



## **END-OF-VISIT REPORT**

### **"Bringing business to school: Practice firms and student companies"**

Stuttgart (Germany) - 9<sup>th</sup> to 13<sup>th</sup> May 2011



In the 1st line from the left to right:

- ŞEKERLI Eyüp Bayram [ Muğla – Turkey ]
- RAHMAN Sheikh Aliur [ London – England ]
- RENTA DAVIDS Ana Ines [ Tarragona – Spain ]
- PÁSZTOR Eszter Júlia [ Érd – Hungary ]
- ANTONIOU Spyridon [ Athen – Greece ]
- EVERALL Christine [ Bromsgrove – England ]
- SCHOOVAERTS Maurice [ Brussels – Belgium ]
- NOAK Ingo [ Ministry of Education of Stuttgart : organizer ]
- Frank [ Ministry of Education of Stuttgart : organizer ]

In the 2nd line from the left to the right:

- MIKULASTIKOVA Jindra [ Valasske Mezirici – Czech Republic ]
- NOSARI Krisnel [ Mantova – Italy ]
- SOKOLS Aleksandrs [ Riga – Lithuania ]
- ABERG Bjorn [ Lund – Sweden ]
- JOHNSON Michael [ Dublin - Ireland ]

Group No. 225

Theme: Transition from education and training to the world of work

### **Sunday 8<sup>th</sup> May**

Evening networking in Paulaner beer garden.

### **Monday 9<sup>th</sup> May**

#### **Ministry of Education**

Brief introductions from the members of the delegations about themselves and their organisations.

- Şekerli Eyüp Bayram: Deputy Director in a Commercial Secondary School and a Researcher at Muğla Üniversitesi Dalaman Meslek Yüksekokulu
- Rahman Sheikh Aliur: Training Manager at "The Brokerage Citylink"
- Renta Davids Ana Ines: Researcher for Development of Teaching at Universitat Rovira i Virgili
- PÁSZTOR Eszter Júlia: Consultant for schools and private companies for VET and adult education - Shepherd & Welder Korlátolt Felelősségű Társaság
- Antoniou Spyridon: Manager of Peloponnese Department for employment of Epagelmatiki Katartisi A.E
- Overall Christine: Director Integra Project Management Ltd. Public Sector projects & link public + education sectors at Integra Project Management Ltd T/A Regional Language Network West Midlands
- Schoovaerts Maurice: Works at the Educational organization of the Flamish community
- Mikulastiva Jindra: Headmaster of Střední průmyslová škola stavební Valasské Meziříčí
- Nosari Krisnel: Teacher & Head of department in charge of organizing and monitoring periods on job training at I.S. "E.Fermi"
- Sokols Aleksandrs: Head of a center of education - teacher training courses to promote new teaching techniques for TA GROUP SIA
- Aberg Bjorn: Manager Director in a private company for adult education - Humanus Utbildning Syd AB
- Johnson Michael: Manager for the development of small and medium-sized enterprises & Expert trainers for students and teachers at Dun Laoghaire Rathdown County Enterprise Board

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#### **Wirtschaftsgymnasium West (WGW)**

Visit to a local business school.

- Introduction to the school by Mr Hartmann, Headmaster.
- Overview of full time vocational school and qualifications: apprenticeships, certificates of secondary education, university entrance
- Overview of part time vocational school (dual system) and qualifications
- 1,000+ students from 34 countries
- The school runs three practice firms including One O One (founded 2001) and Il Libro (founded 2006).

#### **Overview of a practice firm – One O One Ltd**

The delegation visited the practice firm premises at the school (set up to simulate a real-life office) for presentations by the students. This was followed by the chance to network with students, representatives from the sponsoring company and teaching staff to find out more about their company and how it is run.

- The objective is to provide work-based simulations that will prepare the students (and also unemployed and disabled people) for the world of work.
- Europen is a world-wide organisation of around 6,500 practice firms with approximately 500 based in Germany. Practice firms are set up with typical departments (purchasing, sales, finance etc) and realistic business processes: IT systems, ordering systems, accounting systems, logistics systems but deal with virtual money and products.
- Practice firms trade only with other practice firms in the programme by contacting them with an enquiry or to market their products: for example, a practice firm selling clothing could sell to a department store practice firm.
- WGW places are oversubscribed with and around 30 students are selected each year from 200 applicants. All students have rotations so they gain experience of working in all the departments.
- Gin Tonic (GT) is a local clothing manufacturer which sponsors One O One Ltd (founded 1978, turnover €40m, 120 employees, targets mid-range clothing for 25 years +). Sponsorship consists of mentoring and advising students, offering staff time, company facilities (such as photoshoot facilities for brochures and flyers) and free promotional clothing. The partnership arose through a link with a former student at WGW who is now working as an apprentice at Gin Tonic.
- GT finds the partnership beneficial but chose to become involved primarily as part of its Corporate Social Responsibility agenda to equip students better for the workplace. It has also benefited from students' ideas on new social media marketing strategies (facebook, twitter) and there is some benefit from having the GT brand promoted by the students at practice firm trade fairs and generally being involved in the activity.
- Students identified some of the key benefits they had gained as: learning and practising business skills; a safe environment where they can use these skills; improving their knowledge of using the internet for business; using IT systems; increased confidence and continuing development.

### **Visit to Klett Verlag offices**

Klett Verlag (KV) is a sponsoring partner for the other WGW practice firm Il Libro. KV is a publishing company and the leading provider of educational materials in German; has 2,800 employees in 16 countries; has 43,000 titles in stock; also provides education training programmes for teachers. Its core product is text books but it has developed a range of additional hard copy and digital products for students and teachers to complement these.

Presentation by Mr Heinke, Head of Foreign Languages for Secondary Schools

- The partnership between WGW and KV has existed for five years.
- The key elements of the sponsorship include: advice and support on business issues; Klett provides 2 x trainees per class who act as the key contact points and advisers; 3 – 4 hour workshops at the school to prepare for trade fairs and sales pitches; advice on emails, phone calls and personal presentation to secure sales.
- The key motivation for KV is contributing to the community and fulfilling its Corporate Social Responsibility agenda to help prepare students for the workplace. Close links to its target audiences – teachers and students – also help to shape new products and developments by providing feedback and

ideas. The Klett office is located within a few hundred metres of the school and Mr Heinke sees this as a major element in the success of the partnership.

Presentation by Mr Unger on recent content developments including digital content development.

### **Tuesday 10<sup>th</sup> May**

#### **Visit to the Baden-Wuerttemberg Ministry of Education**

Welcome by Mr Froehlich, Head of Administration, Ministry of Education

Presentation by Ingo Noack

- Overview of the economy of Baden-Wuerttemberg (BW) – highly successful with some of the lowest rates of unemployment in the world and the BW economy is driven by the need to recruit and retain qualified workers to satisfy demand.
- Overview of the vocational educational programmes and structures in BW.
- (a) The Dual System (combining work in a company with vocational training) – apprenticeship including 3.5 days per week working in company; 2.5 days per week at school. 40% of enterprises participate in the dual system training. It is the responsibility of the individual apprentice to get a training contract.
- (b) Full time courses – often the option taken by people who cannot get an apprenticeship – may include an industrial placement.
  - Practice firms enhance full time vocational training and provide a practical application for theoretical training.
  - Diagram provided giving a comprehensive overview of BW vocational and non-vocational educational system and options to progress through these (copy included in study tour materials).
  - Challenges over next 5 years include re-combining the options to progress through the school system – at the moment the pathways diverge from the age of 10 and it is now recognised that this is too early.

#### **Second presentation by student representatives from One O One Ltd – central admin and trade fair participation**

- Overview of ZÜF – the network for practice firms in Germany which provides the central office functions such as bank, tax office and health insurance, plus IT systems and webshops where goods can be purchased virtually. Can also provide customs function to simulate international trade.
- Presentation on attendance at an international practice firm trade fair which included practice firms from all over the world. ZÜF planned the event, hired halls and managed the construction of the stands and provided advice to exhibiting companies. Students were trained in their sales pitches before the event.

- One O One represented the products of Gin Tonic and make over €400k of virtual sales.
- Students reported that meeting practice firms from other countries, talking to other practice firms about their experience and the insights that the event gave them into the world of work were very valuable.

### **Presentation of entrepreneurship and vocational training programmes by Maurice Schoovaerts, Belgium.**

#### **Presentation by Ministry of Economics**

Mrs Weininger: "Promotional entrepreneurial attitudes in schools in Baden-Wuerttemberg", Entrepreneurship initiatives for start ups and business transfer

- Objective is to promote entrepreneurship and sustainable start up businesses.
- Entrepreneurship is a national school subject and teaching in schools includes strong networks with chambers of commerce, teachers, business organisations and entrepreneurs.
- Three step strategy:
  1. Create awareness and motivation and identifying entrepreneurial talent by engaging role model speakers
  2. Providing a qualification with emphasis on practical experience
  3. Practical experience for students by running practice firms/junior companies.

Definitions:

- "School firms" – sell products on school premises only
- "Student companies (also known as "junior enterprises") – sell products and services outside school to "the real world"
- "Practice firms" – virtual trading simulation

Examples of initiatives:

- "Profi Kids" – pilot primary school project (8 – 12 years old) including a "rally" to talk to a range of business people such as bankers and entrepreneurs about what they do; taught modules such as "what is the difference between an employee and an entrepreneur".
- Cyberforum – run in Karlsruhe for 17 – 20 year olds including a programme of role model speakers on topics such as women in business; combining family and business.
- "Talentschmiede Baden- Wuerttemberg" – worked with Gallup to identify and utilise students' natural talents in their careers and transfer the Naturtalent ® careers advising product to students aged 15 – 20 which identifies students' top five talents (e.g. competitiveness, analysis, ability to communicate) and provides five career suggestions for them. These are supported by talent-based vocational information and seminars.

- In 2009 fostered a group of 30 elite pupils identified as having exceptional entrepreneurial talent and provided them with 2 years of seminars and support along a “United Nations” model on topics such as finance; PR; event management and internet development. A second group of 30 was selected in 2010.
- “The Black Forest Cup” – a computer-based start up game for a mountain bike business which simulates 16 financial years from start up to stock exchange listing.
- Additional initiatives: school firms (practice and junior companies) – conference arranged for teachers to share best practice; Global Entrepreneurship Week (annually in November); trade fairs for school firms and mini-enterprises.
- Mini-enterprises: database [www.schulen-newcome.de](http://www.schulen-newcome.de) for schools that want to set up mini-enterprises including listings of what they may sell; support materials; support to establish contact with other businesses; telephone help line with legal and practical advice.

Key success factors in all projects were the attitude and involvement of teachers and the integration of entrepreneurship across the curriculum. There is a limited budget available and to date 7,600 students from 170+ schools have participated in the programmes with a waiting list of 5,000.

Programmes are co-financed with ESF funding. Cost approx €40,000 per quarter. Issues include:

- Great dependence on the goodwill and co-operation of individual teachers. Usually teachers of economics are involved.
- Teachers are not generally entrepreneurs so how to improve their skills in area that they have no personal experience of.
- Entrepreneurship is not a “text book subject”.
- Schoolbank Credit – originally schools had to raise their own cash to set up the business but L-Bank (federal state bank for BW) now offers loans of €200 - €1,050 on the basis of successful business plans; schools still need to raise 25% capital themselves.
- It is easier to engage middle class rather than economically disadvantaged students though the latter group often get the most benefit from the programmes.
- As yet there is no long term evaluation of the initiatives and their impact.

## **Wednesday 11<sup>th</sup> May**

### **Visit to Hotel Management School, Heidelberg (HMSH) – Hotel Ambience and Frizz Bistro**

Welcome and overview by Mr Dannenmann, Director

- The school is the oldest of its kind in Germany and was founded in 1925. It trains approximately 400 students with previous work experience to become hotel managers and provides further education in technical culinary subjects. Courses last one or two years and the average age of students is 26.
- Generally students have spent 3 years in the dual system of vocational training and a minimum of 2 years' work experience before joining the school. Staff costs are funded by the state of BW and the city of Heidelberg funds the operations. Students are charged annual fees of €2,025.
- Approx 50% of students have worked abroad before joining the school. English and French are compulsory subjects and Spanish is offered as an option. 6 – 8% of students come from other countries.
- Courses include classroom and team project work; graduation papers which generally focus on solving a real-life business problem rather than a theoretical dissertation.
- Also includes real and virtual business projects (Frizz – the school bistro and Ambience – a virtual hotel practice firm).

Overview of Ambience (virtual hotel) by students – HMSH is the only hotel management school with a practice firm. It has been running for 7 years and has been awarded a seal of approval by the organisers ZÜF. Delegates had the chance to talk to students involved in the project in small groups.

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Lunch at the Frizz bistro hosted and catered for by students and poster presentation of the various business operations.

### **Visit to Julius Springer School, Heidelberg – Just-Sport- GmbH**

Welcome and introduction, Mr Liebler, Headmaster: the school is a vocational one with 1,700 students. One day per week is spent working on the practice firm (one of three in the school).

Presentation of the practice firm Just Sport (JS) by the students

- Just Sport is a retail company selling sportswear from their catalogue and online and sponsored by Sport Arena which provide products and business information and support. Virtual turnover is approx €100,000 p.a. Teachers help and support as consultants.
- There are 120 – 150 applicants for 60 places on the programme. In the second year this is reduced to 30.

The delegation was then divided into groups and circulated round the individual departments to talk to students in more details and to experience the whole sales and delivery process in practice by placing sample orders.

## **Thursday 12<sup>th</sup> May**

### **Visit to Gottlieb Daimler School 1 – industrial vocational school.**

- Welcome and introduction by Mr Esch, Headmaster. The school has approximately 4,300 students who have already worked in industry and offers full time and part time courses. Their training company is focused on the manufacturing process and makes real products. The school is also lead partner in a Comenius project focusing on energy efficiency and also has links with an educational institution in Singapore. The engineering sector is experiencing strong growth after the credit crunch and there is a high demand for students who have completed technical training at this school.

### **Presentation of the practice firm by the students**

- The practice firm follows a different model to others visited by the delegation during the study tour and is not based on the “Europen/ZÜF” model.
- The company exists independently and is run wholly by the students themselves for one day per week. It consists of the usual virtual business process departments but also includes design, rapid prototyping and quality assurance.
- Within the practice firm which trades virtually, students also run a junior company which trades in real life and produces cookery books and calendars which are sold to raise money for an African children’s charity.

### **Visit to the student company of Daimler AG (Mercedes)**

- The delegation was given an overview of the technical training given to apprentices at Daimler across a range of different disciplines by touring the training departments to watch apprentices at work and had the opportunity to ask questions. Most apprenticeships last three and a half years and include a combination of schooling and practical training.
- As part of its apprenticeship programme Daimler also runs an in-house junior company where apprentices spend 4 – 12 week placements. The objective of the company is to improve the quality of Daimler’s in-house training programme and to offer apprentices the chance to gain additional business skills.
- The company sells its products and services in the real world, rather than trading virtually. These include bespoke manufacturing, car repairs and car re-spraying which are sold to in-house departments, Daimler employees and the general public. The company effectively operates as a cost centre at Daimler and turns over just under €600,000 p.a. and any profit (around €400,000 in 2010) is rebooked to Daimler AG.
- Promotion is largely by word of mouth and prices are around 30% under normal market cost to the general public (Daimler employees receive a 50% discount). The car repair section of the business is currently operating at full capacity but its objectiveness as a training measure put limits on future expansion.

### ***Friday 13<sup>th</sup> May***

Visit to the State Institute for Educational Development (LIS). Mr Becker welcomed the delegation and introduced the institute, whose key role is to support the BW education sector.

- LIS is staffed mainly by school teachers, social scientists and psychologists, most of whom combine their part time role within the institute with a part time teaching role in schools.
- It offers curriculum development, standardised tests and quality development/ management to all schools, especially vocational ones.
- Overview of different varieties of practice firms and student companies:

	<b>Products and capital flow</b>	<b>External contacts</b>
<b>Simulation office</b>	Fictional	Fictional
<b>Practice firm</b>	Fictional	Real with other practice companies
<b>Student (or "junior") company</b>	Real company with real (if limited) economic risk	Real but normally with a limited market

Quality management:

- Guide to self-evaluation
- Quality Management guide
- Accreditation
- Free online guide available with process flow charts and resources
- Continuing Professional Development for teachers

Overview of a student company based in Pforzheim.

- Strategic alliance with Microsoft which provides free software to participating schools.

### **End of project feedback session**

The group was asked to feedback on the study visit programme.

## Strengths

- The visit was very well designed and organised.
- There was a good variety of schools and organisations to visit.
- Mr Koerner and Mr Noack were excellent programme leaders.
- Very useful overview of the vocational training system in BW.
- All members of the group learned a lot and the visit generated a lot of new insights and ideas to take back.
- Excellent for networking.
- The group learned a lot from each other.

## Weaknesses

- Some repetition of areas with the programme e.g. ZÜF system.
- The focus of BW was often on business processes rather than developing entrepreneurial talent e.g. creativity, innovation.
- Although the system has worked well so far there were some questions about whether it would be as effective as the economy changes into the future towards more self-employment.
- The simulations were not always as realistic as they could be and there could be more emphasis on problem solving and business strategy.
- Resources are limited and demand is greater than supply of places on practice firm programmes.

## The concept of practice firms how they are run in schools in BW

- Well organised, well structured and well executed.
- Strong partnerships between schools, companies and supporting organisations.
- Firms are driven mainly by the needs of employers rather than the needs of students.
- The models will need to be adapted in order to work effectively in other countries.
- Firms would benefit from the integration of more creativity into the marketing activities (such as flyers and websites).
- Practical vocational programmes can be time-consuming for teachers and expensive to run.
- Practice firms run very differently for different age groups – generally practice firms were felt to run better for school pupils and student companies for those who already had work experience.
- Further adaptations would be necessary to make the practice firm concept more relevant for adults.
- Sometimes too much focus on business processes at operational level rather than strategy – a differently structure curriculum might be more effective.
- It was recognised that the fact vocational activities took place within a school placed limits on how realistic the activities could be.
- The programmes are clearly in demand but development is limited by the amount of money that can be allocated to the projects by the government.

## Suggestions for improvements to the programme

- Some members of the delegation would have found it helpful to have had the presentation by LIS earlier in the programme to provide the theoretical framework before meeting practice firms.
- Examples of firms in the business and professional industries (banking, law) would have been helpful to balance the programme.
- It would be helpful to have more information on the wider political strategy in BW.

*The delegation expressed their thanks to Mr Körner and Mr Noack for everything they had done.*

