

SIMULATED ENTERPRISE – A MODEL OF ENTREPRENEURIAL EDUCATION

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Abstract— This paper shows, after a review of the importance and necessity of entrepreneurial education into current social and economic context, an example or a model for implementation it, namely Simulated Enterprise. The Simulated Enterprise (also known as the Virtual Enterprise or the Practice Enterprise) is a virtual company that runs like a real one. In Romania, simulated enterprises are integrated into a national network of training firms / simulated enterprises, coordinated by ROCT (ROmanian Coordination Centre of Training Firms), affiliated with the EUROPEN-PEN International Practice Enterprises Network. During the period 2008-2015, the evolution of the number of Romanian simulated enterprises was one ascending, and in present students from all programs of study develop activities in the 150 active simulated enterprises, which cover the various fields of activity. There are presented stages of the foundation of the simulated enterprises and the responsibilities of simulated enterprises authorized.

Keywords—competencies, education, entrepreneurship, simulated enterprise

I. INTRODUCTION

The present European policy agenda talks about the growth and jobs, employability, increasing levels of active citizenship, social enterprise, and new business creation. To achieve these goals requires that European citizens become more creative and more entrepreneurial or intrapreneurial.

For achievement the stated challenge “more entrepreneurs for Europe”, in 2012 the European Commission elaborated “Entrepreneurship 2020 Action plan. Reigniting the entrepreneurial spirit in Europe” [1]. In accordance with it, universities should become more entrepreneurial. To achieve this goal is necessary that the universities to introduce in curricula the key competence “entrepreneurship”.

In this context, in the communication “Rethinking Education: Investing in skills for better socio-economic outcomes” [2], the European Commission declares that “all young people should benefit from at least one practical entrepreneurial experience before leaving compulsory education.”

In the Eurobarometer Special Survey of the European Commission, number 417, European area of skills and qualifications [3], which held between 26/04-11/05/2014, constituted from 23 questions, at who responded a

number of 27.998 students from EU 28, from which 1.062 from Romania, we find few relevant results.

At the question “Which of the following are the most important aspects of education and training”, 65% of EU 28 students and 50% of Romanian students chose the answer “the teacher’s ability to engage and motivate the students”. Also, 39% of EU 28 students and 27% of Romanian students opted for the answer “learning environments that stimulate students’ creativity and curiosity.”

At the question “In your country, do you think that a combination of skills or competencies acquired in different ways (e.g. through education, vocational education and training and work experiences) can be used to obtain a qualification?” 69% of EU 28 students and 60% of Romanian students chose the answer “Yes”.

Another survey of European Union concludes that between 15% and 20% of the students who participated in a mini-company program in secondary school started later their company and 37% of European citizens would like to be their own boss[4].

In a report of the George Washington University Center for Entrepreneurial Excellence, from December 2014, says that the small business management and entrepreneurship courses have grown in both the number and diversity from 1990 to 2014 [5].

At the City University of New York (CUNY) there is an Institute for Virtual Enterprise (IVE) that declares that it have the role of developing and educating tomorrow’s employees. At this institute, “Virtual Enterprise” is a program of study that requires students to learn and apply concepts of business through a reality-based simulation of an actual business [6]. They declare that Virtual Enterprise is a unique, experiential learning methodology [7].

The Oslo Agenda for Entrepreneurship Education in Europe from 2006 established that is necessary a better integration of entrepreneurial education across all subjects, improving practice-based pedagogical tools, better approaches to teamwork [8].

Therefore, the need for entrepreneurial education is widely recognized and assumed. It can be done at all levels of educational systems and different ways. In this context, the practice in a training firms or in a simulated enterprise is a good example.

II. ABOUT SIMULATED ENTERPRISES

The Simulated Enterprise (also known as the Virtual Enterprise or the Practice Enterprise) is a virtual company that runs like a real one.

The Simulated Enterprise is an interactive learning method aimed at developing entrepreneurship by integration and interdisciplinary application of the knowledge that provide conditions for the practical deepening of the skills acquired by students in training. The purpose of this teaching method is business skills development of students by simulating the processes and activities that occur in a real company and its relationships with other companies and institutions.

Simulated enterprise facilitates learning and developing the necessary legal and economic knowledge in a real company, creating skills and competencies that can be applied in all economic and all positions within a company.

The overall objective of learning through simulated enterprise is to develop entrepreneurship by:

- 1) *familiarizing students with specific activities of a real company*
- 2) *simulation of business processes specific real business environment*
- 3) *improving business language*
- 4) *providing knowledge and factual information about the mechanisms of the market economy, the importance of education in achieving career and impact on young people's future economy*
- 5) *encouraging competitive spirit, quality, and responsibility*
- 6) *skills development, skills and attitudes necessary for a dynamic entrepreneur.*

The practice in a Simulated Enterprise develops competencies like:

- 1) *entrepreneurship*
- 2) *administration*
- 3) *personnel management*
- 4) *marketing and sales*
- 5) *accountancy*
- 6) *computer-based skills.*

The entrepreneurial competencies developed through practice in a Simulated Enterprise are:

- 1) *creativity*
- 2) *competitiveness*
- 3) *critical thinking*
- 4) *analytical thinking*
- 5) *problem solving*
- 6) *decision-making*
- 7) *accountability*
- 8) *teamwork*
- 9) *initiative*
- 10) *adaptability*
- 11) *perseverance*
- 12) *self-organization and self-evaluation of individual resources*

13) *flexibility.*

III. ABOUT ROCT AND EUROOPEN

In Romania simulated enterprise are integrated into a national network of training firms / simulated enterprises, coordinated by ROCT (ROmanian Coordination Centre of Training Firms). ROCT ensure all activities that simulate the real external environment of an enterprise.

ROCT is a unique structure at the national level, affiliated with the EUROOPEN-PEN International Practice Enterprises Network.

EUROOPEN-PEN International (PEN) is a not-for-profit association that administers the worldwide practice enterprises network. It supports a worldwide network of over 7,500 Practice Enterprises in schools, colleges, universities, vocational training institutions, companies and training centers in over 40 countries around the world, providing a unique approach to business skills training to more than 200,000 trainees each year [9].

IV. ABOUT ROMANIAN SIMULATED ENTERPRISES

In Romania, the first training firms were registered at ROCT in the school year 2001-2002 and the first simulated enterprises in the university year 2008-2009.

Training firms are created by students from high schools and colleges and in simulated enterprise activities are carried by students in universities.

At the end of October 2015, were registered at ROCT 5,533 training firms and 258 simulated enterprises, of which 150 are active, and 108 are inactive [10].

Next figure represented the evolution of the number of simulated enterprises at the end of the university years during the period 2008-2015.

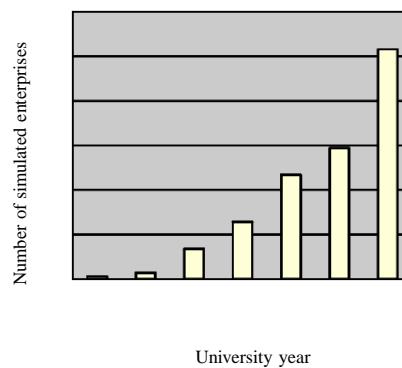


Fig. 1. The evolution of the number of Romanian simulated enterprises at the end of the university years

The majority of these simulated enterprises were created in projects funded by European Social Fund through Sectoral Operational Programme Human Resources Development 2007-2013, Priority Axis 2 - "Linking lifelong learning and labor market", the major

areas of intervention - "The transition from school to work". The overall objective of this priority axis was to facilitate access to education, employability and increase the level of education and training of human resources through an approach of "lifelong life "in the context of knowledge-based society.

Initially, the activity of the simulated enterprises were in the area of economic and financial services and trade.

Currently, the 150 active simulated enterprises cover various fields of activities:

- 1) 62 - consulting services in the fields of management, marketing, economics and business administration, accounting and auditing, public relations and communication
- 2) 25 - manufacture and maintenance of computers, electric and electronic appliances, software production, construction materials, textiles and stationery, agricultural activities, production of food and beverages
- 3) 24 - trade of electrical and electronic machinery and equipment, textiles, auto parts and accessories, building materials, wood products and ceramics, chemicals, cosmetics, food
- 4) 14 - medical support services, including dentistry
- 5) 10- IT services and consulting, media
- 6) 9 - tourism services, hotels, and restaurants
- 7) 2 - road and cargo transport
- 8) 2 - R & D in engineering, scientific and technological activities
- 9) 2 - translation and publishing activities.

Analyzing the data above, we can say that currently, students from all fields of study founded simulated enterprise and conduct activities within them. The largest weight remained consultancy in the economic and financial field, but there are companies that offer services in many other areas. There are also many companies who carry out production or trade in many economic fields and occur companies who carry out research and development, scientific and technological activities.

V. ESTABLISHMENT AND OPERATION OF THE SIMULATED ENTERPRISES

- 1) Preliminary stage for the foundation of the simulated enterprise
 - a) A collection of information by students from the qualified institutions on a firm foundation: Trade Registry; Banks; Notary; Territorial labor inspectorate; Health Insurance House; Pension Fund; and so on.
 - b) The debate in the group of students based on the information collected. These debates have the following objectives:
 - i. the choice of company name
 - ii. choosing simulated company logo
 - iii. the choice of legal form
 - iv. the choice of business
 - v. establishing capital -nomination associates
 - vi. -preparing documents as required ROCT constitution.

- 2) Stage of foundation of the simulated enterprise
 - a) Reservation request of the enterprise name
 - b) Preparing documents for setting up
 - i. application for registration and authorization of
 - ii. constitutive act of the simulated enterprise
 - iii. own statements
 - iv. declaration on the functioning authorization
 - v. proof headquarters - rental agreement
 - vi. request for issuing fiscal record
 - vii. request account opening
 - viii. sheet signatories
 - ix. payment sheet at the social capital
 - x. the power of attorney for filing capital registration form in the database ROCT
 - c) Sending the scanned and archived documents at ROCT
 - d) Creating an account for the new simulated enterprise on the site www.roct.ro.
- 3) Responsibilities of simulated enterprises authorized
 - a. regular consultations www.roct.ro site
 - b. ROCT Central Notification of any legal changes occurred in the simulated company
 - c. transmission to ROCT monthly payment instruments archived on banca.virtuala@roct.ro address
 - d. achieve at least a national economic transactions per month
 - e. contacting, at least, three simulated companies abroad during an academic year and the achievement of international economic transactions with them
 - f. compliance procedures for enrollment in national and international fairs as specified ROCT.

VI. CONCLUSION

The students and young people who benefit from entrepreneurial education, in special who work in a training firms or simulate enterprise, develop a new attitude, a lot of business knowledge and entrepreneurial competencies like creativity, initiative, perseverance, adaptability, flexibility, responsibility, teamwork. That means an entrepreneurial mindset that helps them to transform the ideas into action and to become a good entrepreneur or intrapreneur. It will contribute to the increasing levels of active citizenship and employability, more jobs, and, finally, to a sustainable economic and social growth. In this context, we can say that Simulate Enterprise is a real model of entrepreneurial education.

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I believe that my involvement in the project implementation team will be beneficial both for my professional development, and students. Asking me to develop an entrepreneurial initiative [11], I have read, and I have learned more about the entrepreneurial education and the possibilities to put it into practice. After I have realized the benefits of activity in the simulated enterprises, I have created a company with some of my students, and they were thrilled and looked forward to performing activities within it.

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