



Bridging the ENTERPRISE GAP



strategies
to support
socially excluded
women into
self-employment



PROWESS is the UK-wide advocacy association which supports the growth of women's business ownership through the development of an effective women-friendly business support infrastructure and enterprise culture.

We also:

- Lobby to create a policy environment and opportunities which support the development of women's enterprise
- Provide capacity building support and training
- Create opportunities to share best practice and learn about new approaches
- Promote and raise awareness of women's enterprise and the organisations that support this key area of economic growth
- Put women in touch with women-friendly business support in their area through our website www.prowess.org.uk

This report was funded by the **Phoenix Development Fund** and the **European Social Fund under the Equal Community Initiative Programme**.

PROWESS is supported by:
The DTI Small Business Service,
NatWest and **The Royal Bank of Scotland**

Acknowledgements

Many thanks to all the delegates, presenters and note takers at the 'Sharing and Learning Conference' who shared their time and knowledge so generously. They include: Maggie Ace, Sally Arkley, Jackie Brierton, Naomi Casserly, Tricia Dinan, Jan Hicks, Danny Jones, Pat Kendall, Saskia Kent, Kiki Maurey, Lisa McMullan, Debbie Willett, Sarah McPherson, Maggie O'Carroll, Jane Pallister, Sarah Roach, Andrew Robinson, Winsome Ruddock and Louise Willington.

Thanks to Caroline Forbes, Sam Collin and Sarah Holmes for further editorial development.

Bridging the Enterprise Gap: strategies to support socially excluded women into self-employment

First published in Great Britain in 2004

© PROWESS Ltd
Lion House
20-28 Muspole Street
Norwich NR3 1DJ
Telephone +44 (0)1603 762355

ISBN 0-9545822-2-5

British Library Cataloguing In Publication Data
A CIP catalogue record for this book can be obtained from the British Library

All rights reserved; no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without prior written permission of the publishers.

This book may not be lent, resold, hired out or otherwise disposed of by way of trade in any form of binding or cover other than that in which it is published, without the prior consent of the publisher.

Editor: Erika Watson

ISBN supplied via: Act3 Publishing
Telephone: +44 (0)207 739 7720

Bridging the Enterprise Gap: strategies to support socially excluded women into self-employment

PROMOTING WOMEN'S ENTERPRISE SUPPORT



Contents

Introduction and summary	5
---------------------------------	----------

Part 1	
Supporting Women into Self-employment	
Enterprise Culture	8
Outreach	12
Access to Finance	16

Part 2	
Specialist client groups	
Welfare Benefits Recipients	20
Black and Minority Ethnic Women	23
Lone Parents	25

Introduction and summary

“There are still too few women starting out and growing a business. We need to eliminate the barriers that remain, be it access to finance or to childcare or because of some other form of discrimination. If women started new businesses at the same rate as men, we would have more than 100,000 extra new businesses each year.”

At the launch of the DTI Strategic Framework for Women's Enterprise in 2003, Patricia Hewitt, Secretary of State for Trade and Industry set out the challenges and the important economic opportunity that the development of women's enterprise presents. The Framework's principles have become embedded in Government policy for small business and an ambitious programme to find innovative ways of reaching disadvantaged and under-represented groups has been undertaken by the Small Business Service (SBS), through its Phoenix Development Fund.

Those developments reflect how seriously the Government takes the need to increase the numbers of women starting and growing businesses in the UK. Women are less than half as likely to set up a business as men. The authoritative Global Entrepreneurship Monitor (GEM) UK reports show that the gap between male and female entrepreneurship in the UK is both persistent and one of the widest in the world. Women in the UK are the enterprise gap.

In 2005, responsibility for the coordination and development of business support in England will pass from the SBS to the nine Regional Development Agencies (RDAs). With the concurrent consolidation of other regeneration funding schemes into RDA single pots, the RDAs will quickly gain a huge responsibility to deliver the Strategic Framework for Women's Enterprise. However, PROWESS research

with RDAs and key players in the regions finds that the overwhelming majority consider that most RDAs have neither the knowledge and the understanding, nor the determination to commit the resources to women's enterprise development that are needed.

RDAs are undoubtedly serious about business and enterprise, but women's enterprise remains largely on the periphery – and socially excluded women remain on the margins of that periphery. While the SBS will continue to have an influencing role in women's enterprise policy, through its Women's Enterprise Unit, there is concern that the lessons of the Phoenix Development Fund (PDF) may become lost to both regional policy and practice.

This report aims to pass on the knowledge and experience of the PDF to Regional policy makers and practitioners. Much of the content is drawn from the conference 'Realising the Potential of All Women Entrepreneurs: Sharing and Learning', held in 2003. This event, organised by PROWESS, aimed to capture the know-how built up by projects funded by the first round of the PDF. It includes additional contributions from Accelerating Women's Enterprise (AWE), a partnership of 10 leading women's enterprise organisations working across the English regions.

Both PDF and AWE focused particularly on socially excluded women, recognising that some women need specialist support because they are lone parents, from black or minority ethnic communities, are disabled or claiming benefits to give a few examples. For those women, the policy environment is still far from perfect and **Bridging the Enterprise Gap** also highlights the frustrations which socially excluded women often face from simple policy barriers and 'red tape' and makes recommendations for creating a more level playing field.

Bridging the Enterprise Gap looks in-depth at a number of important issues for this client group. Examples of 'good practice in action' and case studies of women who have been supported to

succeed against the odds are scattered through the report, which is divided into two parts. Part one focuses on some of the key issues which need to be addressed in supporting socially and economically excluded women into self-employment. Part two provides a useful insight into working with diverse client groups.

Project planning and delivery recommendations

Bridging the Enterprise Gap is above all a practical report which contains many ideas for making business support more accessible for socially excluded women. The main recommendations for funders and providers of business support are summarised below:

- **Outreach needs to be a core part of business support programmes.**
Women's more tentative approach to starting a business means that it can take longer for them to recognise that their idea for developing independent income is actually a business, or even that they have the potential in the first place. For these women, mainstream business support organisations are themselves 'hard to reach'.

- **Business support staff should really understand the communities they work in.**
Staff should have some experience of self-employment and reflect the gender and ethnic mix of the communities they work in. Agencies may need to adopt positive action strategies to achieve those goals.

- **Building women's self-confidence should be central to every element of a business support programme.**
Confidence building, enabling women to recognise and value their existing skills and empowering them to make their own informed decisions are important foundations that should cut across all projects. The opportunity to network and develop support groups with other women in the same position is also important.

- **Systems to measure social as well as economic outcomes should be adopted.**
Broader outcomes such as employment, returning to education and training, improved community participation and increased confidence need to be systematically recorded

and valued to provide a true picture of the impact of initiatives.

- **Projects need to develop a range of partnerships to meet the needs of clients facing multiple problems.**
Good projects work in partnership with specialist agencies to meet the multiple issues that clients often present. In many cases, agencies can come to project premises to provide a seamless service and supply training for staff.

- **Loan funds need to work in partnership with other providers of business finance,** especially banks, to provide the best package or deal for their clients and to ensure that clients are building up a credit rating for their future business development.

- **Avoid a 'one size fits all' approach.**
A successful programme will not necessarily work if replicated in a different area – projects need to tailor their approach to the people they are working with and for the context in which they operate.

- **Projects need to avoid jargon.**
Language needs to be clear and straightforward, with everyday words used rather than jargon. For example, 'working for yourself' instead of 'entrepreneur' or 'meeting others' instead of 'networking'.

Policy recommendations

Despite enormous reserves of commitment and enthusiasm, business support providers remain frustrated that many of their clients are hindered from achieving their business ambitions because of policy barriers and 'red tape'. As a delivery focused report, **Bridging the Enterprise Gap** has inevitably focused on relatively short-term and achievable policy goals, which are summarised below. Those recommendations are aimed at policy makers in the RDAs, the Department of Trade and Industry (DTI), the Department of Work and Pensions and the Banks.

- **RDAs should develop a strategic approach to women's enterprise development.**
Women are the enterprise gap. The UK has one of the lowest proportions of entrepreneurial women in the developed world, with women only two-fifths as likely as

men to be involved in developing a business venture. RDAs need to recognise that developing the entrepreneurial potential of women is a huge opportunity for regional economies. The development of women's enterprise should be a priority area in Regional Economic Strategies, supported by adequate resources and infrastructure.

- **RDAs should support 'Active Brokerage' models of delivery to ensure clients get the most appropriate package of support.**

The business support environment can too often be competitive rather than collaborative, with clients missing out. Brokerage works both ways and grassroots initiatives should bridge clients back into mainstream support.

- **A national network of targeted Women's Business Centres (WBCs).**
The provision of women's enterprise support is currently extremely patchy and funded in a largely short-term and unsustainable manner. Business Links are the only relatively securely funded business support service in England and their clients are currently on average 80% male. There is a need for a securely funded network of WBCs to work alongside the Business Link network. Visible centres for women starting and growing businesses are an important symbol and resource for clients and the business support community. They will require policy commitment and resources.

- **Increase the earnings disregard in line with inflation.**
The low level of earnings disregard (the amount of money that can be earned before welfare benefits are reduced) creates disincentives for anyone wishing to start their business in the cautious and tentative route which large numbers of women choose to follow. The earnings disregard has not increased for more than 25 years for individuals and only marginally for lone parents.

- **A strategic approach to self-employment information is required by Jobcentre Plus.**

Jobcentre staff need effective and regular training to understand and promote the opportunities self-employment can present for many unemployed women. Every Jobcentre should have a noticeboard about self-employment as an option and agencies should

have the opportunity to provide regular information desks within the Jobcentre. Jobcentres are currently restricted by a focus on 'employment' targets, which undermines efforts to help unemployed people start businesses.

- **Banks need to widen the scope of what is measured in credit scoring.**

Credit rating systems currently ignore career breaks, women's lower overall levels of asset ownership and women's higher overall likelihood of repaying debts. Social housing rent payments, credit union payments and any payments made to a Community Development Finance Initiative (CDFI) could be fed into the banking system to help increase a person's credit score.

- **Increased assistance with childcare costs and availability.**

This needs to be provided during the start-up phase to full and part-time businesses. In-work child tax credits currently meet only 70% of childcare costs and it is recommended that this is increased significantly during the first year in business. Consideration needs to be given to extending financial support to unregistered childcare provision to ensure access in areas where the level of registered provision is very low.

Part 1: Supporting Women's Enterprise

Enterprise Culture

The UK has one of the lowest proportions of entrepreneurial women in the developed world, with women only two-fifths as likely as men to be involved in developing a business venture.

The DTI Strategic Framework for Women's Enterprise recognises that, if we are to make serious inroads into this reservoir of untapped potential, we will need to address the issue of enterprise culture – to get to the root of what it means to be enterprising - as well as more traditional approaches to the supply and demand for business support and finance. The Government has backed Enterprise Insight, a campaign coalition which aims to encourage young people to be enterprising in the broadest sense, to make their ideas real. This is through business start-ups, social enterprise and enterprising behaviour as employees. Enterprising attitudes in schools and universities are also being tackled by Young Enterprise and the newly launched National Council for Graduate Entrepreneurship.

Whilst those moves to inculcate entrepreneurial attitudes in young people are commendable and should contribute to a growing culture of enterprise, women remain the largest under-represented group among business owners in the UK.

Nevertheless, women are found to make up almost half of the social and community entrepreneurs in the UK, which suggests that women are just as entrepreneurial as men when they are able to explicitly combine an entrepreneurial approach with their values.

A question of language.

Women do not like the traditional language of business. The words "enterprise", "business" and "entrepreneur" are seen as unattainable and not something women are interested in aspiring to. Women who are asked why they want to start a business very rarely talk about making a lot of money. More often they are motivated by providing an excellent service, quality and adding value to their community or society: essential foundations for any successful business.

Women are also more likely to see starting a business as a route to work which complements their values or enables them to balance their lives, rather than an end in itself.

To overcome this barrier support organisations can:

- Use language that will appeal to women's values: terms like 'work for yourself' or 'new business new life', instead of 'become an entrepreneur'.
- Help women recognise the broader value of entrepreneurial skills such as taking initiative and responsibility, innovation, flexibility and speed of response. As the certainties of a structured career has faded, these skills have become essential in any workplace.
- Make sure that business training and counselling takes a holistic approach to business development rather than just focusing on maximising profit. At the same time the importance of profit should not be lost.

GOOD PRACTICE IN ACTION

Quaker Social Action's Street Cred Programme uses a simple but effective leaflet to reach its clients in East London. The leaflet is printed in the three most representative languages and uses a cartoon character to illustrate the process: she starts by identifying a possible business idea, but does not receive help from the bank, she then hears about the Street Cred programme from a friend, joins the programme, gets a loan and starts a business. The language and images are simple, clear and effective and avoid the use of jargon or intimidating terms, for example, 'Nora realises her sewing could make her money' rather than 'Nora has an idea for a business start-up'.

Confronting stereotypes

Almost half of the women who start a business choose to do so part-time. Like everyone else, women tend to start businesses in areas where they have some experience or particular interest and large numbers of new businesses started by women are in the service sector, food, caring and retail.

Whilst many of those sectors are currently booming, business advisers and bankers very often have quite fixed perceptions of what a business should be. Narrow definitions of what constitutes a 'proper' business can leave women feeling they will not be taken seriously if they are 'only a cake decorator'. Assumptions about the speed of start-up and growth, and the amount of finance needed 'if you're serious,' can be off-putting.

Conversely, women trying to work in sectors traditionally dominated by men can be held back by unhelpful stereotyping. None of those pre-conceptions about women and the roles they should take are helpful or professional.

Patronising attitudes about the types of businesses they choose to start can make women feel undermined. Confidence can be sapped at every stage of starting a business. Women are likely to face situations and attitudes which, on their own, seem subtle but which can amount to an avalanche of criticism. Pre-enterprise courses that focus on personal development as well as business feasibility are vital for all groups suffering from low self-confidence. These courses should have an empowering ethos; they should give people the tools to make their own decisions and include modules on assertiveness and confidence building. Those principles need to cut across every element of any enterprise support programme.

Training should be structured as a positive experience with a range of outcomes so that no one has a sense of failure. Some projects integrate recognition of existing skills, helping women to recognise that they are not starting from scratch. For instance, the majority of people living on welfare benefits are already excellent at budgeting and a good course will enable them to see this experience as an important building block for their business.

Attitudes to risk

Women are defined by their cautious approach to business start-up. Compared with men they are more likely to let fear of failure stop them from starting a business. They are also less likely to know an entrepreneur and less likely to think they have the skills to start a business or see good

business opportunities. However, things are improving: there has been a 27% increase in the number of women who feel they have the skills to start a business and women who do get their business off the ground are more innovative, collaborative and networked (Harding et al 2004).

In contrast to the UK, in the USA successful entrepreneurs are celebrated – but it is also seen as legitimate to try, fail, learn from your mistakes and start again. Aspects of many African and Asian cultures also encourage a positive approach to enterprise.

Organisations can work with Enterprise Insight in its campaign to help us rethink our attitudes to enterprise and risk.

Personal development modules can help women reframe 'failure' as an important learning experience and to overcome unrealistic fears. Above all, support organisations should take an empowering approach aimed at giving clients the tools and confidence to make their own informed judgements about risk. Women as a group are significantly poorer than their male counterparts. For socially excluded women, a cautious approach to risk is entirely rational and should be respected by business support providers. At the same time, business support providers have an important role in helping women to believe in their own future and potential.

Achievable role models

Too often the only images of women in business are 'Superwomen' with high-flying careers and glamorous lifestyles that bear no relation to most women's experiences. The images in newspaper business pages are indeed predominantly white men, with women often represented in the business pages by pictures of models.

Real, inspiring stories can give women the confidence to say, 'I can do that'.

Initiatives should try to bring successful businesswomen from their clients' communities on to courses to talk about their experiences. It helps women to know that there are people like them running businesses in their community: Gita who runs the cookware shop, Brenda who runs a translation agency and so on.

Agencies should make an effort to ensure that their premises are welcoming and that photographs and profiles of a range of clients from diverse backgrounds, are on show.

Agencies can also take a role in ensuring that the local media regularly highlights their clients.

This promotes the clients' business, builds the confidence and aspirations of other women, and provides effective free marketing for the business support programme. Nominating clients or encouraging them to apply for Awards can be a very effective way of gaining media coverage as well as motivating clients and business advisers.

GOOD PRACTICE IN ACTION

Women Into the Network (WIN) hold annual women's business awards in the North East which showcase a wide range of role models and focus on 'distance travelled' rather than just monetary success. WIN is a network of networks, bringing together targeted and mainstream business support providers across the region and providing a forum for shared information and opportunities for their clients. WIN adds value where it can, through, for example, an interactive web portal and successful PR and media interface. They also produce regular booklets of case studies, featuring a variety of women who have set-up their own successful business. WIN affiliates use the booklets to show other women what can be achieved.

Business support staff are themselves role models. Currently the proportion of women business advisers is estimated to be less than 20% and business support agencies should ensure that they have a reasonable number of women business advisers to act as positive role models to their female clients. It is important to note that women will not necessarily want to see a woman business adviser, what they want above all are empathetic and professional advisers (who can be male or female). For some cultural or religious groups however, the choice of a female adviser will be important and the positive role modelling which female business advisers present, is essential for progressive agencies determined to meet the needs of a diverse client group.

Family barriers and negative attitudes

Enterprise culture starts at home and, while family and friends continue to be the most important providers of finance to help women get their

businesses off the ground, women often report that their business ideas are hindered by negative attitudes from close family and friends.

Enterprise Direct tries to involve clients' partners if it is felt that they are undermining clients' efforts. The agency will try to get the partner's agreement to assist the client to stay on the business support programme and partners are invited along to find out more about programme.

Starting a business can be a lonely time and women frequently say that support from other women in the same position is the most valuable assistance they have had. The opportunity to network and develop support groups with other women in the same position is very important.

Sadly, domestic violence is sometimes exacerbated as women develop their independence. Business support organisations should consider training and development for staff around domestic violence issues and projects should develop links with specialist agencies.

GOOD PRACTICE IN ACTION

Business Link Staffordshire has developed an innovative relationship with a local women's refuge. They have developed strategies to overcome the following issues:

- Invisibility of the group (many of the women are in hiding from violent partners/former partners or have been in the past). There are extra challenges in identifying, contacting and working with these women
- Intervention for women looking at self-employment as an option needs to be timed correctly. If a woman is still in the process of separating from an abusive partner and making use of Women's Aid refuge facilities, then that is not the time to step in. There is a need to develop good working relationship with Women's Aid staff and rely on them for appropriately timed referrals.
- There is a possibility of cancellations/no shows, and sometimes, the complete disappearance of the client with no follow up possible.
- Alternative audit trails need to be considered, some women may not be able or willing to sign an attendance register, and tutor confirmation of the client's presence may be all that can be recorded.

Social Enterprise

Women make up almost half of social and community entrepreneurs in the UK, showing that, given the right circumstances, women are just as entrepreneurial as men (Harding et al 2004). The high level of participation in this sector is striking in comparison with the relatively low number of women starting and running for-profit business ventures. It suggests that women are more motivated towards setting up businesses with objectives that complement their social values and benefit the wider community.

Many organisations such as SCEDU (Sheffield Community Enterprise Development Unit), CERT (Community Economic Regeneration Team) and the co-operative development agency, Co-active, deliver programmes to women who are considering launching either for-profit or social enterprises. This approach enables women to pursue enterprise initially as a route to fulfilling their broader values.

Links

Enterprise Insight –

www.starttalkingideas.org

National Council of Graduate

Entrepreneurship – www.ncge.org.uk

Business Link Staffordshire -

www.businesslinkstaffordshire.co.uk

Women's Aid - www.womensaid.org.uk

SCEDU – www.scedu.org.uk

Enterprise Direct – www.ent-direct.co.uk

Street Cred – www.quakersocialaction.com

WIN – www.networkingwomen.co.uk

Anita Barton



Like many social entrepreneurs Anita Barton finds the benefits her business – **Clean & Bright Ltd** - provides to her local community highly motivating.

The cleaning company was set up with backing from Sheffield's community enterprise agency, SCEDU, and the neighbourhood support network Northern Clusters. It started trading in April 2003 and within a year was employing seven people servicing 15 contracts.

Social enterprises benefit the community in many ways, Anita says. So far, all contracts obtained have acted as a stimulus to creating local training and employment for residents from the communities in which Clean & Bright operates. It also gives cleaners the chance to learn about running a business. Voluntary and community sector projects often cannot afford commercial cleaning, but Clean & Bright is able to offer substantially reduced rates for these organisations. And it rents office space from LOCAL (Longley Organised Community Association Ltd) - further helping to support the social economy and wider community. "It's like a full circle," Anita says. "Also we don't have to make a profit to pay directors a big chunk of it in wages, but we do pay our cleaners more than the minimum wage."

Before 2003 Anita had no experience of running a business. She had been assistant manager at a store run by LOCAL and when that closed the neighbourhood group employed her as a cleaner. Northern Clusters encouraged her to see this as an opportunity to launch a social enterprise. "I never saw myself running a business, but they saw the potential I couldn't see in myself," Anita says. Now as well as being a company manager, she is on the LOCAL board of directors and becoming increasingly involved in the community.

Outreach

Mainstream agencies often complain that potential women business-owners are a 'hard to reach' group. However PROWESS members who take a women-friendly approach find that they are overwhelmed by enquiries. Because women have, on average, a poor perception of their personal capacity to set up a business they are much less likely to respond to mainstream business support marketing approaches and PROWESS research shows that women make up just 20% of the clients of mainstream business support services.

Business support services, like any other product or service, need to be marketed and delivered in different ways to different audiences. 'Women' itself is a diverse category including people from diverse backgrounds with a wide range of needs, requiring different strategies. Outreach is a particularly useful way of reaching socially excluded women.

A women-friendly approach does not end with targeted promotion and an effective programme of business support should be in place before the programme is promoted. The PROWESS Flagship standard (outlined on the inside back) provides a good framework for the development of such a programme.

Outreach means taking services out to places where people can easily access them. It requires tightly focused targeting of potential customers and demands a real understanding of their needs and wants. In the long-run, outreach supports the creation of a broader entrepreneurial culture.

Effective outreach requires long-term commitment, often taking many years to really establish a presence and create pathways to enterprise for local people, particularly in areas with little history of self-employment.

Funding outreach work

Funding business support delivered on an outreach basis can present problems. Many funders will only provide support for service delivery and see success in terms of direct outputs, such as numbers of people trained or businesses surviving.

Business support providers in the UK are invariably constrained by short-term funding cycles, which mean that long-term impacts can be difficult to account for and to fund. In those situations it is tempting for projects to be 'funding led' rather than to develop programmes which really meet the needs of disadvantaged communities.

Fortunately, there is an increasing acceptance that long-term and broad outcomes can be as important as hard outputs such as jobs and business starts. A recent OECD report, for example, states: "Encouraging self-employment should not be seen as an end in itself. It should be seen as a means to raising incomes, independence and well-being" (Nolan 2003). Robust methodologies have been developed, such as Social Accounting and Audit and Impact Evaluation frameworks, which enable organisations to evidence the social and economic impact of business support programmes. The PROWESS Impact Evaluation toolkit, which is soon to be launched and made available free to all PROWESS members, will enable the effective measuring and tracking of outcomes such as employability, community participation, self-esteem and financial literacy alongside direct business measures. Social Accounting and Audit enables organisations to measure the impact of their services on a wide range of stakeholders and to identify areas for improvement.

Even with those new methods, reports and assessments can only ever give a partial view of the impact of community based business support provision. The opportunity to meet with the businesses involved can be a very powerful complement to evidence and help funders and other key stakeholders to really appreciate the value of outreach. Videos and client case studies can also powerfully illustrate the impact of effective business support interventions.

Effective outreach is really just marketing at its best: promoting a service in a manner which really meets the needs of a particular target group. Some funders may find it more acceptable if it is included in the marketing budget.

Market research

The approach taken to outreach will depend on the needs of the particular client group and should be informed by effective market research.

A considerable amount of information is freely available to enable a good picture of the make-up of the target area. Local demographics, down to ward level, are available from the website of the Office of National Statistics

(www.statistics.gov.uk). A large amount of relevant research and information is also available from Local Authority economic development departments, RDA's and Universities. PROWESS has a 'virtual library' on its website which includes locally based research undertaken by organisations supporting women in business.

Interviews or focus groups with potential, current or past clients to investigate their interests, habits and needs can complete the picture. Active participation can be encouraged by providing incentives - such as cash or lunch - and giving recognition to participants' contributions.

Ongoing feedback and research is essential to continually check that the service is delivering effectively and constant adaptation of the way outreach is delivered should be a fundamental part of an effective business support programme.

Going out into the community

Working through partner organisations and other local groups and networks is the usual route taken by outreach workers. But identifying which groups or people to work with is not always straightforward.

There is no better way of finding out what's happening in an area than 'walking the patch': talking to local people where possible and finding the cafes, community centres, doctor's surgeries and other unexpected venues which may be the nerve centres of the area.

Information on community groups, networks, clubs and associations can be gleaned from local council directories and websites.

The types of places where business support providers have been able to reach women in communities include: community centres, Jobcentres, Citizens Advice Bureaux (CABs), churches, pubs, leisure centres, libraries, post offices, shops, doctors surgeries, crèches, schools and colleges, out-of-school clubs, playgroups, Sure Start centres, cultural centres, day care centres and sports clubs.

Just as important as geographic communities are 'communities of interest', which include for example, women from the same cultural background, disabled women and ex-offenders. Those women may come from a wide variety of geographical areas but share common bonds and face similar barriers when engaging with business support services. A locally-based approach isn't always the most effective approach for engaging some groups of women, who may find their local community a stifling environment and business support providers should include strategies for reaching such 'communities of interest' in their outreach plans.

The best way of convincing people that business support meets their needs is 'word of mouth' endorsements from their friends and neighbours. That happens in time for excellent programmes. It can be accelerated by actively promoting programme graduates on the basis of "if I can do it so can you" and encouraging clients to make introductions. In the United States it's common for enterprise programmes to pay clients \$25 for those introductions.

All communities have 'influencers' or 'movers and shakers'. These are people whose opinion is widely valued and to whom others turn for advice. Identifying and working through those individuals will make it easier to reach the target group.

GOOD PRACTICE IN ACTION

Outreach workers from Tottenham Green Enterprise Centre in London go out to numerous organisations to build relationships with community leaders. Ensuring that leaders have confidence in them is crucial if they are to refer people on. Close relationships are maintained through visiting regularly, giving presentations and talks, and forwarding information on networking events, funding and courses. The outreach workers also run a stand at local Jobcentres.

GOOD PRACTICE IN ACTION

The TNG Business Support “Women’s Enterprise Rainbow Roadshow” has visited locations such as libraries, churches, market places and town hall squares and supermarkets in Nottinghamshire. Their marketing literature is clear and simple and in their first 7 roadshows they have made contact with over 1,000 women who would probably not have considered running their own business before. 100 of those women have expressed an interest in further information and training. TNG have made sure that there are representatives from other organisations, such as the Inland Revenue, at each roadshow to help demystify the process of starting a small business.

Developing partnerships

Working in partnership with other local agencies and groups can help to promote activities to a wider audience and reach a target group, as well as increasing the capacity and range of services and facilities offered by business support programmes.

Building relationships with community based centres or groups takes an investment of time and the benefits to the other organisation need to be clear. Sometimes it is enough for them to be aware of the opportunities business support services will offer their clients and that message can be reinforced through presentations and talks to their staff or volunteers.

Organisations will also want to be reassured that the business support organisation really understands the needs of their clients and the multiple problems that socially excluded women often face. Business support providers will need to be able to demonstrate their understanding and that their approach is appropriate. Trust should grow through having a regular presence in the area and at formal and informal events. Hiring rooms and providing advice and support at community centres will also help those organisations as well as provide a familiar environment for clients. Similarly advertising in association newsletters is win-win for both organisations.

In many disadvantaged communities there is a mistrust of governmental and other ‘mainstream’ agencies, including Business Links. Being seen as part of the ‘mainstream’ can be a disadvantage for business support providers trying to engage socially excluded groups.

GOOD PRACTICE IN ACTION

incredit in Stevenage initially followed an outreach approach which provided advice and guidance in the community, then signposted women to mainstream agencies for in-depth business support, but this did not work well. The standing of these agencies among the target group was poor, and clients did not want to approach them. Now the programme uses some Business Link trainers for its own business support programme in an effort to build bridges to Business Links and encourage women to use their services in future.

GOOD PRACTICE IN ACTION

The Women’s Employment, Enterprise and Training Unit (WEETU) and Business Link Norfolk developed a partnership to provide the ‘missing link’ between mainstream and specialised enterprise support for women in Norfolk. Business Link employed a full time, small business counsellor who was seconded to WEETU to provide one-to-one business support. The secondment enabled WEETU clients to access more specialised Business Link support (UK Online, intellectual property specialists and Trade Partners UK, for example) and also allowed a two-way flow, where women looking for start-up support via the Business Link Gateway were referred to WEETU’s services.

Staff

Where possible outreach staff should reflect the target group: their culture, motivations, interests and background. Programmes should aim to have a good cultural and gender mix in their teams, but the most important attributes are professionalism and sensitivity. Above all clients must feel that they are getting reliable and accurate advice and information.

Members of the business support team are themselves role models who all play an important role in motivating clients and helping them to raise their aspirations and self-esteem: a positive attitude and smart but approachable dress-style can help.

It is important to distinguish between generalist community outreach workers and business advisers who work on an outreach basis. Community outreach workers can identify and foster an entrepreneurial spirit within a community, help raise awareness of the opportunities which enterprise provides and signpost people to relevant business advice services. They do not necessarily require high level business planning or evaluation skills. The business adviser working on an outreach basis should be a good all rounder with access to specialist advisers when required.

Introductory events

Introductory events or taster sessions are a good way of encouraging women to find out more about working for themselves. Incentives for attendance can be very effective – such as food and drink, prize draws, or fun days where mothers can bring along their children. Assistance with childcare and travel costs can be another important incentive and one that needs to be promoted clearly on publicity materials. Venues should be as local as possible, ideally based in the community being targeted and at the very least accessible for disabled women, close to public transport and with adequate parking.

Home visits may be an important starting point for some women, especially those with health problems or from some cultural groups. But the safety and security of outreach workers must be considered; they should always give details of where they are going to a colleague. The Suzy Lamplugh Trust provides good information and guidelines for professionals who need to visit clients in their home.

GOOD PRACTICE IN ACTION

Bolton Metro's Ethnic Minority Business Service (BMEMBS) recruits all its staff from the community it serves and sees this as a major factor in its success. Services are also delivered in the middle of the community. Despite such closeness to its target group, BMEMBS makes no assumptions about their needs and uses a large range of market research techniques, including feedback, surveys and focus groups as well as external research to make sure its service is as effective as possible.

BMEMBS has taken several steps to increase the participation of women on its programmes, including: the appointment of a dedicated Women's Business Support Officer and Outreach officers, multilingual information and advice and the option of bespoke and customized services. The outreach service includes home visits at the initial stage of making contact with a client in order to build trust and confidence.

Links

Tottenham Green Enterprise Centre – www.tgec.co.uk

TNG Business Support – www.tng.uk.com

incredit - www.incredit.org.uk

WEETU – www.weetu.org

Enterprise Direct - www.ent-direct.co.uk

Bolton Metro's Ethnic Minority Business Service – www.bbsu.co.uk/114.html

Suzy Lamplugh Trust – www.suzylamplugh.org

Access to Finance

'If anyone can show me a portfolio of loans that includes men and women where the men are repaying better than the women, I'll give you £100.' That has been a safe bet to date for Professor Malcolm Harper of Cranfield School of Management. What it tells us above all is that women business-owners are safer bets who are more likely to repay their debts. They are a good opportunity for financiers.

Women – regardless of business sector – capitalize their businesses on average at just one third of the level of their male counterparts. And that includes high growth sectors such as technology. Women-owned businesses also account for less than 5% of equity finance. The research suggests that gender in itself has no impact on the success of businesses, but that consistent undercapitalisation does (Shaw et al 2002).

The reasons for all this are a complex mix of supply and demand:

- Women are poorer (for all sorts of historic and cultural reasons) - with overall levels of income just over half that of men in the UK. That has implications for credit scores.
- Part-time businesses and sectors such as retail, catering and services are often excluded from financing options.
- Women very often have different aspirations and motivations for their businesses. They are less likely to 'think big' or to go for growth from day one. In some cases lenders and business support organisations do not appreciate those different motivations and in others women's more careful approach just isn't commercially viable for lenders.
- Some bank research suggests that the women who apply for loans are both more likely to be offered the loan and to turn it down.
- Low confidence and high levels of risk aversion are issues for women at every level. Women – especially if they are socially excluded – frequently prefer to start businesses in a

tentative manner, requesting significantly smaller loans than their male counterparts.

- There can be a lack of clear information about financing options. Business support organisations are not always fully informed of the full range of financial help open to their clients.
- The welfare benefits system further compounds the problems women have accessing finance, especially the low level of disregard, which does not allow for tentative business build-up.

Banks and Community Development Finance Initiatives (CDFIs)

Women are less likely to approach banks for business finance, but banks are beginning to report that women are more likely to have their loan applications approved. Nevertheless, stories of women being patronised by bankers still abound and many women do not approach the bank because, rightly or wrongly, they do not think they will be supported. The experience and perception that women will not be taken seriously is strong. While strategic staff, in several major banks, increasingly recognise the immense opportunity that engaging effectively with the women's enterprise market presents, this understanding does not appear to have fully trickled down into the branch networks.

Business support providers need to give women the support and tools to develop excellent business plans. In itself this will build their confidence greatly and may be complemented by structured workshops on confidence building and assertiveness. Banks could also be invited to talk to clients in a training group at an early stage in the business planning process. Other useful strategies include providing mentors to accompany clients when they need to see the bank manager.

Jayne Williams

CASE STUDY



Photograph: Mercury Press

Jayne Williams was a lone parent on Income Support, who saw a business opportunity in a down-at-heel Liverpool launderette. She always wanted to own a launderette and although the business was in a dilapidated three-storey building, it was on the market at £25,000. Without the deposit for a mortgage, Jayne negotiated with the vendor to rent the premises, with the amount being netted off the sale price should she eventually be in a position to purchase.

Jayne had no money to invest in the business and, although she did not have an adverse credit history, could not open a bank account as she was not on the electoral roll and had moved house many times. She believed the only option was to

operate the launderette as a cash business, using its only working machine and dryer. As she had no access to loan or grant capital she reinvested all the income and managed to fix the other machines – repairing many herself.

Meanwhile she heard about Train 2000 and, having discussed her idea with a business advisor, began one-to-one business counselling sessions. She explained her difficulty in relation to the bank and was immediately introduced to a bank with which Train 2000 had established a relationship. She was also signposted to an independent welfare rights adviser and, as a result, she was able to claim Working Families Tax Credit. With her Business Plan complete, she opened an account at the 'friendly' bank.

She began trading in January 2002 and gradually built the business and renovated the upstairs accommodation to provide a home for herself and her children. In March 2003 she won the Train 2000/Barclays Bank Women in Business award in recognition of her achievement, and in June that year finally secured a commercial mortgage from her bank to purchase the building. She is now considering upgrading the upstairs accommodation so that she can gain rental income from the property. The value of the property has increased three fold since purchase so Jayne is considering an extension to her commercial mortgage.

The opportunity to share experience with other people in the same position can be vital in raising women's confidence. WEETU has conducted impact studies which show that membership of a long-term mutual support group of women starting businesses increases use of business agencies and banks.

Banks could do more to take account of women's experiences in their credit rating systems, which currently ignore career breaks, women's lower overall levels of asset ownership and women's higher overall likelihood of repaying debts. They could encourage local business banking personnel to engage with women's business support initiatives, networks and CDFIs. Effective staff training could also help and PROWESS offers an

intensive, highly interactive one-day course (the Gender Lens) which looks at the issues facing women in business and at the ways banks and other organisations can best support women's start-ups.

Very small loans with high levels of support are an important option for many women, but not one that is viable for commercial banks. This is an area where some Banks and CDFIs have been able to work together. For example, NatWest and The Royal Bank of Scotland, work closely with several women-focused CDFIs, including Bolton Business Ventures and WEETU. The bank recognises that supporting CDFIs to invest in those very small businesses is also a long-term investment in its own future customer base.

GOOD PRACTICE IN ACTION

Quaker Social Action's Street Cred project is a micro-credit programme based in the East End of London. It provides small loans through peer support groups on the basis of group trust rather than more traditional methods of risk reduction, such as credit checks. Street Cred targets unemployed or low-income women who do not have access to credit due to bad credit ratings, lack of collateral or lack of deposit.

Micro-credit groups meet six times before the first two members are able to take out a loan. The group itself decides who they consider to be ready. It is a small, simple application rather than a business plan. The application is guaranteed by the group socially and morally, rather than financially, and this has proven to be much more powerful than traditional methods of guarantee. The group also provides a strong support network helping members to build confidence. Members continue to meet - usually for several years - while their businesses grow. Street Cred can provide additional advice and support where necessary.

Street Cred currently works with 150 businesses. It has disbursed 123 loans, at an average size of £500.33 during the past 3 years. The total amount disbursed is £65,610. The minimum loan amount is £50 and the maximum first loan £500, with a maximum second loan of £1,000. Loans must be repaid within 12 months and there is an administration fee of 6% on the first loan and 10% on the second loan.

A large number of borrowers are Bangladeshi women and Street Cred has adapted the loan offer to meet Islamic banking requirements, charging an administration fee instead of interest.

GOOD PRACTICE IN ACTION

Women in Rural Enterprise (WiRE), a network organisation within the Rural Business School at Harper Adams University College, has developed a unique partnership with HSBC bank offering preferential loans to rural businesswomen. HSBC offers the WiRE loan through the branch network and has also appointed several WiRE advisers within its branches.

Fear of debt

Rather than being viewed as necessary investment for sound business growth, borrowing is still perceived by many as a sign of personal failure. Often clients have a high level of personal debt before starting an enterprise and their attitude to, and experience of, borrowing might be a negative one.

These perceptions, coupled with a lack of financial awareness, mean many women will spend every penny of hard-earned savings on their enterprise before considering loan finance. Research shows that women are more likely than men to use their own money to start a business and that women-owned businesses use just one third of the start-up capital of their male counterparts in all sizes and sectors of business (Shaw et al 2002).

Fear of debt is an even more significant factor for lone parents on benefits and disabled women. For lone parents the potential of being unable to properly provide for their children is a constant fear. Disabled women, who may have an experience of periods of employment interspersed with long periods of illness, often rationally conclude that staying on their benefit is a safer option.

In order to address the fear of debt and poverty clients should have access to an independent welfare rights advice service. Welfare rules do change frequently and clients may not be fully aware of what they are entitled to. Welfare rights advisers are best placed to calculate what 'in-work' benefits the client is entitled to and how much

additional income is required to meet their survival budget. Clients are then able to make an informed decision.

Financial literacy can be added to business training modules to help clients make appropriate choices and decisions about borrowing.

By changing women's attitude to debt from a negative one to a more positive 'investment-oriented' approach, along with increasing self-confidence and financial understanding, they are more likely to be able to take calculated risks.

Links

Train 2000 - www.train2000.org.uk

Street Cred - www.quakersocialaction.com

Bolton Business Ventures –
www.bbvonline.net

WiRE – www.wireuk.org

GOOD PRACTICE IN ACTION

The Power Business Loan Fund is part of a broad, women-friendly package of business support provided by Train 2000 to women starting and growing businesses in Merseyside. It targets women setting up or developing their own business, who have traditionally been excluded from other sources of finance. It was established in 2002 with support from the Phoenix CDFI fund and Merseyside Special Investment Fund (MSIF). The total capital in the fund is £450,000.

The fund aims to develop a transferable financial intervention model and enable 150 socially and economically excluded women to re-enter the labour market through enterprise. It further aims to improve business start-up and sustainability rates, to track the performance of women-owned businesses and to effectively measure social and economic impact.

Loans are available between £3,000 and £5,000. They are repayable over three years with a maximum capital holiday period of six months. There is a fixed rate of interest (12%) and a rebate of one third of the interest paid on full repayment. The loans are managed and appraised by MSIF and accessible via an application form and business plan, which Train 2000 supports businesses to develop. Train 2000 also offers ongoing support and advice to borrowers.

During the first year of lending 22 loans were given, with a total value of £98,300. Nineteen of the loans were for start-up and three were for business development. A sectoral breakdown shows that five of the loans were for retail businesses, 13 for service sector businesses and three for manufacturing businesses. The loans enabled an additional leverage of £171,255 and are expected to result in 107 jobs.

Building on its experience of piloting the fund, Train 2000 plans to develop it further. It will reduce the minimum loan size to £1,000, enable 100% borrowing where necessary and provide additional mentoring support.

The Power Loan Fund represents a positive partnership enabling MSIF to meet its targets for women-owned businesses and Train 2000 to provide loans to clients. There has been some demand for loans smaller than the minimum amount of £3,000 but this has been problematic for MSIF, which in common with many lenders, does not find the level of administration costs for very small loans feasible. It currently charges 0.5% of each loan for administration. Train 2000 is looking to remedy this by raising revenue to pay for the additional costs of administering very small loans.

Part 2: Specialist client groups

Welfare Benefits Recipients

For a significant number of women claiming welfare benefits, the flexibility of self-employment is highly attractive – offering the opportunity to combine caring responsibilities with work. In some disadvantaged areas, particularly rural locations, it may be one of the few options available. A report produced for the Department of Work and Pensions concluded: “The flexibility of self-employment is particularly important for lone parents with childcare responsibilities. For some lone parents with young children this was seen as their only viable employment opportunity”. (Kellard et al 2002).

However, despite recent reforms, the benefits system remains geared towards a traditional, male model of full-time employment and does not adequately support women during the transition into self-employment. (Marlow et al 2003). Phoenix Funded initiatives have identified the following as the most significant facing women trying to make the transition from welfare benefits into business.

The New Deal for Self-Employment (NDSE)

NDSE is the main government programme for people wishing to make the transition from welfare benefits to self-employment. Phoenix Development funded initiatives targeting women have found it to be unsuitable for their clients for several reasons. Clients need to be claiming Jobseeker's Allowance for 18 months before they can join the NDSE and during this period clients' motivation can drop considerably. The NDSE programme has minimal client interface (one meeting with an adviser every two weeks). Unless complemented by another programme, NDSE does not build essential peer relationships. This can result in clients having to liaise with two separate organisations and feeling that they have to jump through additional hoops. The test trade period on NDSE is only six months. This is simply not long enough for women, the majority of whom chose to

start their businesses in a tentative manner. The observations of practitioners support statistics that suggest women are less likely than men to go into the test trading period.

Projects which work with women claiming welfare benefits have developed strategies to overcome some of those problems. A Leicestershire programme uses the 18 month period before clients can join the programme as a period for business and personal preparation. A variety of courses are offered and there is a focus on developing business systems, complying with relevant regulations and liaising in good time with key agencies like the Inland Revenue.

For certain groups there are exceptions to this NDSE rule (musicians and people with disabilities) and this precedent could be explored by government for other groups such as lone parents. One private sector NDSE provider is reputed to stop-start the test trading period so that it can be stretched out and let to run on. No one notices because of the tangle of agencies involved. However, this is hardly a transferable strategy and raises accountability and ethical issues for non-profit sector agencies.

Information Advice and Guidance (IAG) forums exist in every area and are a good way for business support providers to engage with Jobcentres and a range of agencies. IAGs focus primarily on employment and training, however, given the long-term barriers to self-employment for unemployed people, it is sensible to ensure that clients are introduced to a range of alternatives and the IAG network is excellent for this.

Childcare

Tax credits will only pay the first 70% of childcare costs, which could leave new start-ups having to find £30-£50 per child per week to meet the other 30%. This is unmanageable for too many women on low-incomes starting fledgling businesses. The 70% payment also only lasts for 12 months.

There is a need for more assistance with childcare costs during the start-up phase of full and part-time businesses. Many business support providers ensure that childcare assistance or grants are included in their packages of support to assist women during the development of their business plan and their first year in business.

While the Sure Start programme is extending childcare to more disadvantaged communities, there remain many with no availability or tradition of using registered childcare. Consideration needs to be given to extending financial support to unregistered childcare provision to ensure access in areas where the level of registered provision is very low. Some organisations focus on assisting women to develop childcare businesses as a way of building on skills they already have and creating a community with other businesswomen with built-in childcare availability.

Jobcentre Plus

There is considerable anecdotal evidence that Jobcentre staff are ill-informed about self-employment programmes and support. Jobcentres are characterised by a lack of referrals to self-employment programmes and a perceived high turnover of staff. Jobcentre Plus targets prioritise employment.

The Tottenham Green Enterprise Centre has a concerted outreach programme where workers visit and brief Jobcentre Plus staff monthly. But it reports Jobcentre staff frequently ask 'what are we getting out of this?' as self-employment targets do not have as great a value to them as getting people into jobs.

Some agencies have regular information desks within Jobcentres. There should be a noticeboard at every Jobcentre promoting self-employment as an option. There is also a need for effective staff training so that Jobcentre staff understand self-employment options and are able to signpost effectively.

The tax/benefits system

The benefits disregard (amount people can earn without it affecting their benefits) has not increased in more than 25 years for individuals and only marginally for lone parents. It is currently £5 per week for individuals or £15 for a married couple and £20 for a single parent.

This low level of earnings disregard creates

Natasha Graham

CASE STUDY



With professional qualifications in fine art and photography Natasha Graham (31) wanted to start her own business, but faced the seemingly impossible task of replacing her benefits with a

steady income. She has sole responsibility for her 4-year-old daughter and claimed Income Support and Housing Benefit.

In March 2003, Natasha attended a Women's Empowerment Training Programme run by the Coventry-based Women's Business Development Agency (WBDA). After drawing up a business plan and securing a loan and grant from The Prince's Trust, she was ready to launch her new venture 'Picture This' and sought advice about her benefits situation.

At first Natasha found it very difficult to find the information she needed and was given inaccurate advice. WBDA stepped in and arranged for her to see an independent advice service, which was able to give her guidance about the working time and earnings limits.

Natasha knew she needed to earn about £250 per week to replace her current benefits. So she started looking at the Business Rehearsal Programme which allows a 26-week test trading period. During that time, her earnings have to go back into the business and she can remain on benefit. But Natasha had to visit three different Jobcentres to access the information and guidance she needed, as advisers had not heard of the scheme and then it took three hours to enrol on a compulsory initial course.

"I don't regret taking the decision to become self-employed as a way of regaining my independence," she said. "I really value the help and advice I have had from WBDA and I have regained a lot of confidence. But because of my daughter and our circumstances, I don't want to take unnecessary risks."

disincentives for anyone wishing to start a business in a gradual manner. It also discourages building up savings which could be a vital safety net for volatile self-employment income or to be used for business investment. The benefits disregard should be increased in line with inflation.

The confidence of people making the transition from benefits into business was further shaken by the changes to the in-work benefits system from Working Families Tax Credit (WFTC) to WTC in 2003. Administrative delays and errors had an extremely detrimental effect on many small businesses. Agencies reported that women had gone out of business during the chaos of the transition period and that clients were left without enough money to buy food.

Business support providers have an important role to play in representing their clients and influencing policy. For example, social policy case studies can be produced to reinforce the case to policy-makers.

Welfare Benefits advice is a specialist area, and agencies should work in partnership with organisations with access to up-to-date information and training. Train 2000 employs a benefits adviser (contracted from a local Citizens Advice Bureau) to provide effective one-to-one information and guidance.

Other important points

- Generating start-up capital is a major issue for benefit recipients because of low income and poor credit scores.
- Loss of secondary benefits when making the transition to in-work benefits.
- Housing Benefit – fluctuations in income during start-up, combined with bureaucratic hold ups, often result in delays in paying or assessing Housing Benefit.
- Loss of mortgage interest support on leaving welfare benefits, with a nine month wait to being eligible again if the business fails.
- Inability of the benefits system to cope with fluctuating income levels.
- Unemployed people are less likely to have effective networks.

Links

WBDA - www.wbda.co.uk

Train 2000 – www.train-2000.co.uk

Tottenham Green Enterprise Centre
– www.tgec.co.uk

Black and Minority Ethnic Women

This chapter is based on a conference workshop. Participants' experiences of working with Black and Minority Ethnic (BME) communities varied widely: some participants worked primarily with BME women, while others had more limited experience. Each participant was invited to identify an issue which, for them, represented a barrier to full and meaningful participation by women from BME communities in enterprise support programmes.

The group was then asked to formulate some solutions, and because of the similarity of some issues and experiences the proposed solutions were applied collectively.

Issues

- Cultural diversity and traditions are often not recognised or acknowledged, leading to all communities being treated as a homogenous group. How do we avoid treating BME communities as a homogenous group?
- Inability to effectively engage with a diverse client group and get the enterprise message across.
- Support agencies are perceived as bureaucratic and communities are being expected to change their attitude and behaviour when it is the agencies that need to change.
- The difficulty of engaging with BME communities in, for example, rural or mining areas, where only 1% of the population is from BME communities. It is difficult to gain access to low numbers.
- Many BME businesses, having received assistance, are not developing an ongoing relationship with agencies.
- The lack of a multi-cultural workforce within advice agencies makes it extremely difficult to gain access to all sections of the community and even when a representative workforce is in place, certain communities are extremely difficult to reach.
- The lack of role models in enterprise support agencies is a significant factor in the lack of participation by individuals from BME communities.
- How to develop the right approach to provision of service? Some BME communities are more empowered than others, for example, the Afro Caribbean community. How do agencies enable communities to feel empowered?
- Agencies which are output-driven are in danger of offering a service not suitable to the needs of BME communities. 'Quick win' solutions will not work.
- Services for BME communities are often fragmented, under-resourced and unsustainable because of dependence on 'pots' of challenge funding. Specialist agencies established to fill the gaps are working in isolation and often with inexperienced staff.
- Business advisers often fail to recognise or acknowledge the particular characteristics of each community.
- Inter-community resistance to enterprise provision.
- Poor quality support and advice impinges on the sustainability of BME businesses.
- Mainstream enterprise support agencies are not delivering effectively to BME groups.
- The legal status of asylum seekers makes it extremely difficult to deliver services to this group.

Solutions:

The solutions may be grouped in to three categories:

Promotion

Services need to be appropriately promoted to women from BME communities. Suggestions include:

- Go to religious establishments and speak to key influencers.
- Provide culturally appropriate material.
- Use religious festivals as an opportunity to interact with the different communities. Ensure that advisers know the religious and cultural calendars.
- Use all faith forums.
- Use other agencies and organisations to promote services, including hospitals and health centres.
- Utilise radio and print media in an imaginative way - often people who do not read newspapers or posters listen to the radio.
- Promote services via schools and through children.

Access

- Ensure that services are delivered in a safe and appropriate environment.
- Use familiar environments such as mosques or community centres.
- Deliver services within the community, ensuring that it is accessible in terms of transport. Deliver services at times to suit women, avoiding school holidays.
- Be prepared to deliver services at weekends.
- Provide culturally appropriate material and case study examples.
- Provide childcare, preferably on site.

Delivery

- Do not assume that all individuals from BME communities have the same needs and wants.
- Train advisers to recognise cultural differences and traditions.

- Ensure that staff are broadly representative of the community (in terms of gender/ethnicity).
- Resource specialist agencies within the community and ensure that staff are appropriately experienced and able to give quality advice.
- Ensure that material is translated and that interpreters are available.
- Use those in the community with the relevant language to provide this service.
- Provide appropriate food, using community providers where possible.
- Be sensitive to individual and cultural contexts.

Links

Birmingham Chamber of Commerce
– www.birmingham-chamber.com

Bolton Metro's Ethnic Minorities Business Service – www.bbsu.co.uk/114.html

GOOD PRACTICE IN ACTION

An excellent example of using the media comes from a Birmingham Chamber of Commerce (BCOM) Phoenix Development Fund initiative. BCOM undertook a survey in a particular area and found that 60% of listeners to a particular radio station were Asian women. In order to introduce the concept of enterprise for start-up or development, a weekly, 90 minute programme was broadcast - covering issues such as tax, VAT, financing and marketing.

The programme was delivered in different languages and all who worked on it were bi-lingual. It was also interactive and listeners were encouraged to phone in with questions and for general advice. Outputs included a significant increase to the number of people from BME communities who are now receiving information as a result of being on the BCOM database. An interesting outcome is the desire of those bi-lingual speakers who volunteered on the project to pursue training in the media.

Fazila Malek



Fazila Malek spotted an excellent business opportunity in the growing markets for ethnic and convenience foods. But she also saw hurdles – her youngest child had not started school, her self-confidence was low and, because she was unemployed, accessing money was a problem. “I spent most of my time at home,” she says, “How was I going to start a business when I was only used to talking to a few people?”

But with the help of Bolton Metro's Ethnic Minorities Business Service (BMEMBS) she launched a retail business specialising in Asian frozen foods in 1999 and later expanded into manufacturing. Today K&F Frozen Foods is thriving - with a loyal customer base for its ready meals, samosas, pastries and desserts.

In the early days a major help for Fazila – whose first language is not English – was the ability to access advice and information in Urdu and Gujarati. She attended a range of multilingual Women's Business Skills programmes and, with the support from BMEMBS put together a business plan, which helped her secure the necessary funds to start the business. The opportunity to meet people in a similar situation to her own also boosted Fazila's self-confidence.

K & F Frozen Foods is now a successful, growing business due to Fazila's hard work and her determination to source authentic food suppliers and constantly introduce new products. Fazila adds: “Without the help from BMEMBS I would not have been able to start up my business and I would recommend the services offered by BMEMBS to anybody looking to start and develop their own business”.

CASE STUDY

Lone Parents

This chapter - based on a conference workshop delivered by Enterprise Direct - sets out some of the key issues facing enterprise support programmes working with lone parents.

Lone parents can be a particularly difficult group to engage in business start-up programmes.

Solutions

- Take the programme to the clients, hold information events in community centres, village halls, churches and libraries and offer free travel and lunch.
- Trainers must be totally involved in and committed to the programme and the client group. Ideally, trainers should have run their own business.
- Provide childcare support either through a crèche or an allowance.
- Constant liaison is required with key referral agencies, for example weekly meetings with jobcentre staff.
- Run expert workshops. For example: VAT, Inland Revenue, banks, Prince's Trust to engage both referral networks and link businesses with mainstream support.
- Offer mentoring to provide post start-up support (though e-mentors have not been successful with this group).
- Advertising and mailshots do not seem to work, cold calling does.
- Networking meetings provide essential mutual support.
- Local radio and press editorial can also be effective, especially if they focus on 'role models' who have already been through the programme.
- Word of mouth is always the strongest form of advertising to this group.
- Posters - A5 to the post office, jobcentres, libraries, village halls. Use simple language but avoid saying 'let us help you.' It is seen as too patronising.
- Run introductory and awareness raising events and workshops.

Lone parents face so many barriers to starting a business that motivation can fall and drop-out rates can be high.

Solutions

- Charge a low registration fee (say £5.00) that is returnable at the end of the course.
- One incentive is the £15 New Deal allowance for 10 weeks. If it is retained until the end of the course, this works for both the Jobcentre, as they want lone parents to progress, and for clients who can have the allowance as a lump sum of up to £150 (could be a discretionary bonus, eg, £75).
- Create a flexible programme that can be adapted to suit individual women with different needs.
- Follow-up non-attendees.
- Offer a telephone helpline.
- Constant contact is vital.
- Get out and mix with the clients.
- Access to finance should be built into the programme, either directly or by linking with a local micro-finance initiative. It is important not to require a bank account and to provide assistance in enabling clients to open basic bank accounts. Financial literacy should also be dealt with in the programme.
- Moving off benefits remains a major issue for lone parents and stronger incentives are needed for most than are currently available.

Other important points

- Assist clients to progress to a job if they decide enterprise is not for them.
- A visible centre is important and will require policy commitment and resources. It should include: resources, information, training opportunities, guidance, access to ICT, childcare and business counselling and support.
- Do not jump to too many conclusions about this client group. It includes large numbers of people with good qualifications and work experience who have fallen into the poverty trap.

Cathy Thomas

CASE STUDY



Beauty therapist Cathy Thomas faced an uphill battle setting up the Heavenly Beauty Salon – which opened its doors in Swansea in 2004. Banks and mainstream business support agencies did not understand the extra pressures that being a lone parent put on her time and financial resources. It has been a real struggle to fit extra training around childcare and her need to earn money to support her family. “People don’t realise how hard it is,” she adds.

Even after drawing up a detailed business plan her bank was initially only willing to offer a £5,000 loan – far short of the amount she needed for specialist equipment and premises. “I had age against me; because I was over 31 I didn’t get any help from Prince’s Trust or anyone – no one caters for lone parents at my age,” Cathy says. “I had to re-mortgage my house to raise the £25,000 I needed, but that means I’m risking my children’s future.”

But Cathy did eventually receive support after contacting the women’s economic development organisation, Chwarae Teg, and Gorseinon Regeneration.

She also feels that mainstream business advisers do not recognise that as a trained beauty therapist she is a highly skilled professional. “I do think that if you are a man you get treated with more respect,” she adds. “But Chwarae Teg were fantastic and they are always in contact asking ‘have you heard about this grant or training?’ They have helped me overcome many stumbling blocks.”

GOOD PRACTICE IN ACTION

The Hampshire Enterprise for Lone Parents (HELP) programme partnered effectively with a local school. This helped it to reach mothers, and by providing courses within the school building, it meant that women were in familiar surroundings with their children nearby.

Links

Enterprise Direct - www.ent-direct.co.uk

Chwarae Teg - www.chwaraeteg.com

References

Harding R, Cowling M, and Ream M, (2004) Achieving the Vision: Female Entrepreneurship, British Chambers of Commerce.

HM Treasury (1999) Enterprise and Social Exclusion, National Strategy for Neighbourhood Renewal, Policy Action Team 3, HM Treasury.

Kellard, K, Legge, K and Ashworth, K (2002) Self-employment as a route off benefit, Research Report No. 177 Dept of Work and Pensions, London CDS.

Marlow, S, Westall, A and Watson, E (2003) Who Benefits? The difficulties for women in making the transition from unemployment to self-employment, New Economics Foundation.

Nolan, A (2003) Entrepreneurship and Local Economic Development, OECD.

SBS/DTI (2003) A Strategic Framework for Women’s Enterprise, Department of Trade and Industry.

SBS/DTI (2004) A Government Action Plan for Small Business: Making the UK the best place in the world to start and grow a business, Department of Trade and Industry.

Shaw, E, Carter, S and Brierton, J (2002) Unequal Entrepreneurs: Why female enterprise is an uphill business, The Work Foundation.

Other PROWESS initiatives to boost women's enterprise

The **PROWESS Flagship Awards** are a best practice standard of excellence in women's enterprise development. Their aim is to help business support organisations identify, measure and improve their services for women.

Developed and administered by PROWESS, there are 14 core standards for business support providers.

Inclusion

- Outreach
- Access
- Commitment to diversity

Client focused

- Segmented market knowledge
- Listening organisations
- Regular face-to-face service
- Promotion of clients' business

Equality

- Some women-only provision
- Women business support professionals
- 40 per cent of clients should be women and a proportionate percentage of ethnic minority women to local population

Quality

- Established programmes
- Significant impact
- Effective partnerships
- Coherent range of services – pre-enterprise, business training or counselling, access to finance, ICT and networking or mutual support

PROWESS won the 'Best Seller' category of the Phoenix Development Fund Awards 2004. This award recognised the organisation's success in promoting best practice and sharing good ideas; achieved through the development of a pioneering training programme and the Flagship quality standard. Assessment against the Flagship standard is available free to all PROWESS members.

Mapping women's enterprise support

The Flagship Standards criteria has been adapted into a methodology to map the supply of business support for women on a local or regional basis. It enables effective comparisons and identification of gaps in provision.

Directories of Women's Enterprise Support

In association with Integra Communications, PROWESS has also published user-friendly regional directories of women-friendly business support, based on the Flagship Standards criteria.

For more information about any of those services or joining PROWESS go to: www.prowess.org.uk/about/join.html or call Ann Nicholls on 01603 762355.



PROWESS is a member of the Accelerating Women's Enterprise (AWE) Mainstreaming Partnership, which is part-funded by the European Social Fund under the Equal Community Initiative Programme



PROWESS Ltd Lion House 20-28 Muspole Street Norwich NR3 1DJ
Telephone: +44 (0)1603 762355 Fax: +44 (0)1603 227090 Email: admin@prowess.org.uk

www.prowess.org.uk

Design: Richard Johnson Printed by Keely Print