

# How Can Entrepreneurs Build Social Capital? An Experimental Study of Online Mentoring

## Research Team

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# Our partners



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# Outline

- Study Objectives
- Theory
- Research Design
- Update on ongoing trial
- Questions



# Study Objectives

Questions on entrepreneurial mentoring, why they matter, and how we will address them



# Questions on Entrepreneurial Mentoring

- What are the effects of online mentoring on entrepreneurial and venture-level outcomes?
  - Revenues, employment, external finance raised
  - Entrepreneurial self-efficacy (McGee et al., 2009)
  - Venture start milestones
  - Sentiment analysis
- This is an important question we want to answer... in 2020
- But for now, we are interested in an antecedent question...



# Study Objectives

- How can entrepreneurs find (online) mentors?
- Important implications for:
  - Scaling entrepreneurial mentoring
  - Providing more equitable access to mentoring
  - Cost-effectiveness
  - Practical implications for MicroMentor to inform program design



# Two approaches

- Retrospective (2015-2017 data)
  - Can Institutional Supports Improve the Quality of the Volun-‘told’? An Analysis of Online Volunteer Mentors (*under review*)
  - Narratives and Information Asymmetry: How descriptions of support needs affect entrepreneurial mentoring conversations (*in progress*)
- Prospective
  - **How can entrepreneurs build social capital? An Experimental Study of Online Mentoring (*in progress*)**
  - The Impact of Online Mentoring (*in progress*)



# Theory

How can entrepreneurs build social capital?



# Social Capital

- “Aggregate of the actual or potential resources... linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” – Bourdieu (1986)
- May be exchanged for access to economic capital (investment, access to protected markets) (Portes, 1998; Prashantham & Dhanaraj, 2010; Shane & Cable, 2002)



# Social Capital (contd.)

- Two forms of social capital (Portes & Landolt, 2000)
  - Instrumental (direct reciprocity)
  - Altruistic (paying it forward)
- Instrumental social capital widely studied in entrepreneurship
  - Derived from ethnicity (Kalnins & Chung, 2006), geography (Laursen et al., 2011), prior work (Prashantham & Dhanaraj, 2010)
  - Vissa (2011) finds Indian entrepreneurs form ties based on caste, language, task complementarity
- Altruistic social capital receives less attention...



# Mentoring as a form of *altruistic social capital*

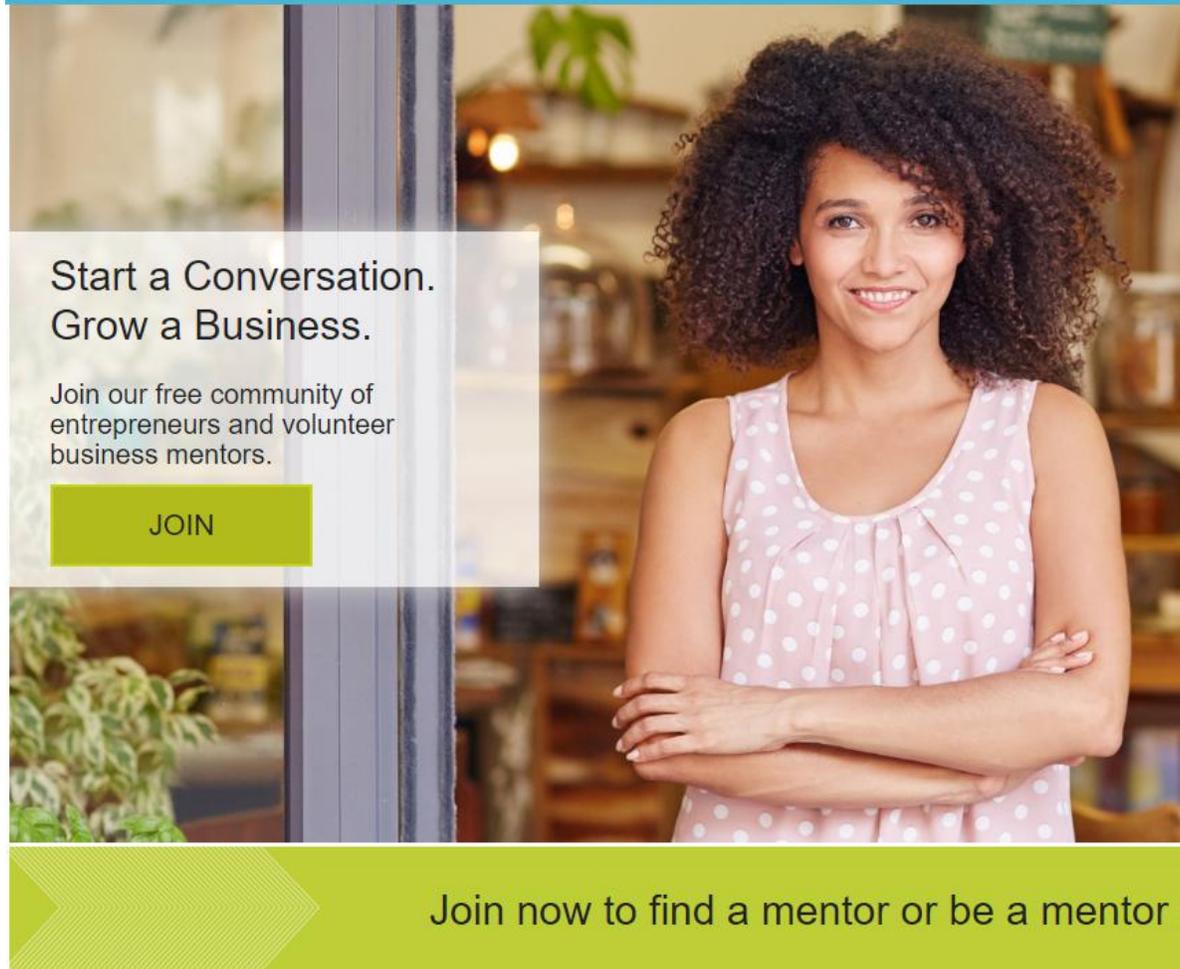
- Benefits to mentoring (in general) well documented in law (Kay & Wallace, 2009), academia (Poteat et al., 2009), engineering (Dennehy & Dasgupta, 2017)
- Entrepreneurial mentoring receiving more attention
  - Students more likely to pursue entrepreneurial careers (Eesley & Wang, 2017)
  - More confidence in abilities to complete entrepreneurial tasks (St-Jean & Mathieu, 2015)
  - Short-term increases in profits for microenterprise founders (Brooks et al., 2018)
- But can entrepreneurs acquire altruistic social capital (in the form of mentors)?



# Study Design

Research setting, interventions





Start a Conversation.  
Grow a Business.

Join our free community of entrepreneurs and volunteer business mentors.

[JOIN](#)

Join now to find a mentor or be a mentor

## MicroMentor

- “Free, easy-to-use social network that allows entrepreneurs and volunteer business mentors to connect”
  - Open to all entrepreneurs
  - Available in English, Spanish, French
- Scale
  - 11,000+ entrepreneurs
  - 2,400+ mentors
  - ~700 signups per month (35% US)
  - Other countries – Mexico, Nigeria, India, UK, Guatemala, Colombia
  - ~46% female
  - For US-based ~60% ethnic minorities

**Tim Shirley**  
 Memphis, TN, United States  
 Restaurant and Catering  
 Recent Activity

Start a Conversation   Refer Tim to a Colleague

WHAT I NEED HELP WITH

I'm looking for advice to help me prepare a business plan. My degree is in hospitality management and culinary arts. I've read and studied about business plans a little, but I've never actually completed one. I'm about to begin research for the marketing analysis for a food truck business. Any assistance or advice regarding the formulation of a business plan or restaurant business in general would be enthusiastically accepted. Thanks! Tim Shirley

**Expertise Requested**

- Accounting and Finance » Accounting
- Accounting and Finance » Bookkeeping
- Accounting and Finance » Budgeting
- Accounting and Finance » Cash Flow
- Accounting and Finance » Financial Planning
- Accounting and Finance » Loans and Financing
- Accounting and Finance » Taxes

**Experience**  
 Business is Pre-Launch  
 Languages Spoken: English

ABOUT MY BUSINESS

Mexico In Memphis  
<http://memphisbbqguide.com>

I've worked for the Sheriff's Office for nearly twenty years, now in administration and blog (memphisbbqguide.com) in spare time. I have an associate degree in Hospitality Management and Culinary Arts. As a que-lovin' Memphian, I've traveled to over 300 BBQ joints, shacks and roadside pits all across the American South learning and studying the craft of barbecue. I've also been judging

Entrepreneur profile

Expertises   Education   Years in business

Advanced options

Special keywords   Language Spoken   Countries

Near Me   Filter Results

**Eric Vargas**  
 San Pedro Sula, Cortés, Honduras  
 Education  
 Recent Activity

How I Can Help  
 Growth and Development

Connect

**gazala Fatima**  
 United States  
 Education  
 Recent Activity

How I Can Help  
 Website Design

Connect

**ARTURO DANIEL SOLARES GUEVARA**  
 Chihuahua, Chihuahua, Mexico  
 Education  
 Recent Activity

How I Can Help  
 Project Management  
 Advertising and Promotion  
 Marketing Strategy

Connect

**Edward Cruz**  
 Managua, Nicaragua  
 Education  
 Recent Activity

**Ashwin Kumar**  
 Chennai, India  
 Education  
 Recent Activity

**Ana Gouveia**  
 Boston, MA, United States  
 Education  
 Recent Activity

Potential Mentors

Start a conversation

**DaVonna May**  
San Diego, CA, United States  
Fashion  
Recent Activity

[Start a Conversation](#) [Refer DaVonna to a Colleague](#)

**HOW I CAN HELP**

I am here to help develop budding entrepreneurs by offering legal knowledge, marketing and branding expertise, networking and partnership development, social media campaigning and assistance curating showcases.

**My Professional Experience**

I built a successful ecommerce brand using social media and word of mouth. My company is nationally and internationally recognized. I would like to train, mentor and assist budding entrepreneurs by sharing all my experiences.

**Expertise**

- Marketing » Advertising and Promotion
- Marketing » Branding and Identity
- Marketing » Business Development
- Getting started » Getting Started
- Management » Leadership
- Getting started » Legal Structure
- Marketing » Social Media

**Experience**

Ownership Experience : 10 yrs  
Management Experience: 10 yrs  
Languages Spoken: English  
Country Experience: United States

<http://www.bdpdxoxo.com>

**SIMILAR MENTORS**

**Mark Young**  
Saint Louis, MO, United States  
Web and Technology

**Areas of Expertise**  
Technology and Internet, Operations, Marketing  
[Read More](#)

**Steven Breen**  
Atlanta, GA, United States  
Architecture and Engineering

**Areas of Expertise**  
Operations, Marketing  
[Read More](#)

**Joe DeJean**  
Los Angeles, CA, United States  
Financial Services and Insurance

**Areas of Expertise**  
Marketing, Starting Up, Management, Accounting and Finance, Law and Legal  
[Read More](#)

**Aurora Tamatsu**  
AL, United States  
Accounting and Tax Services

**Areas of Expertise**  
Accounting and Finance  
[Read More](#)

Mentor profile



DaVonna May

San Diego, CA, United States

Fashion

Recent Activity

### How I Can Help

I am here to help develop budding entrepreneurs by offering legal knowledge, marketing and branding expertise, networking and partnership development, social media campaigning and assistance curating showcases.

[Read More](#)

#### Expertise

- Management » Leadership
- Marketing » Advertising and Promotion
- Marketing » Branding and Identity
- Marketing » Business Development
- Getting started » Getting Started
- Getting started » Legal Structure
- Marketing » Social Media

Write a nice message

### Make a good first impression

- Share with the mentor why you think their background is a great fit for the business challenges you are trying to solve.
- Describe what you personally hope to gain from this experience.
- Ask the mentor to let you know if they are available to start a new mentoring connection at this time.

Send Message

Block future messages

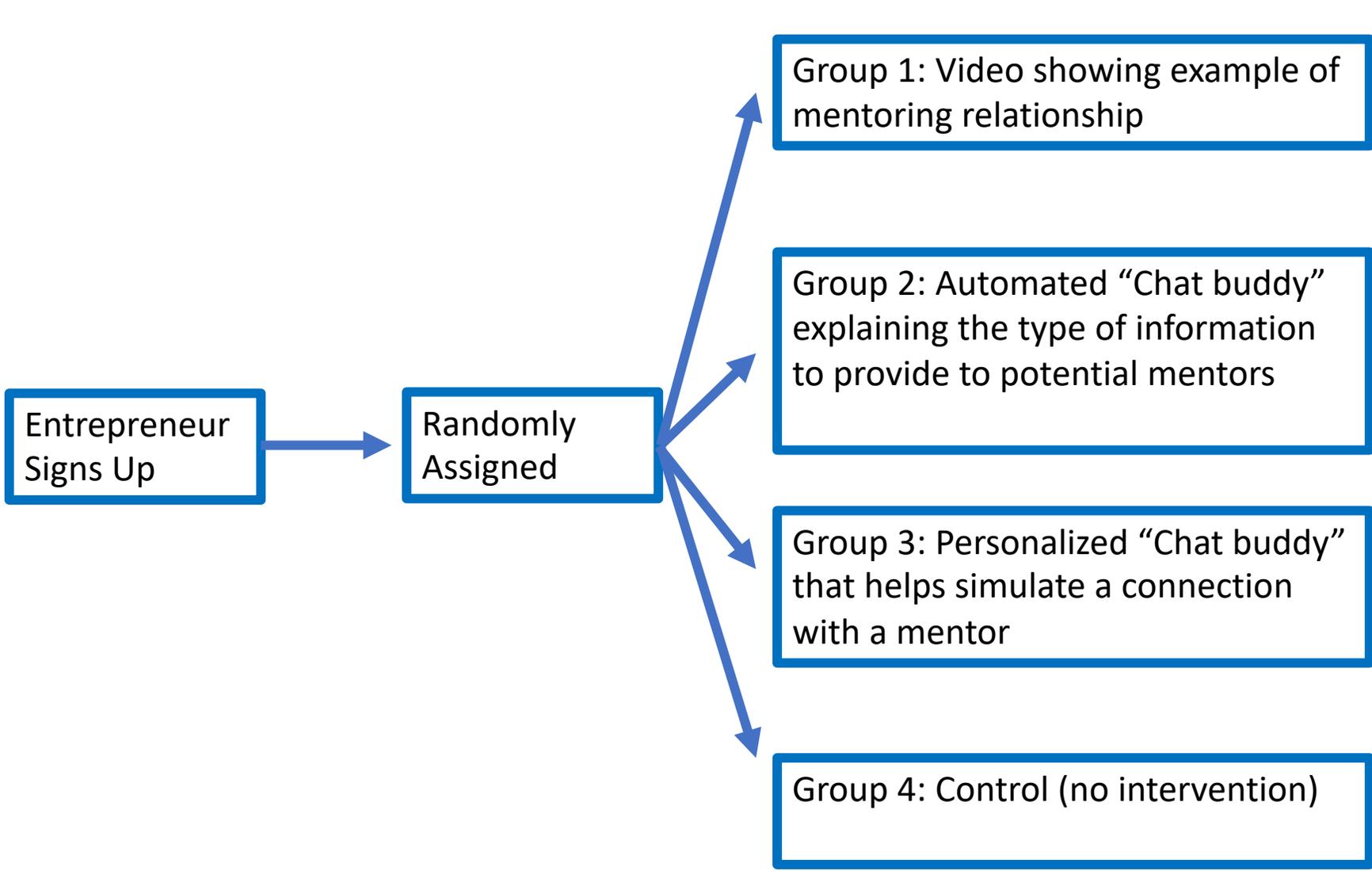


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# What might prevent entrepreneurs from connecting with a mentor?

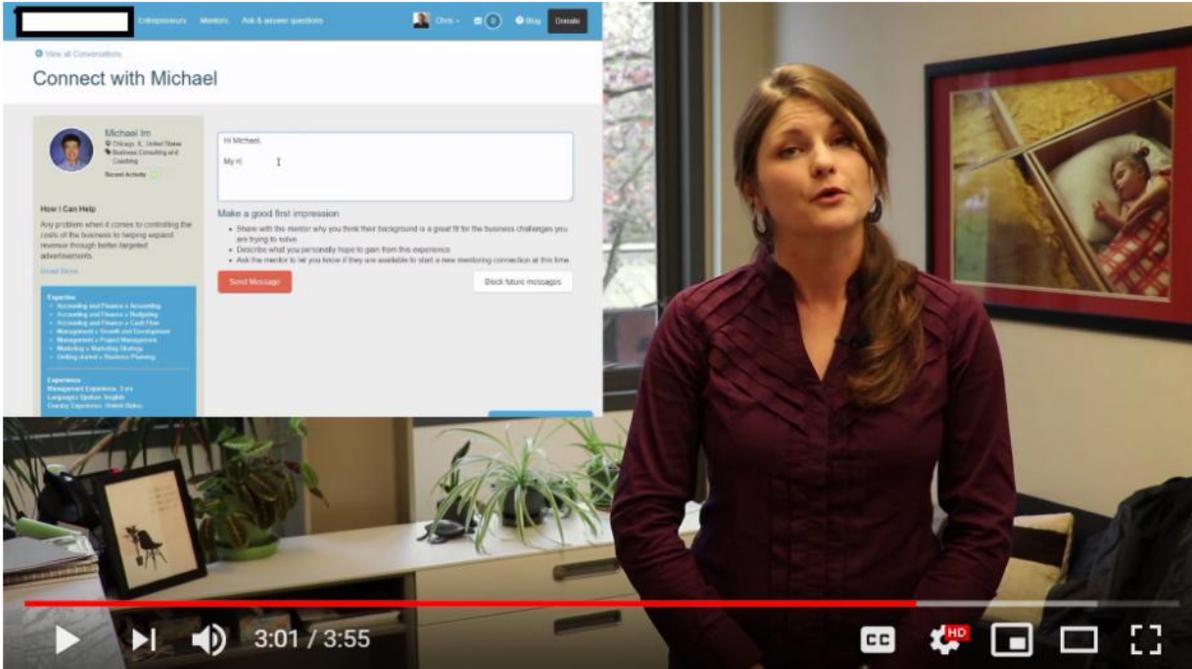
1. Lack of mentoring examples - the value of mentoring is difficult to judge – what does a good mentoring relationship look like?
2. Information asymmetry – what type of information is useful for potential mentors to successfully connect?
3. Lack of confidence – reaching out to a stranger for support may seem daunting





- Dependent Variables:
1. Having a conversation with a potential mentor (1/0)
  2. At least 4 messages back and forth with mentor (1/0)
  3. Exchange of contact information to take conversation off platform (email, phone number, Skype) (1/0)
  4. Sentiment analysis (positive – neutral – negative) of conversation text – polarity of conversation (-1 to 1)

# Group 1: Video showing example of mentoring relationship



Let me tell you the story of Bonnie and Travis. Bonnie is an experienced business owner who ran a successful planning and transportation firm with over 120 employees. As a recent retiree, she volunteers to support motivated entrepreneurs as a mentor on MicroMentor.

Travis, an entrepreneur on MicroMentor, signed up because he needed guidance with the launch of his business idea for a consulting agency. While he was determined to move forward with his idea, the biggest challenge he faced was trying to take his company from a one-person start-up to a full-fledged business with multiple employees and a strategy for future growth.

Bonnie and Travis exchanged these details and more on the MicroMentor platform, then decided to share information and meet for 90 minute structured meetings monthly, followed by homework that kept Travis accountable and helped push his business development forward.

On average, we see that mentors and entrepreneurs on MicroMentor work together for 12 hours over the course of 3 months using a structure and communication method that works best for them.

Travis saw the importance of approaching the relationship seriously, identifying his challenges, and having an open mind. Travis says, "The most important person in a mentoring relationship is actually the mentee—the mentor's focus is to provide support, perspective, and guidance, not do the heavy lifting."

With Bonnie's support, Travis has since grown his workforce to 12 employees, moved into a larger office, developed new service offerings for his clients, and increased his revenue substantially over the past two years.

Lowest cost to implement for program partner

## Group 2: Automated “Chat buddy” explaining the type of information to provide to potential mentors

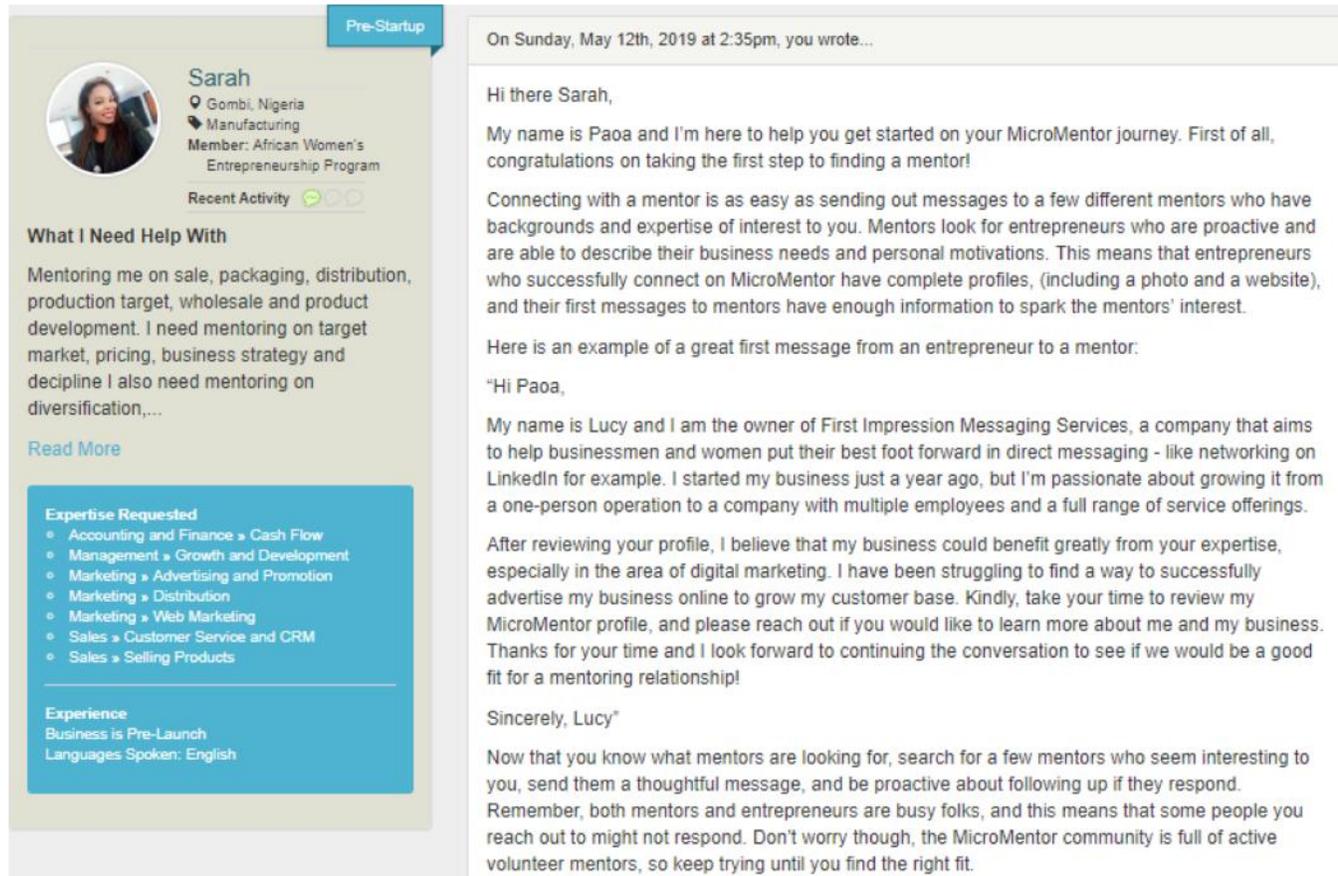
The screenshot displays a user profile for Christina on the left and a chat message on the right. Christina's profile includes a photo, her name, location (London, United Kingdom), and interests (Health and Wellness). Below her profile is a section titled "What I Need Help With" where she describes her lack of experience in sales and business development. A "Read More" link is provided. At the bottom of the profile, there is a blue box labeled "Expertise Requested" with a list of categories: Management > Growth and Development, Getting started > Getting Started, and Getting started > Business Planning.

The chat message is from Paoa, dated Wednesday, May 15th, 2019 at 8:54am. The message reads: "Hi there Christina, My name is Paoa and I'm here to help you get started on your MicroMentor journey. Did you know that entrepreneurs who work with a mentor on MicroMentor are more likely to increase their revenue by 40%, hire 2+ more employees and improve their business survival rates to 81% over non-mentored entrepreneurs? The MicroMentor platform makes connecting with a mentor easy, and gives you the tools and resources you need to be successful. First, check out the 'My Resources' section in your Dashboard. The 'Getting Started on MicroMentor' video is your step-by-step tutorial on how to use the platform. Second, search for mentors and send messages. Be proactive about searching for mentors and sending the first message. You are 3 times more likely to connect with a mentor if, 1. Your profile is complete and includes a photo and a website and, 2. You send an introductory message to 3-4 mentors instead of waiting for a mentor to reach out to you. Third, identify your business challenges and build a mentoring roadmap. The optional 'Entrepreneur Assessment' quiz will help you to define your business strengths and weaknesses. Find it under your entrepreneur 'Profile & Settings' tab. Next, the 'Mentoring Toolkit' in the 'My Resources' section in your Dashboard provides you with practical worksheets that will help define your business goals and

Standard set of instructions for all entrepreneurs, so some programming costs incurred



## Group 3: Personalized “Chat buddy” that helps simulate a connection with a mentor



The screenshot displays a chat interface on a mobile device. On the left, a user profile for Sarah is shown, including her name, location (Gombi, Nigeria), industry (Manufacturing), and membership in the African Women's Entrepreneurship Program. Below her profile, there is a section titled "What I Need Help With" and a list of "Expertise Requested" such as Accounting and Finance, Management, and Marketing. On the right, a chat message from Paoa is visible, dated Sunday, May 12th, 2019 at 2:35pm. The message is a personalized introduction and offers guidance on how to connect with mentors.

**Pre-Startup**

**Sarah**  
Gombi, Nigeria  
Manufacturing  
Member: African Women's Entrepreneurship Program  
Recent Activity

**What I Need Help With**  
Mentoring me on sale, packaging, distribution, production target, wholesale and product development. I need mentoring on target market, pricing, business strategy and declipline I also need mentoring on diversification,...

[Read More](#)

**Expertise Requested**

- Accounting and Finance » Cash Flow
- Management » Growth and Development
- Marketing » Advertising and Promotion
- Marketing » Distribution
- Marketing » Web Marketing
- Sales » Customer Service and CRM
- Sales » Selling Products

**Experience**  
Business is Pre-Launch  
Languages Spoken: English

On Sunday, May 12th, 2019 at 2:35pm, you wrote...

Hi there Sarah,

My name is Paoa and I'm here to help you get started on your MicroMentor journey. First of all, congratulations on taking the first step to finding a mentor!

Connecting with a mentor is as easy as sending out messages to a few different mentors who have backgrounds and expertise of interest to you. Mentors look for entrepreneurs who are proactive and are able to describe their business needs and personal motivations. This means that entrepreneurs who successfully connect on MicroMentor have complete profiles, (including a photo and a website), and their first messages to mentors have enough information to spark the mentors' interest.

Here is an example of a great first message from an entrepreneur to a mentor:

"Hi Paoa,

My name is Lucy and I am the owner of First Impression Messaging Services, a company that aims to help businessmen and women put their best foot forward in direct messaging - like networking on LinkedIn for example. I started my business just a year ago, but I'm passionate about growing it from a one-person operation to a company with multiple employees and a full range of service offerings.

After reviewing your profile, I believe that my business could benefit greatly from your expertise, especially in the area of digital marketing. I have been struggling to find a way to successfully advertise my business online to grow my customer base. Kindly, take your time to review my MicroMentor profile, and please reach out if you would like to learn more about me and my business. Thanks for your time and I look forward to continuing the conversation to see if we would be a good fit for a mentoring relationship!

Sincerely, Lucy"

Now that you know what mentors are looking for, search for a few mentors who seem interesting to you, send them a thoughtful message, and be proactive about following up if they respond. Remember, both mentors and entrepreneurs are busy folks, and this means that some people you reach out to might not respond. Don't worry though, the MicroMentor community is full of active volunteer mentors, so keep trying until you find the right fit.

More personalized guidance and encouragement, higher development costs to implement



# Updates on Ongoing Trial

Where we are now, hiccups along the way,  
next steps



# Trial Updates

1. Pilot-tested in late 2018 – led to changes in interventions. Dropped test of entrepreneur self-assessment quiz due to low take-up rates
2. Trial launched in December 2018 (English)
3. Spanish version launched in March 2019. Fixed errors in assignment in April 2019
4. Expect to complete trial in August/September 2019
5. Study 1 (2019) – what interventions lead to more successful connections?
6. Study 2 (2020) – what is the impact of mentoring on entrepreneurial and venture-level outcomes



# Current sample

- 40% female entrepreneurs
- 30% Spanish Language (started later)
- 34 years (median: 33)



# Summary Statistics (March 2019)

	Mean	SD	Median	Min.	Max	1	2	3	4	5
<b>1. Having Conversation (Yes = 1)</b>	0.82	0.38	1.00	0.00	1.00	1.00				
<b>2. Having Connection (Yes = 1)</b>	0.22	0.41	0.00	0.00	1.00	0.24	1.00			
<b>3. Gender (Female = 1)</b>	0.40	0.49	0.00	0.00	1.00	0.05	0.03	1.00		
<b>4. Age</b>	34.32	10.16	33.00	18.00	75.00	-0.00	0.01	0.08	1.00	
<b>5. Native Language (Spanish)</b>	0.30	0.46	0.00	0.00	1.00	-0.08	-0.11	-0.04	0.29	1.00

N = 1,311

# One-way ANOVA (March 2019)

RCT Group	N	Gender	Age	Having Conversation	Having Connection	Native Language (Spanish)
Control	330	0.37	33.82	0.64	0.19	0.32
Video	336	0.42	34.06	0.67	0.23	0.25
Automated Message	312	0.42	35.03	1.00	0.25	0.28
Personalized Message	333	0.39	34.40	1.00	0.20	0.33

N = 1,311



1. Preliminary results (based on data collected until March 2019) suggest the personalized chat buddy is effective at enabling entrepreneurs to start making conversation with mentors
2. Still short time-frame, we continue to collect data

	Dependent variable:	
	Having Conversation (Yes = 1)	Having Connection (Yes = 1)
	(1)	(2)
<b>RCT: Video</b>	0.101 (0.166)	0.183 (0.194)
<b>RCT: Automated Message</b>	18.993 (603.025)	0.330* (0.194)
<b>RCT: Personalized Message</b>	5.289*** (1.009)	0.110 (0.197)
<b>Gender (Female = 1)</b>	0.278 (0.171)	0.107 (0.138)
<b>Age</b>	0.001 (0.009)	0.010 (0.007)
<b>Native Language (Spanish)</b>	-0.649*** (0.184)	-0.714*** (0.171)
<b>Constant</b>	0.661** (0.309)	-1.634*** (0.268)
<b>Observations</b>	1,311	1,311
<b>Log Likelihood</b>	-427.217	-673.029
<b>Akaike Inf. Crit.</b>	868.435	1,360.057
<b>Note:</b>	*p**p***p<0.01	

# Questions

[slall@uoregon.edu](mailto:slall@uoregon.edu)



# Signing up

## How It Works

1

### Create your profile

Sign up and complete your profile. Describe yourself, what you do, and what you hope to accomplish here.

2

### Reach Out

Send messages to others in the community to express your interest in starting a new mentoring conversation.

3

### Start Mentoring

Talk on the phone to get to know one another. Move forward by setting goals and solving problems together.

