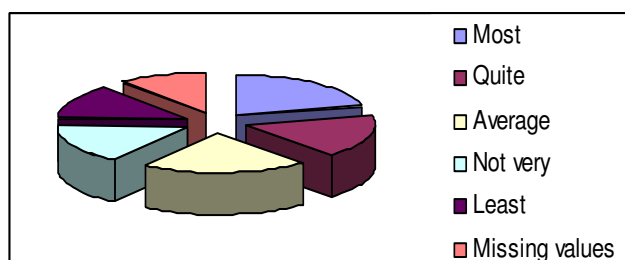
Q. Finding premises for my business

	Number	%
Most	20	22,4
Quite	10	11,2
Average	15	16,8
Not very	8	9,0
Least	27	30,4
Missing values	9	10,2
Total	89	100



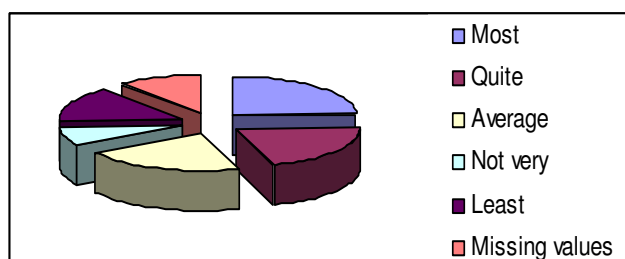
R. Leadership skills

	Number	%
Most	20	22,4
Quite	15	16,8
Average	20	22,4
Not very	14	15,8
Least	11	12,4
Missing values	9	10,2
Total	89	100



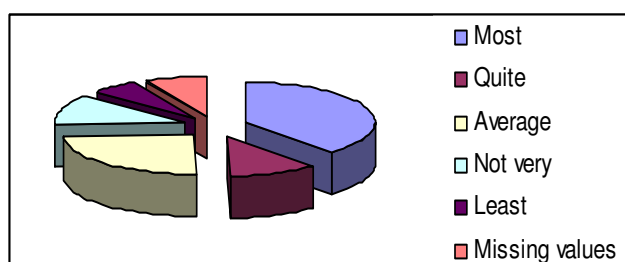
S. Time management

	Number	%
Most	22	24,8
Quite	18	20,2
Average	19	21,4
Not very	7	7,8
Least	13	14,6
Missing values	10	11,2
Total	89	100



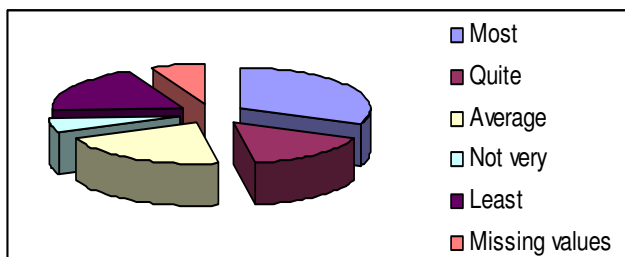
T. Sources of business finance

	Number	%
Most	30	33,8
Quite	10	11,2
Average	23	25,8
Not very	12	13,6
Least	7	7,8
Missing values	7	7,8
Total	89	100



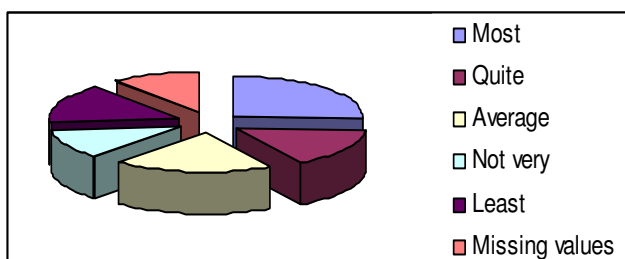
U. Pricing my product / service correctly

	Number	%
Most	28	31,5
Quite	14	15,8
Average	19	21,3
Not very	5	5,6
Least	17	19,1
Missing values	6	6,7
Total	89	100



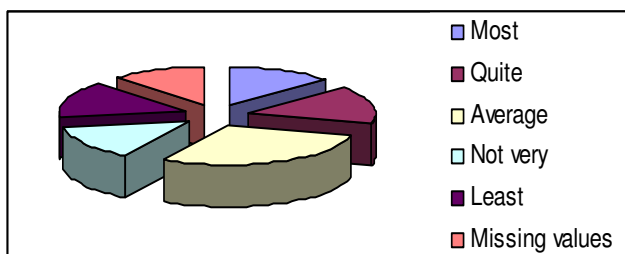
V. Operations management

	Number	%
Most	23	26,0
Quite	14	15,7
Average	18	20,2
Not very	10	11,2
Least	14	15,7
Missing values	10	11,2
Total	89	100



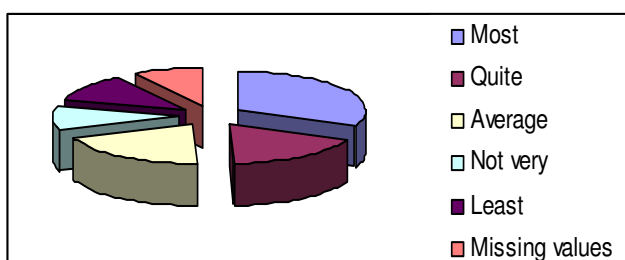
W. Finding customers

	Number	%
Most	12	13,5
Quite	14	15,7
Average	26	29,2
Not very	13	14,6
Least	13	14,7
Missing values	11	12,3
Total	89	100



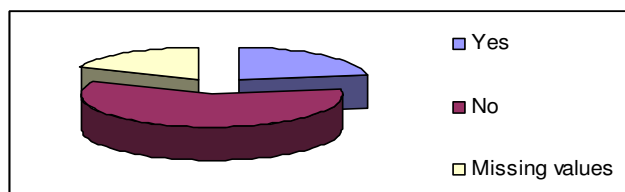
X. Selling skills

	Number	%
Most	28	31,5
Quite	16	18
Average	18	20,2
Not very	9	10,1
Least	10	11,2
Missing values	8	9
Total	89	100



Y. Are there any other areas where you feel you need training?

	Number	%
Yes	20	22,4
No	53	59,6
Missing values	16	18,0
Total	89	100



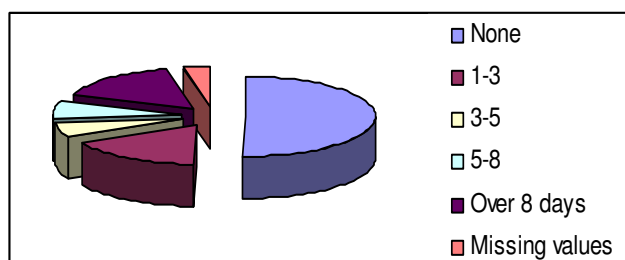
- Other courses – with professional orientation
- Social sphere – endangered risk category of young people
- Management
- Work with internet
- Selling, certification
- Communication in the area of international transport
- Business law
- International contacts in foreign languages
- Human resources management
- Communication with customer
- Improvement of managerial skills
- Preparing Business plans
- Accountancy & Taxes
- Marketing
- Pay and Benefits
- Fiscal consultant ship
- Presentation skills
- Courses and development programmes in agriculture and forestry

Z. 3 List of training priorities top areas

- Practice in profession for 5 years
- Marketing
- Law
- Selling psychology
- Projects - pc, tourism, EU sources
- Economy and accountancy
- Social sphere – working law
- Export - spotted market opportunity in Slovakia
- Time management
- Foreign languages
- Working with pc
- Making projects – financial sources
- Information technologies
- Global business environment
- Strategy management
- Taxes
- Business law
- Innovation
- Creativity
- Informatics

Numbers of days of formal management training in the last 3 years

	Number	%
None	44	49,4
1 - 3	15	16,8
3 - 5	5	5,6
5 - 8	7	7,8
Over 8 days	14	15,8
Missing values	4	4,6
Total	89	100



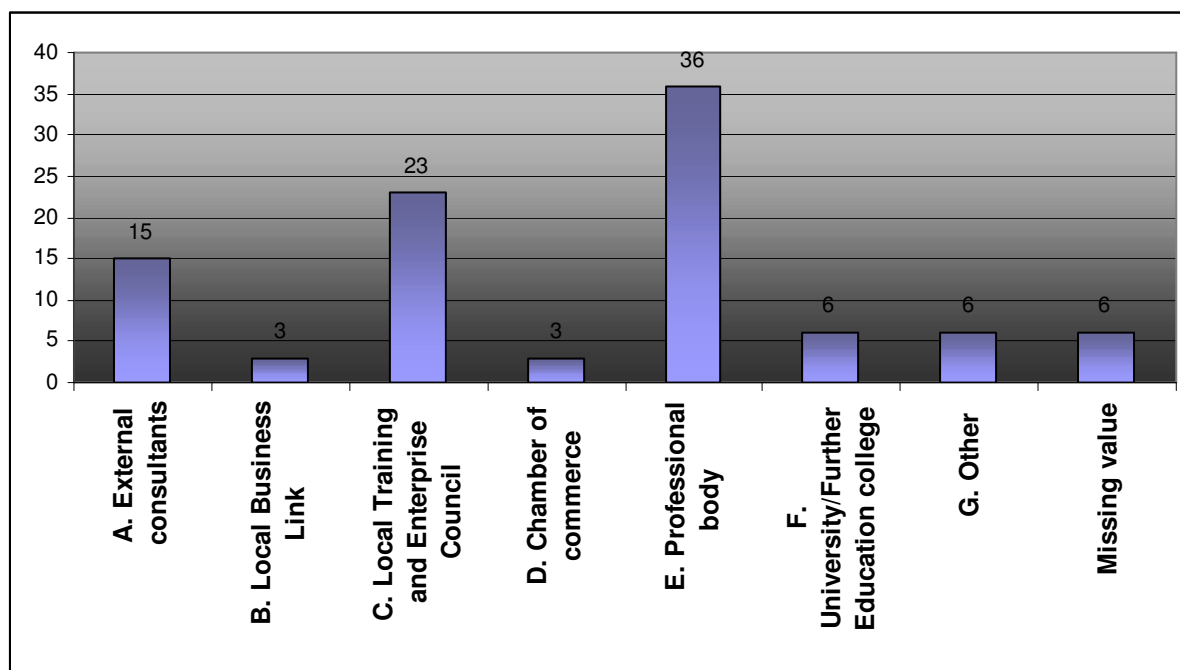
Section 4 – Training delivery

1 Training providers with highest quality standards

	Numbers of answers	Significance
A. External consultants	15	3
B. Local Business Link	3	5
C. Local Training and Enterprise Council	23	2
D. Chamber of commerce	3	5
E. Professional body	36	1
F. University/Further Education college	6	4
G. Other (please give details)	6	4
Missing value	6	---

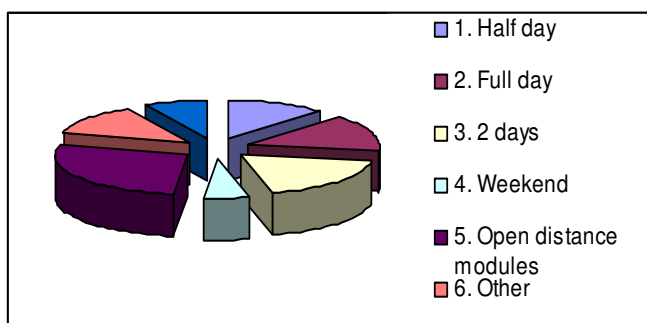
* some respondents stated more than one options

G: Skilled people with practical experiences



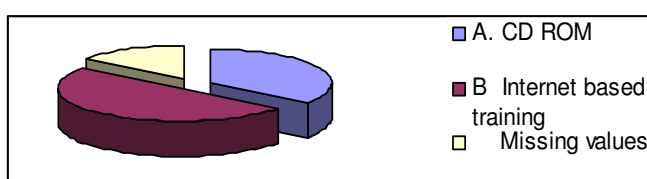
2 Respondents opinions about optimal training duration

	number	%
1. Half day	11	12,4
2. Full day	13	14,6
3. 2 days	17	19,1
4. Weekend	5	5,6
5. Open distance learning modules	25	28,1
6. Other	11	12,4
Missing values	7	7,8
Total	89	100



3 Skills development methods (would you use?)

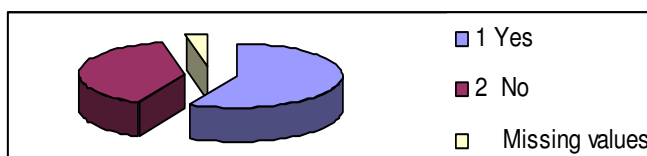
	number	%
A. CD ROM	36	35,3
B Internet based training	51	50,0
Missing values	15	14,7
Total	102	100



* some respondents stated more than one options

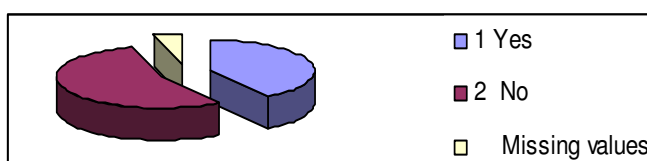
4 Computer using for basic word processing and spreadsheets

	number	%
1 Yes	51	57,3
2 No	35	39,3
Missing values	3	3,4
Total	89	100



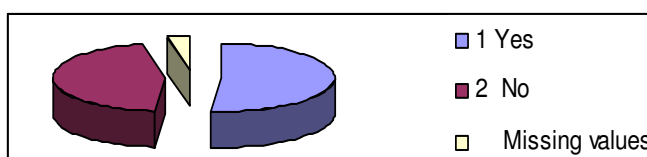
5 Email using

	number	%
1 Yes	36	40,4
2 No	49	55,0
Missing values	4	4,6
Total	89	100



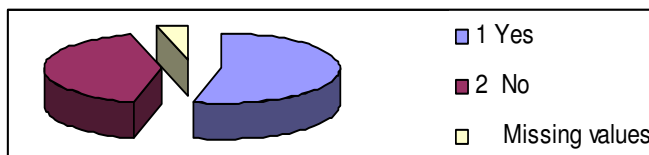
6 Internet using abilities

	number	%
1 Yes	47	52,8
2 No	39	43,8
Missing values	3	3,4
Total	89	100



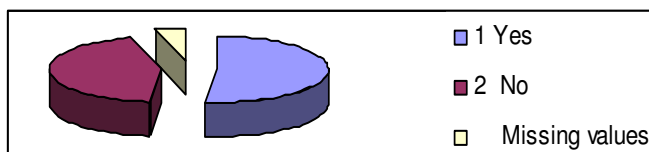
7 Access to web addresses

	number	%
1 Yes	48	53,9
2 No	37	41,5
Missing values	4	4,6
Total	89	100



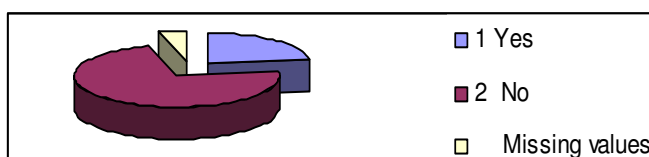
8 Search engine using abilities

	number	%
1 Yes	46	51,6
2 No	39	43,8
Missing values	4	4,6
Total	89	100



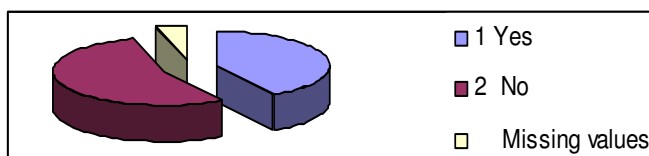
9 Educational software product using before

	number	%
1 Yes	20	22,4
2 No	65	73,0
Missing values	4	4,6
Total	89	100



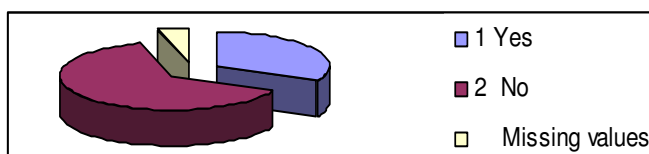
10 Evening's training preference

	number	%
1 Yes	37	41,5
2 No	48	53,9
Missing values	4	4,6
Total	89	100



11 Weekend's training preference

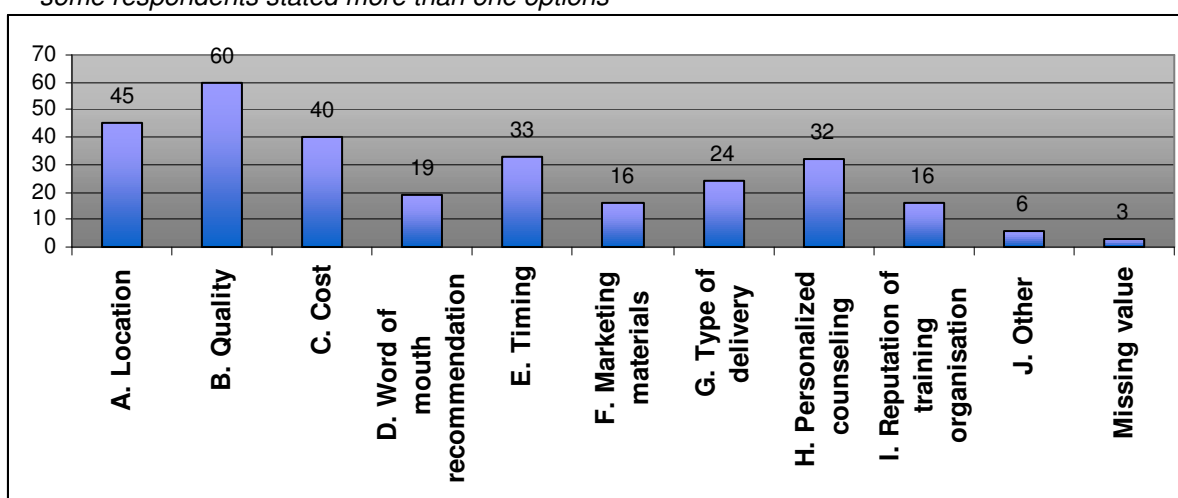
	number	%
1 Yes	29	32,5
2 No	56	62,9
Missing values	4	4,6
Total	89	100



12 Most important factors at Management development courses choosing process

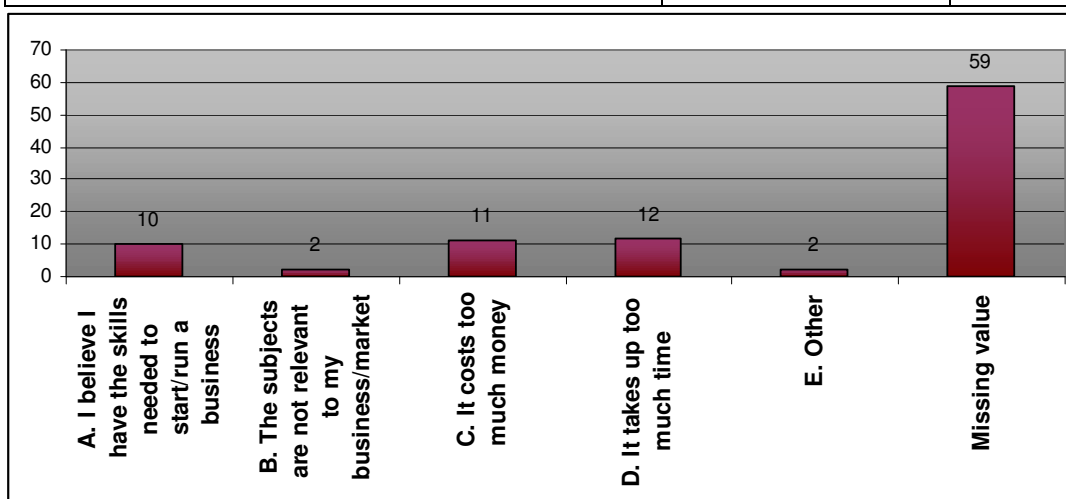
	Numbers of answers	Significance
A. Location	45	2
B. Quality	60	1
C. Cost	40	3
D. Word of mouth recommendation	19	7
E. Timing	33	4
F. Marketing materials	16	8
G. Type of delivery	24	6
H. Personalised counselling	32	5
I. Reputation of training organisation	16	8
J. Other (specify)	6	9
Missing value	3	---

* some respondents stated more than one options



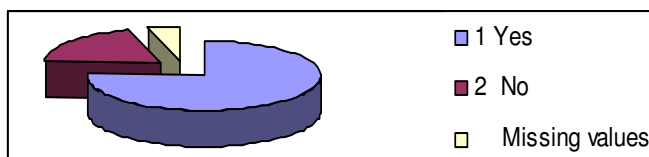
13 Reasons for not to considering the training

	Numbers of answers	Significance
A. I believe I have the skills needed to start/run a business	10	3
B. The subjects are not relevant to my business/market	2	4
C. It costs too much money	11	2
D. It takes up too much time	12	1
E. Other (specify)	2	4
Missing value	59	---



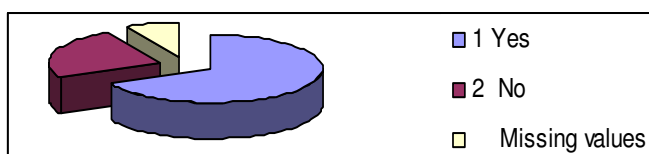
14 Respondents interest to talk on line to other entrepreneurs about their experiences (*networking with the entrepreneurs with similar attitude and experiences*)

	number	%
1 Yes	68	76,4
2 No	17	19,1
Missing values	4	4,5
Total	89	100



15 Respondents interest to be informed about network (*see above -point 14*)

	number	%
1 Yes	60	67,4
2 No	22	24,7
Missing values	7	7,9
Total	89	100

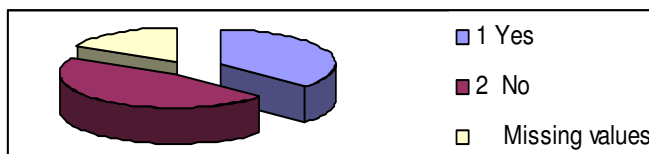


16 Respondents comments suggestions to this questionnaire or training-development programme

1. Shortage of time for marketing survey
2. Structure and aim of questionnaire is deficient (concerning to business development, finding a job) – is problematic to answer the questions
3. Deficient scale of answers – YES and NO isn't enough
4. Mass dissemination of this type of education will probably be problem in Slovak Republic, because of low quality of their pc-skills and due to relatively high price for Internet connection too is an obstacle o its wider use
5. At present I don't have Internet, so that this offer isn't actual for me
6. Questionnaire isn't understandable enough for people with primary (higher) education
7. Very spacious questionnaire
8. I'm trying to make business on the field, which has no tradition in region. This questionnaire is short of possibilities to get some more information and experiences in required sphere

17 Respondents interest to take part in a local group (to validate the intermediate and final products of this project)

	number	%
1 Yes	33	37,0
2 No	41	46,0
Missing values	15	17,0
Total	89	100



Conclusions

Several common findings of the qualitative analysis (the focus group discussions) based upon the focus group sessions may be summarised:

- Generally it was quite vital interest about questioned issues there,
- The respondents in the stage of setting-up their businesses showed higher interest in learning (in spite of the fact that in many cases they were not able to define exactly their training needs; in some cases they even did not know what to ask about, what risks to be aware of etc., because they did not have any experience in this area.)
- The respondents with higher education and the females showed higher interest in learning.
- Self-motivation obtained relatively low degree; the argument of those having already started businesses was the lack of time (in these cases they had interest to take a part in a training program mainly in the case of the direct threat – Tax Office Penalty, etc.).
- Mostly the younger respondents welcomed opportunities of e-learning. In practice, however, the entrepreneurs starting up their businesses will have to face relatively high costs for Internet connections or the access to the Internet in general. That is why they would prefer off-line courses (interactive CD). Moreover, the middle-aged and elder respondents were very often IT illiterate.
- The encouraging fact revealed during the focus group sessions was that respondents were willing to study during the weekends.
- Respondents very often complained about confusion on the education market. Part of it is caused also by a deficit of indicators helping to define their training needs.
- The last finding concerns the fact that small entrepreneurs have often difficulties with staff fluctuation. Those employees who achieve higher

qualificaatoin through training often leave the company and seek another job. In this way the qualification - upgrading of the employees does not automatically bring a positive effect for the employers bearing the expenses for the education.

Questionnaire survey resulted in the following conclusions:

A majority (62%) of the interviewed entrepreneurs were male whereas the female representation was smaller (28%). Surprisingly enough, the biggest age group were the respondents under 34 years (37%) followed by the group between 35 and 44 years old (33%) and those older than 45 and younger than 54 (29%). The age pattern shows the well-balanced representation of all age groups. As for the education the highest proportion of respondents achieved higher secondary education (46%). The second biggest educational group was the group of the entrepreneurs with a secondary school degree (25%) followed by a slightly smaller group of respondents with an university degree (20%).

More than one third of the respondents started their business in the last two years. Approximately same proportion of them own shares in the company though the survey sample for this question was smaller as not all the respondents have replied to this question. The same applied for the question about the financing for the business. The most popular financial source were the personal savings, the second most significant way of financing was equity from a business angel. Various loans (from the government, a friend or a bank) were of a less significance. A striking fact that none of the interviewed used venture capital as a source of financial means may illustrate one of the actual weaknesses of the Slovak business environment.

Our target sample consisted of two sub-groups: respondents who already started a business (in the previous 2 years) and those who planned to start their business in the next 12 months. Within the first sub-group (those with a business experience) the most common expressions of the entrepreneurial attitudes were the statements:

“I believe my previous work experience will help me in my new business”

“I saw starting a small business as a desirable career choice”

“I believe I have the training, education and skills needed to be successful in new business”

A lack of a market orientation might be suggested by the fact that not a single respondent has started his/her business as a reaction to the market opportunity. The similar statement were marked also by the group of the potential entrepreneurs. Within this sub-group only respondents claimed to spot a market opportunity.

Interestingly, for those who are starting up their business, the highest proportion of the respondents have either less than 5 years of working experience or more than 20 years, percentage share for both categories being 27%. A big majority obtained the working experience in the private sector, 35% in small companies and 40% in big companies for both subcategories, ones who undertake already as well as ones who want to undertake in the near future. Starting a business has been obviously a solution for the shortage of employment opportunities as 71% of respondents in a starting up phase were previously unemployed.

The most interesting sector for a new business proved to be other manufacturing, (e.g. food, drink and tobacco; textiles; clothing; paper, printing & publishing; processing of rubber and plastics, etc. + manufacturing of wooden products). Relatively attractive also were sectors: building and civil engineering; and agriculture, hunting, forestry and fishing.

More than 60% entrepreneurs trust new technologies and are willing to rely on them. Most of the respondents have either none (23%), one (21%) or two employees (20%).

Almost half of the respondents have not undergone any training in the last three years whereas 17% of them followed a course that took less than 3 days and 16% a training lasting longer than 8 days.

The most trustworthy organisations providing training turned out to be the professional bodies and local training and enterprise council. Almost one third of respondents thinks that optimal length of training should be depending on a learning modul. The second largest prevailing opinion (18) was that a training should last 2 days. Half of the interviewed would agree to use internet as a training tool. Similar number is capable to use computer for word processing and spread sheet. More than 50% of the respondents is not using e-mail for the business purposes although 52% claim to have an ability to use internet. Over 50% of the respondents have an access to internet and are able to use an search-engine. However, a big number of them have never used an educational software before. Evening and weekend training is not preferred as majority answered “no” when asked about using a part of evening or weekend for training. Quality, location and price are the most important factors for the training. Most of the respondents would be interested in talking on-line about their experience and being informed about experiences of starting/running a new business. Around 37% would also be willing to participate in joining a local group to validate the intermediate and final products of this project.

Bibliography

1. State of Small and Medium Enterprises in the Slovak Republic. National Agency For development Of Small And Medium Enterprises; Bratislava 2002 (www.nadsme.sk)
2. Implementation of the European Charter for Small Sized Enterprises in The Slovak Republic. (<http://europa.eu.int/comm/enterprise/enlargement/charter/index.htm>)