

Mentoring in Entrepreneurship Support: Some Basics

Mentoring is offered as a feature to support entrepreneurs in a variety of entrepreneurship support programs, including incubators, accelerators, small business chambers, and entrepreneurship education initiatives. Mentoring is a popular entrepreneurship support intervention, and it can be offered either as a main focus or as one of several features in a package of offerings.

Why mentoring?

Starting a new business can be difficult. It often requires gathering information and attaining specialized knowledge, as well as developing new skills and connecting to a variety of individuals and resources. Mentorship is widely seen as a way to support entrepreneurs by connecting them with the information, resources, and networks they need, including partners, customers, and investors. Mentors can provide feedback, reassurance, and motivation to help entrepreneurs solve problems and navigate the challenges of starting

and growing a business. They can also serve as role models for entrepreneurs.¹

Mentors don't necessarily have to be experienced entrepreneurs. They can be industry experts, investors, individuals with experience relevant to the entrepreneur's business, or others who have familiarity with

some aspect of the entrepreneurial process. Mentors may have experience working with startups, for example, or they could have expertise in a specific region, industry, type of business, or business process.



SCORE is a network of more than 10,000 volunteer business mentors across the United States. It was founded in 1964 as a resource partner of the U.S. Small Business Administration (SBA), and has helped more than 11 million current and aspiring entrepreneurs through mentoring, workshops, and educational services. Mentors are paired with mentees based on the expertise of mentors and the needs of mentees. Participation is free, and mentorship can take place in-person or virtually, by phone, video call, or email.

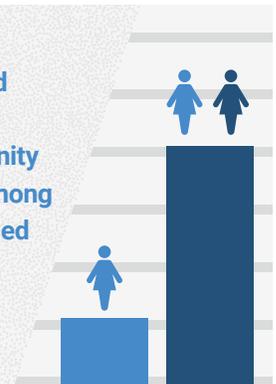
Does mentorship matter ...

... for entrepreneurial aspirations and starting new businesses?

Individuals with a mentor are five times more likely to say they are planning to start a business than those who do not have a mentor.² Students in an entrepreneurship education program who were mentored by experienced entrepreneurs were more likely to start a business after graduation than those whose mentors were not entrepreneurs. The influence of entrepreneur mentors was particularly strong among students whose parents were not entrepreneurs.³ Among participants in mentoring programs provided by the SBA's resource partners, those who had three or more hours of mentoring were more likely to start a business than those who had fewer mentoring hours.⁴

Did you know?

A mentorship program that paired less experienced women micro-enterprise owners in Kenya with experienced entrepreneurs from the same community resulted in an average increase in profits of 20% among mentee businesses. Notably, mentees who continued to meet with their mentors saw an ongoing benefit, while those who ended the relationship did not see sustained benefits in profits.⁸



... for business growth and survival?

Roughly half of all new businesses close within their first five years.⁵ However, mentored businesses tend to survive longer.⁶ Business owners who have more hours of mentorship report more revenue and employment growth than business owners with fewer hours.⁴ Entrepreneurs who have mentors with access to social networks that are different than their own have startups with improved financial outcomes and are more likely to start additional new ventures in the future.⁷

... for entrepreneurs' abilities and self-confidence?

Entrepreneurs with mentors are more aware of new opportunities.⁹ Entrepreneurs report that their mentors impart knowledge and help them develop the skills necessary for running a business, such as the ability to assess relationships and put ideas into action. Entrepreneurs also indicate that the mentoring relationship helped them to be more assertive and more motivated to persevere in spite of challenges.¹⁰

Program design consideration

The body of research on mentoring indicates that mentoring can enhance outcomes and serve as an important source of support for entrepreneurs. The effects of mentoring as a stand-alone program feature, however, aren't always clear for two reasons. First, when mentoring is formally offered in an entrepreneurship support program, it is often

one feature among a more comprehensive set of activities. As a result, it can be hard to isolate the effect of mentoring specifically on the entrepreneur and entrepreneurial outcomes. Second, informal mentoring may be taking place organically outside of an entrepreneurship support program, and this type of mentoring can be difficult to observe and track. In fact, three out of every 10 founders of new employer businesses report

turning to family for business advice and mentoring, and half of new business founders report relying on colleagues for the same purpose.¹² If entrepreneurs are receiving mentorship outside of formal programs, it can be difficult to disentangle the effects of informal mentoring from the effects of more formal mentoring.

What does this mean for entrepreneurship supporters?

Benefits of mentoring

Mentors can inspire curiosity, challenge assumptions and expectations, guide by asking probing questions, and learn alongside the entrepreneur.¹¹ Mentors can provide valuable knowledge and advice based on their own experiences, as well as access to additional resources and networks.

Considerations for mentoring effectiveness

→ **Interest in being mentored**

Mentorship success has been found to depend largely on a mentee's desire to be mentored; a mentee who wants to be mentored can more productively engage with the mentor.¹¹ Mentees' willingness to receive feedback and be open about their needs and expectations, as well as their abilities to communicate clearly and their readiness to learn, can all influence the mentoring relationship and its outcomes. Entrepreneurs

may be more willing to commit to a mentoring relationship if they have a clear sense of its potential benefits.¹⁰ Assessing entrepreneurs' interest in mentorship — and the reasons for this interest or lack of interest — may be helpful in thinking through the optimal structure for mentorship programs. Communicating the value of mentoring to entrepreneurs who are uncertain might also prove valuable.

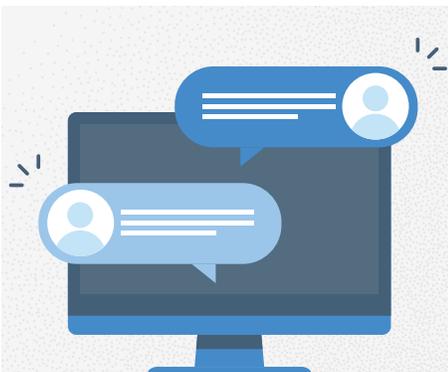
→ **Openness to growth and change**

Mentees report being more satisfied with mentors who ask questions and encourage reflection, rather than providing specific advice.¹¹ Surveys of entrepreneur mentees have found that those with a growth mindset — who believe the skills needed for being a successful entrepreneur can be learned and developed — are more likely to see their mentor as helpful than those with a fixed mindset — who believe skills and abilities are

set and there is little opportunity to change.¹¹ Entrepreneurship support organizations can encourage learning and foster a growth mindset among entrepreneurs as part of the mentoring relationship to enhance the value of the interactions.

→ **Structure and timing of the mentoring relationship**

The type of mentoring relationship and the frequency of mentoring interactions are also important considerations in programming. Entrepreneurs express greater satisfaction with their mentorship programs when they interact with their mentors more frequently.¹¹ Business owners who spent more time with a mentor also report more revenue and employment growth compared to those who spent less time.⁴ In addition to in-person interactions, phone, and email, technologies such as video chat offer opportunities for entrepreneurship support programs to connect mentors and mentees in new ways.



New technologies can remove geographic constraints. The growing use of online platforms to connect people is an opportunity for mentoring relationships to grow beyond geographic constraints. For example, MicroMentor provides a free, online platform that allows entrepreneurs and volunteer business mentors to connect. The online platform seeks to deliver business resources at scale to underserved communities, and to help entrepreneurs acquire key business skills, develop confidence, build stronger networks, grow revenues, and create jobs. Since 2008, MicroMentor has attracted more than 37,000 entrepreneurs globally.

What does this mean for entrepreneurship supporters? cont.

→ **Mentor quality** Finding mentors who can provide value to mentees is important. Communicating the benefits of participation could help recruit potential mentors. Serving as a mentor provides an opportunity to give back, as well as a way to stay connected to particular industries and emerging entrepreneurial communities.¹¹ Mentoring relationships can widen the social and professional networks of both the mentor and mentee.

→ **Need for formal mentoring** Entrepreneurs may already be accessing informal sources of mentoring support before signing up for an entrepreneurship support program. It is not clear, however, if entrepreneurs develop these informal mentoring relationships because these are the mentors they need, or because they don't have access to mentors who could be more helpful. Talking to entrepreneurs about the supports they have outside of the program, the supports they are missing, and their specific mentoring needs can help to determine how a mentoring program might best fit their needs.

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Authors: Jessica Looze,
Phil Berkaw, Sameeksha Desai

Please cite as: Ewing Marion Kauffman Foundation (2020) Mentoring in Entrepreneurship Support: Some Basics, *Entrepreneurship Issue Brief*, No. 4, Kansas City, Missouri.

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