

Franz Gramlinger:

The Practice Firm "LUI" as a Learning Environment*

A very special kind of enterprise: real people working in a real office with fictitious products and services and fictitious flows of money - but this fictitious model (or is it rather real?) is not new at all (practice firms, practice enterprises or training firms - you can call them what you like - have a long history in German speaking countries, dating back to the first "Handlungs-Akademie" in Hamburg founded in 1771 with its own training-office).

But why should a university run such a practice firm (PF) with its students?

The reason is a very simple one: We received new curricula for our Austrian commercial colleges in 1994 and there the 16 to 17 year old students have to learn and work in their own PFs for several hours every week. The teachers who teach the economic subjects (and who are also in the PFs) are trained in our department (Department of Vocational and Business Education, Faculty of Social Sciences and Economics). We therefore had to think about how to prepare them for teaching in a PF.

The aims that should be reached by the new curricula in our commercial colleges tend to be more practice-orientated, they combine the theory learned in this new place of learning and foster all the key qualifications everyone is talking about nowadays. The teachers who were pioneers of this new method attended a two-week training course organized by the ministry and then they had to pass their new knowledge over to the others (as multipliers) - and we at the universities were the last to be told about this new situation. So we had to react very quickly!

In Linz we made our first plans in the autumn of 1994, in March 1995 we started to run our own practice firm "LUI", (the Linzer Uni Informa Übungsfirma Ges.mbH) with the first group of students and now we have just finished the fifth term. Within these two and a half years we have made a lot of progress, had many experiences - and we have learned quite a lot! Yes, we have to confess: we are a perfect example for a learning organisation - and even for a learning enterprise!

Our concept is built on some basic ideas:

1) We want to act like all the other PFs in the market and we want to be a place of learning for the special needs of our students. So it was necessary to find a subject for our PF that was interesting and that would make sense for students at the university. The Austrian PF-market at the moment has almost 400 participants - half the size of the German market and is an important factor among the 2000 European fictitious enterprises. When we started there were about 200 PFs in our country and 80 % of them did business in trading; so what we did not want was to be "just another PF". Having staff with a lot of knowledge and skills

(our students have an average age of about 21, they are in the second part of their studies), good material and technological resources and as one of the centers of information about our market we decided to offer services in information: we try to get a lot of news about the Austrian and the international market and put this information in our own newspaper, we have our homepage in the WWW and our own listserv-list for e-mail-communication. And this is not only a very good subject for doing business in this market, it also offers great possibilities for the second part of this idea: to run a PF as a place of learning for our students. As the learning objectives of our students are very different from those of the students in the commercial colleges: our students should learn about learning in PFs, they do not need to learn how to work in our accounting or our marketing department. With the theoretic background of the German action-orientation, the best place for this kind of learning is - in our opinion - our practice firm. This leads to the second point:

2) Every practice firm is different - we cannot give recipes! In the subject area of our "LUI" we try to give our students a lot of possibilities to get an idea of and to have their own experiences with this very special place and method of learning. We have also done some research into this topic and we try to have a lot of contacts with teachers and with PFs that are businesses; and we are now convinced that our 380 practice companies are 380 different "organizations" - comparable with companies in real life. Moreover we believe that there is not one "right way" to run such an organization. This was a difficult situation for our teachers, too: there is no text book that tells them how to act and behave, how to organize, how to lead or what to stress. They had to find this out by themselves! Indeed they still have to; they have to speak about their decisions, their experiences and results - and about their problems. And while this development in our schools has happened over the last three years (the PF brought many changes and challenges to the commercial colleges!) we have had the same experiences, had the same problems and we had the same motivation and good times as the other members of this new market. (We did a kind of action research without knowing it at the beginning!)

So what we tell our students is: We cannot tell you the right way to run a PF, but we can show you what we are doing and what others are doing - and we have to think and talk about it. But YOU have to find your own way!

3) Our staff is our source of knowledge. So every 6 months new students come in and bring their knowledge, their experiences, their abilities and their motivation - and then we tell them: now YOU are the Linzer Uni Informa! We, as the management, will try to help you, we will work together and discuss a lot of things. But it's you, 20 students working in five departments, who will do the work (it's a lot of work), who will make the decisions and who will be responsible for our success. And furthermore:

4) **The students are responsible for their own learning.** Our students have to apply for a job in the LUI "as usual". We give them a description of our enterprise, of the design of this course and some articles they have to read to get some basic information about the theory. With these papers they should be able to start and to apply. If they are chosen for a department by the management team (consisting of five older students and me) they have a very short time to settle in. Within this time they also have to think about their learning objectives in this course. There are so many different possibilities of what to learn and what to emphasize - they have to decide this for themselves, write it down and also evaluate it at the end. Being responsible - not only for their work but also for the contents and the success of their learning - is difficult for them as they are not used to this. But it brings a lot of positive motivation for our work together.

5) **We have to improve our concept every semester.** Now you will also understand who has to do this job at the end of each semester. We do it together. The students who are members of one of our departments (accounting, personnel, marketing, organization and secretarial and especially the editors) are the specialists for improving the organization in their department and in the whole enterprise. Together, we think about the pedagogic design of the course and of the "LUI" and we change it slightly every time. We do have a lot of written decisions and rules (e.g. grading students on their work - as we have to give them marks, we developed our own portfolio as a basis), but the rules are certainly not static.

We enjoy this work and we like being one of hundreds or even thousands of PFs - and we know that we are a little bit different (but as we said above: we all are different). One important difference is that we have a real product (our newspaper) that we send twice a semester to all Austrian practice firms and to about 80 foreign PFs. We don't sell the newspaper but we do sell the advertising space. So we reach 100 % of the Austrian market and we have a fine medium for communication and for the distribution of information.

If you are interested in getting more information about the PFs, take a look at our homepage:

<http://uefa1.jk.uni-linz.ac.at/iluistra/iluistra.htm>

or contact me:

Franz Gramlinger

Johannes Kepler Universität Linz, Abteilung für Berufs- und Wirtschaftspädagogik

A-4040 Linz, Altenbergerstraße 69

Tel.: +43/732/2468-807 Fax: +43/732/2468-826 E-mail: franz.gramlinger@jk.uni-linz.ac.at

* This article is published in:

LLinE – Lifelong Learning in Europe. Vol. II, issue3/1997, pp. 145-146.