



Intercultural Advising; to entrepreneurs

Overview of intercultural advising to entrepreneurs in the Netherlands

Gradually a larger portion of SME entrepreneurs have foreign background, which leads to the question how they are advised by existing Dutch institutions and what kind of services have been established to fill potential gaps in advising.

A survey (in Dutch language) on the position and advising to entrepreneurs with a non native (“allochtone”) background in the Eindhoven region was published in March 2007 (link: rapport allochtone/turkse ondernemers in Eindhoven) (http://www.kvk.nl/download/Allochtonen%20ondernemers%20in%20Eindhoven_tcm73-146320.pdf)

Highlights from this survey are:

- Around 15 % of entrepreneurs have “allochtone” background. Turkish entrepreneurs are the biggest group of these entrepreneurs
- Turkish start-ups do seek information and advice at the initiating phase, but have smaller contacts with standing institutions in latter stages of their entrepreneurship career.
- Turkish start-ups are generally satisfied with the information and advice to them, but have the highest appreciation for the oral transfer of information. Lower appreciations for other forms of information and advice are apparently caused by cultural differences, as language (mainly first generation) and behaviour (also for second generation).
- For specific issues concerning the new enterprise the present institutional system does not provide satisfactory answers. For start-ups unsolved question are mainly connected to finance and taxes and for existing enterprises to continuity.
- The bookkeeper is a main source of information for Turkish entrepreneurs, but is not in all case the best source of information.
- The position and ambitions of second generation “allochtone” entrepreneurs is in general of a higher level to the first generation (upgrading) and are easier to deal with by ordinary institutions for information and advice.

A second study carried out in the municipality of Rotterdam in 2008 came to similar conclusions succesvol ondernemerschap door allochtone ondernemers, (Dutch language).

http://www.startwijzer.nl/stappenplan/Succesvol_ondernemerschap_door_allochtone_ondernemers.pdf)

The specific problems for “allochtone” entrepreneurs are related to unsatisfactory preparation of the business start up, low level of education, traditional locations, low participation in (information) networks and knowledge of regulations and difficult access to formal bank loans. A responsive strategy from the Chamber of Commerce should be based on five pillars:

- Face to face approach
- Promotion of “allochtoon” entrepreneurship
- Extensive usage of role models
- Promotion of specialised networks
- Promotion on consultancy and usage of support among “allochtone” entrepreneurs.

Information and advice to “allochtone” start-ups is generally given by:

- Chambers of Commerce (www.kvk.nl)
- Municipalities
- Tax office (www.belastingdienst.nl)
- University (typical for Eindhoven)
- UWV (Public Employment Service), support to start-ups from unemployment (www.uwv.nl)
- Sector employers organisations (www.mkb.nl)
- Banks and micro credit organisations (www.fx.nl)
- Specialised consultants (based on cultural background)
- Specialised two countries Chambers of Commerce (mostly on international trade)
- Bookkeepers
- Franchise organisations

Further readings:

- Ethnisch Ondernemerschap: De Chinese horecasector in Nederland en in de Verenigde Staten van Amerika, Dr. B.R. Rijkschroeff, 2009
Ethnic entrepreneurship: The Chinese catering industry in the Netherlands and USA.
- Centen tellen: Een inventariserende en verkennende studie naar de financiering van immigrantenondernemingen, Rick Wolff & Jan Rath, Het Spinhuis, 2000.
Counting your money: a survey on financing of immigrant enterprises
- Het ondernemerschap van Immigranten: de overhead een zorg?, R. Kloosterman & J. Rath, Rooilijn 32 (Incl. literatuurverwijzing)
Entrepreneurship among ethnic groups: an issue for government?

- Ethnisch ondernemerschap; SER 1998
Advice from Dutch Social Economic Council to the government on ethnic entrepreneurship



Intercultural Advising; a focus on entrepreneurs with a Turkish background

Both the Netherlands and Germany have a large group of entrepreneurs with an ethnic background. In the Netherlands the number of enterprises with an ethnic background is growing twice as fast as the number of enterprises with an indigenous background, but entrepreneurship is still underrepresented in most ethnic groups and concentrated in bigger cities in the western part of the Netherlands. The total percentage of ethnic entrepreneurs is about 15% (2010).

In the Netherlands Turkish entrepreneurs are the largest group within this category. They represent 18 % of all entrepreneurs with an immigrant background in the Chamber of Commerce region Eindhoven (2007). Other major groups in that region are: Chinese (8%), Surinam (6%), Germany (6%) and Morocco with 5%.

In Germany the percentage of ethnic entrepreneurs was in 2008 about 600.000 or 15% and the Turkish entrepreneurs represent about 10% of the total group of migrant entrepreneurs.

This leads to the following questions:

- How do ethnic (Turkish) entrepreneurs inform themselves on possibilities of starting an enterprise?
- How adequate are the services from the present institutions?
- What should be improved in the system and methodologies of advising ethnic entrepreneurs?
- How could existing institutions improve themselves and new consultants support ethnic entrepreneurs?

To find an answer to these questions it may be helpful to analyze in the first place the information/advice flow towards ethnic entrepreneurs and to survey the opinion of ethnic entrepreneurs on this information/advice.

Information search by Turkish entrepreneurs and adequacy of information system

From a survey on the position and advising to entrepreneurs with an immigrant background in Eindhoven: "Allochtone/Turkse ondernemers in Eindhoven", published in March 2007 (downloading as: www.kvk.nl/allochtoneondernemers) the following more general conclusion can be drawn:

- Turkish start-ups do seek general information or advice at the start up phase, but have fewer contacts with standing institutions in latter stages of their entrepreneurial career.
- Turkish start-ups are generally satisfied with the general information and advice given to them, but have the highest appreciation for the oral transfer of information. Lower appreciations for other forms of information and advice are apparently caused by

cultural differences: command of language (mainly first generation) and behaviour (also second generation).

- Talking about personal and business questions is something Turkish (start up) entrepreneurs do with family or friends, but not (or much less) with outsiders. Provision of information or advice in a neutral and professional way and outside a personal relation is unfamiliar to Turkish culture and the information or advice is not well trusted. This is may be linked to the choices for traditional sectors.
- For specific issues concerning their new enterprise the present institutional system does not provide satisfactory answers. For Turkish start-ups unsolved questions are mainly connected to finance and taxes while staffs of banks are mainly autochthon and working from offices. This creates an extra dimension to the acceptance of decisions (ethnic mistrust versus critical assessment of sometimes too traditional choices for sectors).
- Existing Turkish entrepreneurs have found their way in acquiring necessary information and use family and friends and advisors, the latter on recommendation of family, friends or colleagues. For Turkish entrepreneurs this recommendation seems to be more important than the professional name of the organisation or of the consultant.
- Turkish entrepreneurs prefer further a counter part with the same ethnic background (or with that special recommendation), while they believe that person will understand them and support their interest better.
- The second generation migrant entrepreneurs are in general better educated than the first generation and are easier to deal with by regular institutions for information and advice, but cultural differences still play a role and consultants with good contacts to the ethnic groups are much preferred.

A second study carried out in the Chamber of Commerce region of Rotterdam came to similar conclusions. The specific problems for migrant entrepreneurs are related to unsatisfactory preparation of the business start up, low level of education, lower quality locations, low participation in (information) networks and knowledge of regulations and difficult access to formal bank loans. A responsive strategy from the Chamber of Commerce should be based on four pillars:

- Face to face approach
- Promotion of migrant entrepreneurship
- Extensive usage of role models
- Promotion of specialised networks

General statistics (Monitor Etnisch Ondernemerschap, 2004, EIM) reveal that the first generation Turkish entrepreneurs start businesses linked to their ethnic groups in the areas of wholesale and retail, catering (restaurants) and travel agents and that the failure rates are high. The main explanation for that is the difficulty to cross the border of the bigger market of autochthon customers. The second generation starts with other type of businesses, like: car repair, consumer products, business to business services and new media. This change supports entry in bigger markets.

Taxonomy of cultural differences

Most research on intercultural advising mention cultural differences as a source for problems. A much used taxonomy of cultural differences is provided by Dr. Geert Hofstede. In his opinion cultures differ on a number of axes:

Power distance	Turkish culture has bigger power differences; an advisor has in the first place to address the real powerful persons and honour the power
Individualism	Turkish culture is less individualistic, family is more important; An advisor has to address the whole family and not only the entrepreneur alone
Masculinity	Turkish culture values masculine values higher; the advisor has to value quick decision making and hiring of family members as an expression of success of the enterprise
Uncertainty avoidance	Turkish culture is more apt to take risks; the consultant has to explain the risk aversion behaviour of standing organisations, e.g. banks
Long term orientation	Turkish culture is less oriented on long term, entrepreneurs change their business quicker and short term results are more valued; the consultant has to press on longer term views, like bigger markets and innovative concepts

An EU project on multicultural; advice to entrepreneurs

During the early 90's the Municipality of Amsterdam participated in a project (sponsored by the EU) to improve the quality of services delivered to entrepreneurs with an ethnic background in various Western European countries. The project was executed by IMK projects and named "Emporium".

Mr. Evert Schleebaum, former director of the IMK project, gave the following information:

1. The project resulted among others in the setting up of a centre of expertise on intercultural advising for entrepreneurs in Amsterdam. 40 persons, almost all with a migrant background, were trained as advisors/mentors. The project lasted for a few years and lead to more successful entrepreneurs with a migrant background. The project provided free individual (advice) and collective (training) services to ethnic entrepreneurs in Amsterdam, but stopped when the subsidy was over. The well trained consultants and trainers found easily their way to other organisations.
2. The characteristics of the project were:
 - a. Special promotion towards ethnic entrepreneurs
 - b. Using ethnic circles
 - c. Low barriers for ethnic entrepreneurs for demanding information and advise
 - d. Demonstrated familiarity with problems of ethnic entrepreneurs
 - e. Taking a mediation role between Dutch society and ethnic entrepreneurs
 - f. Supporting informal financing of ethnic/immigrant entrepreneurs
 - g. Using role models to convince ethnic entrepreneurs
3. The project undertook the difficult task to bridge two worlds and to support ethnic entrepreneurs in the Dutch society. A number of start ups could start their business on

the demands of the ethnic population or on cheap family labour. These successes are temporary and limited to the size of the ethnic group. It proved to be difficult for the consultant to support ethnic entrepreneurs with their entry on the bigger Dutch market with other habits and conventions.

4. The consultants had to keep a balance between their commitment with the ethnic entrepreneurs and the expected reactions of Dutch institutions and regulators. By extensive training and regular discussion with colleagues the consultants could keep this balance.
5. The consultants had to change working time. Turkish entrepreneurs came with their demands at the end of the day or evening and expect advisors to be available at that time as well. Some consultants who did this became even too popular and had to take special care on their free time.

Experiences in Germany

During a bilateral meeting that took place on the 20th and 21st of April at the Westdeutscher Handwerkskammertag in Düsseldorf in Germany main features of advising to Entrepreneurs with a Turkish background were discussed.

Mr. Mustafa Schat, advisor for entrepreneurs at the Handwerkskammer Münster was present to share his experiences in advising to entrepreneurs with a Turkish background. Many of the topics mentioned in the survey above were underlined by him.

Als besonderes Merkmal der in Deutschland lebenden Türken stellte Herr Schat heraus, dass zugewanderte Türken der sogenannten ersten Generation, die Anfang der 1960er Jahre als sogenannte „Gastarbeiter“ nach Deutschland kamen, häufig gedanklich immer noch in der Türkei seien. Heute sei bei den Türken und Türkischstämmigen der dritten Generation erkennbar, dass diese sich durch die Möglichkeiten der fortschreitenden Informationstechnologien sehr oft an türkischen Medien orientieren, was zu Schwierigkeiten in der Beratung führen könne.

Aufgrund seines eigenen türkischen Hintergrundes falle es ihm oftmals leichter, ein Beratungsgespräch mit türkischen und türkischstämmigen Unternehmern einleiten zu können.

Beratern gegenüber brächten viele türkischstämmige Unternehmer in Deutschland ein Misstrauen entgegen, da sie befürchten, Firmengeheimnisse preisgeben zu müssen. In diesen Fällen helfe aus Sicht des Beraters zu verdeutlichen, dass durch eine passgenaue Beratung eine Verbesserung der finanziellen Gesamtsituation herbeigeführt werden könne.

Um das Vertrauen des Unternehmers zu gewinnen, sodass dieser sich mit seinen unternehmerischen Problemen öffne, sei es wichtig, nicht sofort mit der Beratung zu beginnen, sondern Erfahrungen aus der türkischen Heimat auszutauschen und sich anzuhören, welchen Lebensweg der Unternehmer genommen habe. Die Beratung speziell türkischstämmiger Unternehmer sei also erheblich zeitintensiver als die Beratung von nicht-türkischstämmigen Unternehmern.

Ein weiteres Hindernis bei der Beratung ist die mangelnde Einsicht der Unternehmer über den eigenen Mangel an der spezifischen Problemlösungskompetenz. Noch im

Beratungstermin selbst führen die Unternehmer oftmals aus, wie erfolgreich sie mit ihrer Geschäftsidee sind, um nicht zugeben zu müssen, dass sie tatsächlich vor für sie schwer lösbaren Problemen stehen.

Ein Trend zeichne sich jedoch mittlerweile ab: Bei türkischstämmigen Unternehmern in Deutschland macht sich die Erkenntnis breit, dass es für den Unternehmenserfolg wichtig ist, auf externes Fachwissen zurück zu greifen. Hierfür bedienen sich die Unternehmer sehr häufig der Angebote eigener Landsleute mit den entsprechenden fachlichen Qualifikationen.

In der Türkei etablieren sich dort seit ca. 10 Jahren auch große international tätige Unternehmensberatungen. Zudem sei in jüngerer Zeit eine Zunahme an regional tätigen Unternehmensberatungen zu verzeichnen, die von türkischstämmigen Inhabern geführt werden.

Im Hinblick auf die besonderen Fragestellungen, die sich für türkischstämmige Frauen stellen, die ein Unternehmen leiten möchten, stellte Herr Schat heraus, dass hier in besonderem Maße der Rückhalt der Familie wichtig sei. Sehr häufig sei auch die Familie und/oder der Ehegatte erste Anlaufstelle für Kredite, bevor die Beratung einer Bank in Anspruch genommen wird.

Die Beratungskultur in der Türkei beschränkt sich nicht auf die reine Beratung, sondern umfasst auch regelmäßig den Austausch persönlicher Informationen und die Einhaltung gewisser Rituale, wie etwa das gemeinsame Tee- oder Kaffeetrinken.

Ein nicht türkischstämmiger Berater könne es möglicherweise schwerer haben, das Vertrauen eines türkischstämmigen Unternehmers zu gewinnen. Unmöglich sei aber auch das nicht. Schon eine Begrüßungsformel in türkischer Sprache könne ein Türöffner für ein erfolgreiches Beratungsgespräch sein.

In einer aktuellen Studie sei festgestellt worden, dass weniger als 7% der türkischstämmigen Jugendlichen in einem Auszubildendenverhältnis stünden. Anfang der 90er Jahre seien noch rund 10% in Ausbildung gewesen. Ein Grund für den Rückgang liege sicherlich in den Ereignissen am 11. September 2001. Die Verantwortung für diese Tragödie werde oftmals immer noch auf alle Moslems geschoben.

Dennoch habe sich in den letzten Jahren erfreulicherweise die Erkenntnis durchgesetzt, dass Deutschland ein Einwanderungsland sei, was auch durch die vielfältigen Aktivitäten zur Integration von Zugewanderten deutlich werde, die seitens der öffentlichen Einrichtungen sowie der Einrichtungen der wirtschaftlichen Selbstverwaltung, der Arbeitsverwaltung und nicht zuletzt der Unternehmen selbst initiiert, getragen und realisiert würden.

How could existing institutions improve themselves and new consultants support ethnic entrepreneurs?

Results on the study of how existing institutions should improve themselves in direction of multicultural advising

Based on the discussion and the mentioned outcomes of the survey a SWOT analysis (attached) was undertaken by the WHKT and Nehem International to clarify the status quo on the advising of entrepreneurs with a Turkish background.

The matrix is lined up on three phases of consultancy:

1. Provision of information
2. Contact making and advising clients and
3. Decision making and after care

The matrix provides a description of the activities during the three phases and an assessment of how to improve the consultancy (opportunities) and what limitations are set (threats). The matrix also deals with practices that have less success, explains how to improve these practices or what risks are to be dealt with.

Respectful advising of entrepreneurs in a multicultural environment deals with:

Family

A typical cultural difference is the importance of the family. Ethnic entrepreneurs are strongly linked to their families and not the only decision maker. The consultant should respect that or even explain that to other institutions.

Available time

With a “My time is limited” approach consultants will not be very successful with ethnic entrepreneurs. For these entrepreneurs: short time is small respect.

Linkage to the Ethnic world

The consultant has to invest time in building up a network in the ethnic world, while keeping his independency and professional standard.

Adequate transfer of information and delivering advice

The transfer of information is linked to the customs of the clients and advising is done respecting the hierarchy.

Crossing the borders

The consultant has to stimulate ethnic entrepreneurs crossing the borders of his ethnic environment.

Female entrepreneurship

The consultant may give special attention to the underrepresented female ethnic entrepreneurs

Strengths

Phase	Beschreibung	Opportunities	Threats
Information	mündlich, Internet (?)	Gruppenberatungen, türkischstämmige Berater einsetzen	hoher Zeitaufwand. Klienten wollen vorzugsweise mit den türkischstämmigen Beratern sprechen
Kontaktaufnahme und Einflussnahme	Vertrauen aufbauen, Mund-zu-Mund Propaganda, Empfehlungen	Netzwerkaufbau und -ausweitung	bei Schlechtleistung oder nicht akzeptierten Beratungsergebnissen
Entscheidung und Betreuung/ Nachsorge	Akzeptanz der Beratungsleistung, Beratungsbedarf wird dem Berater informell und über Dritte kommuniziert	Einsicht über mangelnde Fachkenntnisse des Unternehmers/der Unternehmerin, Verbesserung des Outputs, nicht mit der Tür ins Haus fallen	Druck ausüben, um das Problem schnell aufzudecken

Weaknesses

Phase	Beschreibung	Opportunities	Threats
Information	schriftlich	Informationen auch in türkischer Sprache aufbereiten, damit sie auf jeden Fall ankommen	es wird eine Erwartungshaltung geweckt, dass alle Informationen auf türkisch aufbereitet werden, was jedoch nicht zur Integration beiträgt
Kontaktaufnahme und Einflussnahme	nicht akzeptiert werden, der Unternehmer verschließt sich	Nutzung des vorhandenen Netzwerks, um den Unternehmer von Notwendigkeit der Beratung zu überzeugen und die Beratung fortsetzen zu können	Abbruch oder Verzögerung der Beratung
Entscheidung und Betreuung/ Nachsorge	das Bestreben des Beraters, allein die Lösungen für alle Probleme aufzeigen zu können	Einbeziehung der Familie und anderer Entscheidungsträger wie Banken, Steuerberater o.ä.	hoher Zeitaufwand, hohe Abhängigkeit des Unternehmers vom Berater