

Phoenix Development Fund: Themed Report Summary

Themed Report Title: Disadvantage and Disability

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Context

Four organisations delivered business support to either geographic communities or communities of interest. The organisations worked with people in these communities who faced both internal and external barriers to developing their business ideas. Internal barriers people faced included poor confidence, little self-motivation and poor numeracy and literacy. External barriers to business development included no access to business support services, little access to financial institutions and little access to retail and manufacturing premises.

Two of the four organisations designed and operated business support projects in geographical locations and two offered business support projects to communities of interest. Of the two organizations working with communities of interest, one worked with web based technologies as its primary route to support, the other three worked with trainers or coaches as their primary delivery mechanism.

Lessons Learned

Role of PDF and SBS

All organisations benefited from both flexibility of the fund and assumption that PDF were willing to take risks. Two of the organisations felt they would not have been able to fund their programmes from anywhere else. Having a fund that was interested in outcomes not targets allowed a freedom to test, reflect and learn. IdeaSpark say that this freedom allowed clients to leave the programme and then come back to complete when they, the client, were ready. BizFizz coaches worked only with people's passions – they held the client's agenda, no one else's'.

Client focused support

Business support should be driven by needs of client/s not by needs of business support agencies. Working with people in regenerating communities and communities excluded from the mainstream has demonstrated that individuals in these communities are whole and resourceful, passionate and entrepreneurial.

Setting targets for business support agencies to deliver will always cause tension between needs of delivery agent and needs of client. Business advisors working to targets will always carry the institution's agenda when advising. This leads to some clients setting up businesses they are not passionate about, clients setting up businesses when they really want to do something else, clients being chosen because of their gender, ethnicity or sector.

The PDF programmes in this review concluded that target driven business support is classic top down development; an institution will create its processes focused on achieving its targets. So the programmes believe that targets should be replaced by outcomes and when designing and implementing business support, agencies should ask the question "will the client benefit?" This will inform an institution's system thinking allowing it to pursue outcomes rigorously and only work to the client's agenda.

Networks

Networks have crucial role in supporting entrepreneurs and developing local economies. Across the four programmes networks are acting as referral agents, are disseminating learning, providing trading opportunities, buying and selling products and services from clients, providing local knowledge and market intelligence. Networks are solution focused which means working to client's agenda, building temporary teams around entrepreneurs, and supporting peer- to- peer learning.

Useful points for the Project

Overall impact of PDF on the theme

PDF/SBS approach allows all four organizations to work with entrepreneurs who for many reasons have not accessed mainstream business support. Flexibility of PDF allowed for innovation and the capturing and

dissemination of learning. This allowed the programmes to be true active research projects and for the institutions delivering the programmes, a powerful opportunity to use reflective practice – to become learning organisations. Having no targets removed normal institutional focus to delivery and allowed for client-focused delivery. The values that drove the various programmes then informed their system thinking so that anyone involved in each programme is encouraged to ask the question, “does the client benefit?”

Strategic Issues

Flexibility of the PDF fund allowed the four organisations to reflect on what was current practice, ask why current practice had failed, ask whether this failure to engage with residents with entrepreneurial attitude in regenerating communities was systemic or attitudinal, to review non mainstream practice and then to ask “how are we going to do something differently?” Opportunity to pilot and then mainstream delivery produced both over-arching and under-pinning strategic issues:

Over-arching issues

- Enterprise should be at the heart of any regeneration programme.
- Entrepreneurial behaviour is attitudinal; around 20% of the adult population is entrepreneurial and entrepreneurs can be found anywhere.
- Target driven funding for business support places further barriers to success for entrepreneurs in regenerating communities, particularly as it can result in business support institutions rationing services for entrepreneurs. Another outcome is that these organisations tend to model their services to reflect the needs of the funders over the needs of their clients. In order to reach contracted targets business support agencies often offer training courses, handouts and web based services to clients instead of face to face meetings.

Messages for policy makers and commissioners

All four PDF programmes have used different approaches to developing business support to regenerating communities, and share common values:

Always deliver from within. Business support works well when the provider is visible in the community it wants to support. Included in the business support delivery must be residents and other passionate people who want to see, hear and feel a local economy growing.

Residents in regenerating communities are not broken, do not need or want to be saved, they are whole and resourceful. A coaching relationship allows an entrepreneur to explore their own passions and goals which means they are completely responsible for their business idea or business and that the energy and motivation derives from their passions, not the passions or expertise of the business advisor. Coaching as a method of delivering business support cannot predict or control fluctuations in markets or macro economic changes, and thus does not guarantee business sustainability. However it does engender self-belief, motivation, skills and knowledge in individuals who if faced with business failure, will still have the resources to be economically active.

Policy and Service Delivery Implications

-What is SBS's role in relation to business support in the context of the Report's recommendation?

- How could the impact of PDF be embedded, given that the role of SBS has moved further away from delivery and given that funds are limited?