

1. *What is Best 4 Business?*

The world is being transformed by a communications revolution. As Frances Cairncross of The Economist reports:

...we are now seeing the fastest technological change the world has ever known. But at the heart of the communications revolution lies something that will, in the main, benefit humanity: global diffusion of knowledge. Information once available only to the few will be available to the many, instantly and (in terms of distribution costs) inexpensively.

As a result, new ideas will spread faster, leaping borders. Poor countries will have immediate access to information that was once restricted to the industrial world and travelled only slowly, if at all, beyond it. Entire electorates will learn things that once only a few bureaucrats knew. Small companies will offer services that previously only giants could provide. In all these ways, the communications revolution is profoundly democratic and liberating, levelling the imbalance between large and small, rich and poor.

The Death of Distance: How The Communications Revolution Will Change Our Lives (1997)

Entrepreneurs have never been better placed to take advantage of these changes. Not least because the technological revolution is shaping social change, too. Working at home or on the move are now possible, affordable, accepted – and beneficial. Technology is erasing other boundaries too, between big and small business and between the personal and the professional.

Since the 1980s, it has been changes in three key technologies – television, computing and telephones – that have driven and shaped this revolution.

One 2 One is at the centre of the communications revolution – and is well aware, of course, how mobile telephones are changing people's lives. *One 2 One* has always been interested in helping small businesses to set up, develop and grow. (Many people buy their first mobile, or upgrade services, when starting a business.) Because *One 2 One's* customers – and the success of *their* businesses – are important to *One 2 One*, it has developed:

- relevant services and packages, affordably priced
- programmes and activities to help inform, develop and advise businesses

One 2 One has a natural affinity with the start-up business and with small and medium-sized enterprises (SMEs). This sector has always been its core business. And as *One 2 One* has explored and researched this burgeoning sector, it has grown to understand many of the issues facing people in small businesses.

Against this background, *One 2 One* commissioned independent research to find out the activities which are helping businesses to start – or grow – around the country.

2. *The Best 4 Business Awards*

In *The Entrepreneurial Society* (1998)¹, a survey of organisations supporting British entrepreneurs “discovered initiatives which are equal of anything in the US, Japan, France or Germany.” However, it cautioned that “These are largely local and small scale. Very little has been done in the way of follow-up studies, and *almost nothing to spread knowledge of successful local schemes to other parts of the country*”. [Italics added]

The Best 4 Business Awards set out to fill this gap by identifying – and helping communicate – best practice in the area.

- *Communicating Change* uses a range of sources including: desk research, interviews with key players in the business support sector and across a wide range of support schemes.
- An *active* qualitative research approach highlighted regional and national winners, while gathering enough information to draw general conclusions about the best work in the field.
- Over 700 agencies were contacted for details of schemes aimed at new businesses.
- Innovative initiatives were followed up with telephone interviews exploring why each scheme was set up, its objectives – and whether there was concrete evidence of success.
- Shortlists were drawn up for Scotland, Wales and each of nine English regions, using the new DTI Regional Competitiveness Indicators boundaries.
- Regional judging panels typically included: a local journalist, a *One 2 One* representative and the owner of a local mobile phone dealership (providing a ‘small business’ viewpoint). In some regions, a local MP acted as a fourth judge.
- Regional winners were announced at a lunch for shortlisted scheme representatives and judges, which gave organisations a chance to network and exchange best practice.
- Regional winners went through a further research phase, using questions thrown up in the earlier judging sessions. Cambridgeshire County Council’s *DataDirect* was then announced national winner at the *One 2 One British Masters Golf*, by a judging panel including the *Mirror*’s Business Editor John Husband, the Conservative Party’s Small Firms spokesman Christopher Chope MP, and *One 2 One*’s General Marketing Manager Customer Acquisitions, Colin Morley.

Communicating Change looks at some of the best business support schemes in the country, highlights how they are helping businesses to start, develop and grow – and asks about wider lessons for the business support sector.

¹ Robert Gavron, Marc Cowling, Gerald Holtham & Andrea Westhall, (1998), *The Entrepreneurial Society*, Institute for Public Policy Research, London

3. *The business business*

There are many ways of determining whether you work for a big business or a small business. If you have a kettle, you work for a small one; if you're more than 30 promotions from the top or if the trees in reception are larger than the ones outside, you probably work for a large one.

Guy Browning²

DISPUTED TERRITORY

Around 75% of British businesses employ between one and ten people. The sheer variety of the sector makes it extremely difficult to understand. Each year, a huge number of new businesses are started and, (depending on the economy), around as many cease to exist. Trends are hard to spot – and frustratingly difficult to prove. One would expect, for example, new technology to be changing small businesses. But is it happening yet? No one is really sure.

The sector therefore generates argument. If Mintel heralds the “much higher quality of business start-ups” and concludes that the main reason for starting in business “is the desire to be independent”, the TUC counters by claiming “the small firms sector is dominated by zero employee enterprises and labour-only contractors, many of whom have been forced into self-employment by job insecurity.”

Even the most basic figures are contentious. In 1997, Nat West reported a fall in the number of people setting up in business. Barclays, meanwhile, thought there were more start-ups than at any time since 1989.

Policy-making in this context is not simple and politicians have reacted characteristically – by trying as many solutions as possible. Plenty of new organisations have been created (to say nothing of those, like Chambers of Commerce, that were already there). Enterprise agencies first appeared in the early 1980s, with a remit to focus on new businesses. Training and Enterprise Councils or TECs arrived a decade later, in the early 1990s. Their task: to set “key priorities and objectives for local business support development and delivery”. Last, but not least, came Business Links, with a mandate to support ambitious growing businesses (defined as those with more than 10 employees).

Somewhat less creativity was applied to providing funding sources, rather than the competitors to chase them. This was not helped by the fact that Business Links soon began to stray from their assigned market segment. By 1996, the DTI was reporting that nearly 60% of Business Link clients were businesses with *fewer* than 10 employees.

Enterprise Agencies, understandably, felt the pressure, and between 1992 and 1995 roughly a third went out of business. Of those who survived, many have been (or soon will be) subsumed into the Business Link *partnership*. Business Links themselves are now aiming, according to Martin Briggs, Director of Operations and Development at the Business Links directorate of the Department of Trade and Industry (DTI), to “restructure and co-ordinate” in order “to develop as a quality-assured brand”.

² ‘Office Politics’, *The Guardian*, 27 September 1997

GENERALISTS & SPECIALISTS

The scars of these battles are shown, in one way or another, by many of our finalists. *Enterprise Tamar*, for example, is battling to stay true to the original intention of what an Enterprise Agency should be. Serving a rural area of Cornwall with high unemployment and a stagnating economy, it offers counselling, training, access to local grants, telecentres and managed workspaces which achieve consistently high occupancy rates.

Other Enterprise Agencies have a more specialised approach. Research shows low takeup levels for business support services by Britain's ethnic minority communities. Two of our regional finalists, Nottingham's *First Enterprise Business Agency* and *Bolton Enterprise Services*, have responded by successfully marketing services to specific communities. Enterprise Plymouth's programme aimed specifically at young people, *Taste 4 Enterprise*, has meanwhile been picked as a model for the Government's New Deal.

Some Enterprise Agencies practice what they preach and develop into substantial enterprises. *Project North East*, run by David Irwin, (also Chairman of the Federation of Enterprise Agencies), has developed significant information services (originally on paper, but now on both CD-ROM and the web). These are sold in large numbers to business support organisations across the country – and help reduce organisational dependence on grant aid.

PRIZING WINNERS

Perhaps the most fundamental debate in the field is about *which* businesses should be supported. There are two orthodoxies, and their respective fortunes rise and fall. The first sees job creation as the main purpose of business support, arguing that this means supporting the small minority of new businesses that are going to grow and employ expanding work forces.

The *Best 4 Business* judges in the North West were strongly of this opinion, and chose as their regional winner *Enterprise Cells*, run by DHP Enterprises for the County Durham TEC. The scheme recruits teams of managers from local industry, puts them through an intensive series of team-building exercises and helps them plan and start a new business. The scheme has a track record stimulating the creation of businesses with growth potential. Judges were particularly impressed at the cost/benefit equation: currently around £2000 of budget for each new job created (the figure will drop further if the businesses continue to do well).

The Welsh runner-up for *Best 4 Business*, the *Business Venture Service* run by Cardiff and Vale Enterprise (CAVE), takes a similar approach. They *only* help start-ups with money to invest, gain referrals by word of mouth – and charge enough money to put off anyone who isn't "serious".

Again, results are measured in jobs created: 134 in 21 businesses in the scheme's first two years. According to CAVE's manager, Hywel Davies, ambitious entrepreneurs will not attend general-purpose seminars and workshops. They want individualised attention and one-to-one counselling. They are also demanding: "If someone needs a business plan drawn up yesterday," he says, "we can do it."

SUPPORT FOR ALL

Challenging the 'prizing winners' position are those who believe business support should be spread more widely. *The Entrepreneurial Society* report is critical of policies marginalising start-up businesses "in favour of helping the small percentage of existing firms thought likely to grow and create jobs." The report's authors argue that "a healthy flow of good quality businesses is necessary for a dynamic economy."

The County Economic Development Officers Society (CEDOC) agrees. Their 1998 report argues that the "introduction of Business Links has diverted much of the financial and intellectual effort that might previously have been shared by new-start and micro businesses." However, this trend appears to be changing – somewhat.

In the recently published *Enhanced Business Links – a vision for the 21st Century*, Small Firms Minister Barbara Roche promises that “any business, regardless of size, will be able to find services to meet its needs.” However, this is shaded by the statement that Business Links “will need to continue to target their more specialised services on those growing companies where such resources can be used most effectively.”

The National Federation of Enterprise Agencies is keen government makes a priority of encouraging more people to set up in business. Without sufficient new-starts, it argues, there will be no pack from which growing businesses can emerge as leaders. Chief Executive Alan Bretherton argues for a ‘Business Birth Rate Strategy’, and makes a useful distinction between wealth and job creation. “As only a small percentage of businesses will ever employ many people”, he argues, “it is important to the health of the economy that resources concentrate on ensuring the *majority* improve their general efficiency, sharpen the services they offer – and so lessen their chances of failure in difficult economic circumstances.”

This is a job a number of *Best 4 Business* finalists are doing. Business Link North Wiltshire’s *Business Start-up Programme* was made South-West Regional Winner by a judging panel who wished to recognise a scheme doing the basics – and doing them well. They went on to point out that this kind of scheme is validated by the fact that banks often look more favourably on loan applicants who have received basic training from a support organisation.

START IT UP

Money is always a problem for a new business. Some schemes, like *The Rowan Start-up Fund*, run by Business Link Northumberland, try to tackle this directly. Another scheme cutting to the heart of the funding issue is the *North London Chamber and Enterprise Credit Union*, where members can both save and take out small loans. Despite the fact that most of the businesses would have little hope of obtaining credit from conventional sources, the Credit Union has an enviable record – with only one loan defaulted since 1993.

Although most Cardiff and Vale Enterprise (CAVE) clients and members of County Durham TEC’s teams were employed, at grassroots level it is often unemployment forcing people to consider self-employment. Business Link Isle of Wight’s scheme, *Freedom to be your own boss*, for example, is aimed at keeping people on an island with few big employers. It doesn’t just concentrate on business planning – but covers a whole range of business skills.

Hertfordshire TEC’s *Business Ideas Workshop* starts even earlier – with the business idea itself. Advertised as “two days that could change your life”, it began when local mass redundancies were sending people into “obvious” self-employment, like window-cleaning.

The *caution* of professional advisers can act as an important brake on poorly considered business ideas. The Policy Studies Institute report *Risky Business* (1998)³ notes “the whole range of effects of small business failure needs to be recognised, addressed and alleviated, otherwise recovery from the experience may never be complete.” Preventative help at an early stage can clearly perform a valuable social role.

³ Claire Whyley (1998), *Risky Business: The Personal and Financial Costs of Small Business Failure*, Policy Studies Institute, London

4. *Changing attitudes*

In the States, to actually fail in business is not considered to be a failure – you learn from those mistakes and start again.

Tim Evans, Director of People and Service Development, DTI

PROMOTING A NATIONAL CULTURE

Many *Best 4 Business* finalists are not just dealing with individual businesses – they are helping change wider cultural attitudes about being in business. Alan Bretherton talks of the need to foster an “entrepreneurial culture within our corporations – and outside.”

Richard Street, Chief Executive of the Prince’s Youth Business Trust, thinks society needs to give much more recognition to those who strike out on their own – even if their business doesn’t work out: “If a young person can either go and stack shelves for two years or start up in business and survive for two years, which one will *you* want to employ?”

Scottish Enterprise has led the field in looking at attitudes to business with a major study to assess why there were so few start-ups in Scotland⁴. The resulting Scottish Business Birth Rate Strategy aims to co-ordinate national effort while still allowing for local initiative.

Meanwhile, Business Link Merseyside is working to change cultural attitudes in Liverpool and the surrounding area, launching the *New Entrepreneurs Challenge* to tackle problems at each end of the cycle: low numbers of start-ups, and high failure rates.

LOCAL APPROACHES

Local knowledge confers competitive advantage – as does useful information. Put the two together in an effective and coherent guide, as did a number of outstanding entries, and businesses get something they can really make use of. Scottish Enterprise provided an outstanding example, as did Business Link Manchester – which was chosen as *Best 4 Business* winner in the North West. The judging panel liked its fresh approach and the depth of its locally-adapted information. Bristol & Avon Enterprise Agency uses a magazine format to do the same job. *Brave Magazine* appears quarterly and combines an excellent news sections with a variety of well-researched features tailored to its small business audience.

If well distributed, a business guide or magazine acts as an advertisement for the *idea* of business. Scottish Enterprise energetically promoted its guide using the *Personal Enterprise Show*, a road-show seen by no less than 22,000 people throughout Scotland.

Enterprise Link took a similar approach with a festival of over 90 events that took place in Birmingham last September. As organiser Mike Byrne commented: “the festival presents business as a positive, as something that can be enjoyable – not a last gasp attempt to avoid unemployment.”

Some schemes aim to change attitudes among particular groups. York’s *Young Business Project* is well-known to local young people. Manager Simon Daubney sees its role as “to be as informal as we can, while helping young people develop the discipline to make the transition from being a student to running a business.”

⁴ Scottish Enterprise (1993) *The Green Book*, Overview of the findings from the Inquiry for Scotland’s Business Birthrate Strategy; Scottish Enterprise (1996)

Bolton Metro's *Ethnic Minority Business Service*, meanwhile, found it very important to understand that, while some ethnic communities have strong entrepreneurial traditions, others have little direct experience in business.

The Other Half, run by DHP Enterprises for Tyneside TEC, takes a very different attitude to the cultural problem. Their approach is very local indeed, looking at how the attitudes and support of an entrepreneur's *family* can be vital to combat isolation, and the sometimes severe psychological stress, of self-reliance. They take a fairly standard package of workshops covering skills like bookkeeping, banking and credit control – but market them at the family (usually the spouse) of the entrepreneur. The idea is not only to help develop the business, but also to give the family a clear perception of what being in business means.

Other schemes work to change attitudes among businesses themselves. This work tended to fall into three broad but overlapping areas – communications, technology and information.

MARKETING COMMUNICATIONS

A number of innovative schemes were aware of the importance of marketing – and keen to ensure their clients were, too. *Image Making for your Business* is a scheme from the South Marches Association for Rural Training (SMART). Using innovative but low-budget course materials, the scheme introduces rural businesses to modern marketing concepts like branding and the use of a mission statement to recruit and motivate staff.

How to win more business, run by Results Corporation for Business Link London West, also pushes marketing up the agenda, repeatedly reminding clients of the effect it has on a business's bottom line. Their ultimate aim is to change the way their clients think: they want entrepreneurs to redefine their business from the customers' point of view. They use a classic marketing strategy to underline their point, offering course fee back *three times over* to any business who doesn't feel its tripled their investment attending the 6 seminar course.

To encourage businesses to access outside marketing expertise, Nottingham City Council includes marketing in its 'professional services voucher scheme'. This helps to flag that firms should be using professionals for marketing just as they might for accounting and legal work. Leeds City Council is another council attuned to the power of marketing, giving grants to companies to improve their promotional literature.

THE TECHNOLOGY JUNGLE

Many people find the rate of technological change daunting. Changing *attitudes* to technology is one way forward, even in simple things like "creating a friendly environment in which people are not made to feel silly or stupid" – the aim of the ISI Centre for Renfrewshire and Inverclyde. In some areas, the desire to counter technofear has been taken up with great energy. Business Link Suffolk sends a mobile IT support centre out on the road with an infrared, laptop-based network – and a carefully designed series of workshops and seminars.

In the Orkneys, meanwhile, Ray Castell is (seemingly) single-handedly trying to stimulate an Orcadian IT revolution. The Scottish judges made him their winner – impressed by his missionary zeal and the sheer range of activities he was responsible for.

As quickly as technology solves problems, it creates new ones – and, however much you know, there is always more to be learned. Increasingly, business support agencies are carving out a role guiding businesses as they stumble deeper into the technology jungle. Judith Sutton, from Business Link Sandwell – their *IT Link* scheme was short-listed in the West Midlands – sees a dual role, in which they become "an honest broker and a devil's advocate – getting people to think critically about what they need IT for."

Nowhere is a broker so useful than in dealing with the millennium bug – that dangerous combination of hype and serious problem. Business Link London Central has been instrumental in

developing the millennium audit – now available across the capital. Sheffield TEC's *AdviceNet*, national finalists, also does a great deal of work on the bug. Its remit is wider though – providing small businesses with a gateway to a network of 560 professional IT consultancies. Business Link Suffolk's new Technopole scheme has a similar aim – but this time expertise is expected to come from local higher education institutions.

A clear message emerges: small businesses find it difficult to access IT expertise. As a result, many do not bother – put off by horror stories of unscrupulous consultants with expensive non-solutions.

There is another, more complex issue lurking here, however – one which only really emerges in conversation with those running IT schemes. It appears that many small businesses are slow to work out that technology costs a lot more to *use* than it does to *buy*. Entrepreneurs tend to bring “consumer” attitudes to buying computers – planning to spend as little as possible on the original purchase. Training, technical support and the sometimes ruinous costs of down-time are not being considered. It seems clear that when businesses do not get the service they require, it is often because they are not yet prepared to spend the money.

Best 4 Business found schemes emerging to address this problem. The *Information and Communication Technology Audit*, run by Kevin Davis for Business Link Kent, provides a top-to-bottom assessment of what technology a company has – and what it needs. Designed to assist in more realistic costing and planning, the audit is achieving a 90% satisfaction rate with its early clients. There are plans to franchise to other Business Links if this continues.

INFORMATION WINS

From marketing materials that make an impact (and don't simply add to the information glut) to buying the right database, information is a double-edged sword for small businesses – a sword sharpened by modern technologies. Whether obtaining, sifting and using information (or simply controlling the flow) information is critical to success.

The national winner came from a ‘classical’ background handling information – the library. A library with a very modern approach. *DataDirect*, which won the *Best 4 Business Award* for Cambridgeshire County Council, impressed judges for many reasons. One of the most important was that it had succeeded in persuading businesses to pay the going rate for an often overlooked service – and had done in a place where people generally only expect to be charged for overdue books.

DataDirect is a specialist business information service run within Cambridgeshire Central Library. It provides small businesses with access to a range of company, market, product and technical services – with all research charged at £50 per hour.

The service was started in 1992 by Nick Parsons, a library employee then facing compulsory redundancy. His research showed that not only was there demand from local businesses for fast access to up-to-date information – but that, challenging the orthodoxy, 43% of small businesses would be prepared to pay for the service.

DataDirect now has a turnover of £100,000. Using income earned, it is able to buy all the latest CD-ROMs and on-line databases. It also makes a small profit, which is fed back into the Library's key services. 1000 clients have used the service over the last two years, with 120 counted as regular users.

There are signs that *DataDirect's* example is beginning to be picked up. *BusinessLine Wrexham* is based in Wrexham Library and provides a current awareness service, as well as on-demand research. The Leicestershire, Leicester and Rutland *Business Database* is run by Leicestershire County Council and has a number of different functions. As well as providing an integrated client management system for all the local business support organisations, its 10,000 live contacts are made available to businesses, on a commercial basis, for direct marketing purposes.

5. *Local knowledge, national brand, global skills*

Government can't always know – there will be regional variations in expectations and needs... it's about local issues nestling within that national vision.

Martin Briggs, Director, Operations & Development, Business Links Directorate, DTI

LOCAL ACCESS

While the *Best 4 Business Award* judging panel were impressed that *DataDirect* ran its service on a commercial basis, they also liked the fact that it was based in a library. Regional and national judges all agreed that business support organisations were, on the whole, too remote and poorly understood by their market. Everyone knows a library, however – and it seems a natural place to go for support.

The Entrepreneurial Society called for precisely this kind of local visibility:

Enterprise Agencies and Business Links could fit in with a campaign to raise awareness by becoming part of the High Street, becoming more like shops, allowing people to wander in to see what is going on, to browse through books or hire videos on starting a business.

Indeed, the success of *DataDirect* encouraged the local Enterprise Agency to start running workshops within the library.

The existence of well-established local Chambers of Commerce reflects a longstanding truth that even if the customers are the other side of the world, businesses rely on their local community for a range of vital needs – from printing and stationery to postal or courier services, from employees to the sandwiches they eat. (The development of new Chambers of Commerce aimed explicitly at younger people recognises that attitudes of younger business men and women are often very different from older ones).

Martin Briggs of the DTI has emphasised that business support services need to be responsive to local needs and conditions. The sheer variety of schemes identified by *Best 4 Business* reflects, in part, just such local distinctiveness.

NATIONAL AWARENESS

There is much talk, currently, about the Business Links “brand”. The *Best 4 Business* judges in London – where there has been an extensive campaign of radio ads – commented that Business Link was, at last, being recognised as the first port of call for those running a business.

Alan Bretherton thinks “we should now concentrate on the Business Link *brand*, rather than the Business Link *organisation*. Business Link has a nice flavour to it – one which makes people feel comfortable. Organisations in the partnership need to think in terms of strengthening this brand, getting it recognised all over the country as a quality service.”

Lack of awareness of the support available is a problem for many finalists. A national marketing campaign, as some have suggested, may not be the answer – there is the danger of stimulating a demand which cannot (yet) be satisfied. What would clearly help, however, would be for organisations to improve their *own* marketing at a local level. All too often, while the *Best 4 Business* judges were impressed by a scheme on offer, they were less than taken by its promotional materials.

There were some notable exceptions. Business Link London West has chosen a name for its scheme, *How to win more business*, that attracted attention and now leads with that. Business Link

Calderdale and Kirklees also has an eye-catching name for its course on business uses of the Internet: *Feeling like a fish out of water*. It backs the scheme with a stunning leaflet – and it was no surprise to find the course itself well-designed and carefully thought out.

AZTEC was shortlisted for *Motiv8*, the gateway to its services for young people. Again, it was some excellent marketing materials, carefully designed for the target audience, which stood out. Business Link Isle of Wight also had a first class leaflet, backed up by imaginative and well-designed course materials. The *Image Making for your Business* scheme from the South Marches Association for Rural Training (SMART) included a superb interactive course book on marketing – developed on a tight budget. Finally, Business Link East Lancashire made it to their regional final on the basis of a leaflet on ISDN, designed and produced for a few hundred pounds. Visually, it was nothing special – but the information it contained was fantastic. A number of the judges had been struggling with ISDN. “Now if BT had told me that...” muttered one.

THE WHOLE BUSINESS

“Marketing is not a function,” the management thinker Peter Drucker frequently notes, “it is the whole business seen from the customer’s point of view.” Good marketing is an excellent way to both inject a sense of energy and purpose into an enterprise. It can also help transmit awareness to a business community that is still largely sceptical: in 1996, over half the respondents to an *Institute of Directors* survey had not even heard of Business Links (and only 1 in 20 had ever used their services)⁵.

Marketing, and the research underpinning it, is also a discipline which can help ensure support organisations are, in the words of Richard Street of the Prince’s Youth Business Trust, “demand-driven rather than supplier-led” – and that they work harder to explain their relevance to their target audience.

Two schemes, both from outside the business support mainstream, show that having a clear idea of what you are doing – and then explaining it effectively to your core audience – confers real advantages. The *Oxford Centre for Innovation* uses close links with the university to introduce high-tech companies to business angels. It has a tightly-focused and clearly-drawn approach to its work. The *Cambridge Network*, meanwhile, is supported by a number of local big businesses and has adopted their professional values. The network exists, first and foremost, as a web-site – and one that even in its early days is already far ahead of many on offer from public sector agencies.

Clearly, business support organisations will need to do more to understand changing business needs. They need to know which criteria are driving their clients – and allow themselves to be driven by the same criteria. This view is widely shared, with Martin Briggs, for example, saying that Business Links need to make sure “they are truly customer-focussed” and cites “trying to ensure small businesses are in the majority on the board” as a route forward. Small business representation, he says, “is quite an explicit objective” – noting how the Business Links accreditation process now covers the partnership’s board composition.

⁵ Institute of Directors (1996) *Business Link: IoD Research Paper*

6. *Future business*

The changes sweeping through electronic communications will transform the world's economies, politics and societies – but they will first transform companies... the communications revolution is working with the grain of corporate change, rather than against it. That is why, ultimately, its influence will be so great.

Frances Cairncross (1997)

The Death of Distance: how the communications revolution will change our lives

As the world changes, so does business. Indeed, each stimulates the other. Looking beyond the bug to the millennium it heralds, a new set of challenges confronts small businesses – and the network of services supporting them.

Technological literacy will be crucial – without it, small firms risk being left behind. *With it*, however, new possibilities emerge. As Frances Cairncross has argued in her seminal book on the communications revolution, “small companies will be able to offer services that at one time only giants could provide in terms of scale and scope.”

There are already signs that small firms are alert to at least *some* of the possibilities: a 1996 survey in the UK⁶ suggested that the self-employed were “significantly more likely” than the national average to take the plunge into making financial transactions over the Internet. A number of reasons may underpin this finding – not least convenience when working long hours – but it is at least suggestive. Where once the first action of a new business might have been to look for premises, today it is more likely to be to buy computer magazines in search of the right hardware.

Cost-effective mobile telephony is another tool increasingly used by small businesses – helping to turn previously ‘dead’ travel time into live business activity. And when every lead or new contact might prove vital to the future success of a business, being accessible is part of maintaining an edge.

The vital role of effective communications in business support services is undisputed. Other factors are crucial too. The *Best 4 Business Awards* found several recurrent issues: delivering value for money, accessibility, competitiveness, reliability, responsiveness and accountability. These are strong tools with which to engage with the future.

As best practice is increasingly shared – and technology makes the act of sharing it ever easier – the interests, needs and aspirations of both small businesses and business support services are likely to converge. And good communication will lead that change.

⁶ The 1996 Self Employment Survey, CM&R Consultancy, London

7. Appendix: finalists, research protocol and acknowledgements

National finalists

JUDGES

Journalist	John Husband, Business Editor, <i>The Mirror</i>
Member of Parliament	Christopher Chope MP, Conservative Party Small Firms spokesman
One 2 One Representative	Colin Morley, General Marketing Manager Customer Acquisitions

FINALISTS (by region and project)

East Midlands – Business Link North Derbyshire

Contact: Barbara Peck, Marketing Manager. T: 01246 207207 E: barbab@blnd.co.uk

The Peak Business Support scheme has been working since 1996 to help regenerate a rural area. It aims to introduce the enterprise culture into an area previously dominated by farming and promote diversification in a failing economy.

Eastern – Cambridgeshire County Council **WINNER**

Contact: Susan Woods, Senior Research Officer. T: 01223 712012 E: ddcam@dial.pipex.com

W: www.ds.dial.pipex.com

Datadirect is a specialist business information service – run within Cambridgeshire Central Library. It provides Small and Medium sized Enterprises (SMEs) with access to a range of company, market, product and technical services – with all research charged at £50 per hour.

London – Business Link London West

Contact: Kate Buxton, Marketing & Information Manager. T: 0181 814 3260

How to win more business is a series of practical and inspirational marketing seminars run for the Business Link by Martin Williams of Results Corporation.

North East – County Durham TEC

Contact: Mick Wood, Enterprise Manager. T: 01325 387013

Enterprise Cells was set up as a way of stimulating the creation of businesses – usually in the manufacturing sector – with the capacity for fast growth.

North West – Business Link Manchester

Audrey Stirrup, New Business Support Manager. T: 0161 237 4000 E: audreys@manccitebl.org.uk

W: www.manccitebl.org.uk

The Small Business Guide 1998 is a free guide to starting and running a small business in Manchester, Salford, Trafford and Tameside. It includes sections on business plans, market research, legal issues, finance, marketing, property and business support.

Scotland – Orkney Enterprise

Ray Castell, IT Adviser. **T:** 01856 874638 **E:** j.kirk@hient.co.uk

Making the Most of IT is helping to engineer an IT revolution on the Orkneys, through an ambitious and varied programme of activities supported by IT adviser Ray Castell.

South East – Business Link Isle of Wight

John Reddecliff, Small Business Manager **T:** 01983 535353 **E:** admin@blink.btx400.co.uk

Freedom to be your own boss is designed to raise awareness of what is needed to successfully launch and run a business and is compulsory for all those who want to access further Business Link training.

South West – Business Link North Wiltshire

Peter Webster, Programme Manager **T:** 01249 445511 **E:** 100670.3657@compuserve.com

The Business Start-up Programme is designed to help budding entrepreneurs research and evaluate a proposed business idea and put together a business plan.

Wales – Cardiff and Vale Enterprise

RUNNER-UP

Hywel Davies, Manager, Business Ventures. **T:** 01222 494411 **E:** cave@cave.co.uk

The Business Venture Service offers new-starts a bespoke support service – including all the advice, help and training that a business needs to get through its first two years.

West Midlands – SMART (the South Marches Association for Rural Training)

Ros Hammant, Training Manager. **T:** 01432 268415

Image Making for your Business is a one-day course, taking small businesses beyond the basics and giving them a perspective on modern marketing techniques.

Yorkshire & the Humber – Sheffield TEC

Richard Axe, Business Adviser. **T:** 0114 281 3873 **E:** raxe@blsheffield.co.uk

AdviceNet offers high-level IT support, via a helpline, and brings local suppliers into a TEC-fronted coalition.

Regional finalists

EAST MIDLANDS

JUDGES

Journalist	Chris Ward, <i>Derby Evening Telegraph</i>
Dealer	Roger Adey, Crown Mobile Communications
One 2 One Representative	Lee Ross

First Enterprise Business Agency

Leslie McDonald, Chief Executive T: 0115 942 3772

The Nottingham Minority Ethnic Business Directory promotes the services of minority ethnic communities in Nottinghamshire.

Leicestershire County Council

Rachel Holder, Company Database Officer T: 0116 265 7258 E: rholder@leics.gov.uk

The Leicestershire, Leicester and Rutland Business Database is a co-ordinated client management system for all the areas support organisations, which doubles as a direct marketing service.

Nottinghamshire County Council

Julie Naismith, Development Officer T: 0115 977 2038

The Marketing Services Voucher Scheme aims to help small businesses access professional marketing advice.

EASTERN

JUDGES

Journalist	Ken Hurst, <i>Eastern Daily Press</i>
Dealer	John Ford, Airphone
One 2 One Representative	Andrea Grimes
MP	Andrew Lansley

Business Link Suffolk

Niels Petersen, Manager, Strategic Projects. T: 01473 282 800 E: @business-link-suffolk.co.uk
W: www.business-link-suffolk.co.uk

Technopole aims to stimulate innovation encourage the take-up of new technologies, and bring Suffolk industry and universities closer together.

Hertfordshire TEC

David Moule, Business Development Manager. T: 01727 813600 E: david.moule@herts.tec.co.uk
W: www.herts.tec.co.uk

The *Business Ideas Workshop* is aimed at people who want (or need) to set up their own business – but have not yet fully developed a viable business idea.

The Cambridge Network

Judi Coe ,Web Editor. **T:** 01223 501627 **E:** judi_coe@cambridgenetwork.co.uk

W: www.cambridgenetwork.co

The Cambridge Network is attempting to create a robust microeconomic system in the city and its surrounding area. It now has 100 members and a fast-developing web site.

LONDON

JUDGES

Journalist	Mark Atherton, <i>South London Business Press</i>
Dealer	Aslam Athas, Ace Contact
One 2 One Representative	Steve Fraser
MP	Jim Dowd

AZTEC

Martin Blandy, Enterprise Manager. **T:** 0181 547 3934 **E:** info@aztec-iip.co.uk **W:** www.aztec-iip.co.uk

Motiv8 is a business start-up service aimed at the under 30s. It provides a high-profile gateway to a range of services.

Business Link London Central

Valerie Thompson, Chief Executive. **T:** 0171 316 1000 **E:** info@londoncentral.businesslink.co.uk

W: www.london-central.businesslink.co.uk

The Millennium Audit is aims to make sure small businesses survive the challenges posed by the Y2K bug.

North London Chamber & Enterprise Credit Union

John Morris, Treasurer (p/t). **T:** 0181 449 2088 **E:** barfield_group@compuserve.com

The Credit Union helps small businesses, who are members of the North London Chamber and Enterprise Club, to save and borrow money.

NORTH EAST

JUDGES

Journalist Moira Finn, *Newcastle Evening Post*
Dealer Chris Lee, Mobile Phone World
One 2 One Representative Steve Barrington

Business Link Northumberland

Pauline Frankland, Operations Manager **T:** 01670 528206 **E:** pauline_frankland@bln.co.uk

The Rowan Start-Up Fund, run in conjunction with the Midland Bank, offers grants and loans for small businesses

Project North East

David Irwin, Director. **T:** 0191 261 7856 **E:** staff@projectne.co.uk **W:** www.pne.org

Project North East offers a comprehensive series of business information services, marketed to business advisers throughout the UK – and beyond.

Tyneside TEC

Deborah Harris, Contracts Manager. **T:** 0191 491 6161

The Other Half gives family members practical skills to help them get involved in a new business.

NORTH WEST

JUDGES

Journalist Mark Curry, *Liverpool Post*
Dealer Yow Moy Yapp, EBBE Fone Galleria
One 2 One Representative Mark Cawood

Bolton Metro Services

Sikander Badat, Senior Ethnic Minorities Business Officer. **T:** 01204 391494

The Ethnic Minority Business Service encourages the development of ethnic minority businesses in Bolton and specialises in helping local companies break into new markets – especially export markets.

Business Link East Lancashire

Phil Tomlin, Marketing Manager. **T:** 01254 604559 **E:** phil_tomlin@bleastlancs.co.uk

W: www.bleastlancs.co.uk

Welcome to the wonderful world of ISDN is a simple, but effective, leaflet explaining ISDN – how it works and what it offers.

Business Link Merseyside

James Donagh, Employer Marketing Officer. T: 0151 224 2400

The New Entrepreneurs Challenge is a training package set up to tackle Merseyside's lower than average start-up rate and its very high levels of business failure.

SCOTLAND

JUDGES

Journalist	Barclay McBain, Glasgow Herald
Dealer	Ali Khan, Torq Communications
One 2 One Representative	Mark Cawood

Gordon Enterprise Trust – Graham Batty Agency

Graham Batty, Company Owner. T: 01467 629966

The New-Starts Network aims to bring together local entrepreneurs to compare experiences, learn from each other and promote their businesses.

New Ventures Team – Scottish Enterprise

Brian McVey T: 0141 248 2700 E: Brian.McVey@scotent.co.uk

The Essential Guide is a start-up business guide tailor-made for Scotland. It covers everything from developing a product or service idea, to recruiting staff and improving marketing techniques.

ISI Centre

Jo McKinley, ISI Co-ordinator. T: 0800 052 8156 E: j.mckinley@sts.org.uk or sts@glasgow.org.uk
W: www.renfent.co.uk

The ISI Centre for Renfrewshire and Inverclyde is working to make technology accessible to small business.

SOUTH EAST

JUDGES

Journalist	Tony Laycock, Brighton Evening Argus
Dealer	Paul James, Swale Communications
One 2 One Representative	Jon Bill

Business Link Kent

Tony Buddin, Business Services and Contracts Manager. T: 01732 878000

E: marketing@kent.businesslink.co.uk

Business Link Kent's *Innovation and Technology Advisor* is pioneering an Information and Communication Technology Audit, which maps out a business's technology needs,

Business Link Sussex

Janice Stanley, Head of Partner Services. **T:** 01444 259 200 **E:** janice.stanley@sussexenterprise.co.uk
W: www.sussexenterprise.co.uk

The Mobile Local Support Centre takes IT workshops out on the road, offering training that starts with the basics and moves through marketing on the internet to the challenges of new technology.

Oxford Centre for Innovation

Kate Phelps, Manager. **T:** 01865 790910 **E:** oion@oxtrust.org.uk

The Oxfordshire Investment Opportunity Network links private investors – many of whom can also offer management expertise – with new and growing companies in Oxfordshire.

SOUTH WEST

JUDGES

Journalist	Robert Buckland, <i>Western Daily Press</i>
Dealer	Mike Buckland, Mobile Communications
One 2 One Representative	Jon Bill
MP	Don Foster

Bristol & Avon Enterprise Agency

Pat Cook, Office Manager. **T:** 0117 944 5330 **E:** brave@dial.pipex.com

Brave Magazine is a quarterly magazine for small businesses and would-be entrepreneurs in and around Bristol. Published by the Bristol & Avon Enterprise Agency

Enterprise Plymouth Ltd.

Sue Massingham, Project Manager. **T:** 01752 569211 **E:** sue@taste4enterprise.co.uk

W: www.taste4enterprise.co.uk

Taste 4 Enterprise is a package aimed at getting young people into business. It has been used as a template in the design of the New Deal.

Enterprise Tamar Ltd.

David Stanbury, Director. **T:** 01566 775632 **E:** launceston@ratio.org.uk

Enterprise Tamar offers a variety of services to local businesses and has an impressive track record as an innovator.

WALES

JUDGES

Journalist Geoff Wright, *South Wales Echo*
Dealer Mervyn Pullen, Portway Telecommunications
One 2 One Representative Jason Toomer

Business Connect North Ceredigion

Hugh Davies, Manager. T: 01970 625153 E: buscon@ceredigion.gov.uk

Getting into business is a three-day course promoting self-employment in an area of chronic unemployment.

Business Line Wrexham

Nicky Barnard, Business Information Officer. T: 01978 292092 E: businessline@wrexhamlib.u-net.com

Businessline Wrexham offers local businesses a phone-based research service, covering everything from mailing lists to product information or company background checks.

Innovation Wales (SEWBIC) Ltd.

Douglas Hampson, Chief Executive. T: 01222 372311 E: innovation.wales@dial.pipex.com

The Single Innovator scheme provides a range of free assistance for the lone inventor, helping them to decide how (and whether) to develop and market their invention.

WEST MIDLANDS

JUDGES

Journalist Tom Dickens, *Birmingham Post*
Dealer Bob Billingham, Realmgate
One 2 One Representative Lee Ross

Business Link Sandwell

Judith Sutton, IT Link/Information Co-ordinator. T: 0121 543 2222 E: judith.sutton@sandtec.demon.co.uk W: www.itlinksandw.co.uk

IT Link is an communications and technology consultancy service, offering sound and neutral advice to local businesses – initially via a telephone helpline and website.

Enterprise Link Birmingham

Mike Byrne, Manager. T: 0121 607 3016 E: elinfo@entlink.co.uk

Enterprise '97 Festival was a huge Birmingham-wide festival, altering people to the possibility of starting up in business and generating interest in Enterprise Link's work.

YORKSHIRE & THE HUMBER

JUDGES

Journalist	Bob Rae, <i>Sheffield Star</i>
Dealer	Jarrold Potter, Mistral Communications
One 2 One Representative	Mark Cawood

Business Link Calderdale & Kirklees

David Broadhead, IT Centre Manager. **T:** 01924 470961 **E:** daveb@tech.co.uk
W: www.cald/kirk.businesslink.co.uk

Feeling like a fish out of water is a one-day workshop to help small businesses market products and services through the Internet.

Leeds City Council

Khosrow Bidari, Business Development Officer. **T:** 0113 247 4516 **E:** john.ansbro@leeds.gov.uk

Promotional Literature Grant is a scheme offering money for new publicity materials

The Young Business Project

Simon Daubeney, Manager. **T:** 01904 610045 **E:** ypb@bpr.demon.co.uk
W: www.digital-yorkshire.co.uk

Young Business Project offers a range of services and training for would-be young entrepreneurs

Research Protocol

The research was designed and undertaken by River Path Associates, an independent research and communications consultancy.

The following protocol recognised that the first *One 2 One Best 4 Business* programme was a pilot, and therefore deliberately placed a virtue on flexibility and a 'learning approach'.

Firstly, a database of small business organisations was designed and constructed using to the latest Department of Trade and Industry (DTI) Regional Indicators. Using this database, initial letters were sent out to all Business Links, Enterprise Agencies and TECs in the United Kingdom. Due to resource constraints, Local Authority contacts and the CBI were approached only if they had made e-mail addresses available on relevant Internet resources.

At this 'soundings' stage, *One 2 One* was deliberately not identified, nor was any mention made of a competition. A sample of the letter sent, requesting information, is below:

16th March 1998

Dear Sir/Madam,

SUPPORT FOR NEW BUSINESSES – call for information

River Path Associates are researching key factors promoting micro, small and medium-sized business start-ups.

Enterprise Agencies have an important role in providing information, training, advice and other services to help promote and support business start-ups in their area.

We are therefore writing to *all* Enterprise Agencies, asking them to send us a full set of the information they provide for new businesses and details of any services they offer SME's.

We will analyse this material and follow-up a smaller sample on specific points.

Results from the research will be widely circulated and key findings published on our web-site, **www.riverpath.com**

Please contact me via the address above or by e-mail (info@riverpath.com) should you need further information.

We look forward to seeing the material you provide – and thank you for your time in this matter.

Yours faithfully,

Chris Dunn
Business Manager.

As responses were received, all information was registered – by town within region. In a sample of geographically important towns and cities,⁷ a follow-up phone call was made to organisations to whom the call for information had not been sent. (Again, resource constraints prevented this occurring across the entire database).

⁷ Bristol, Birmingham, Cardiff, Glasgow, Halifax, Leeds, Liverpool, London, Manchester, Norwich, Nottingham & Sheffield

Based on the information sent in, an initial sift was conducted by two independent judges, who then conferred to identify a short list of 5-6 particularly interesting schemes in each region.

A wide-ranging and semi-structured follow-up interview, lasting 20-25 minutes, was used to identify the 3 or 4 actual finalists in each region. (This process was piloted in the South West, using additional telephone interviews with the local authorities)

At each regional event, judges selected a regional winner. The judges conferred in order to make their decision, having each been given briefing packs, which included detailed notes, and the opportunity to examine samples of outputs from each scheme. A River Path Associate, David Steven, who had been involved in the initial sifting and interview stages, was on hand to answer any more detailed questions the judges had.

During the period between Regional Finals and the National Final, a second-level sifting occurred. Each finalist was again interviewed, and sent a letter requesting more qualitative information. Other questions examined how many people had use each scheme or course, a user profile (if appropriate), and each scheme was asked for case studies of people who helped by the scheme or course, alongside more detailed budget figures. Any issues raised by the Regional Judges were also followed up.

To prepare this report, a series of 'overview interviews' were undertaken with several representative organisations and individuals with key positions or responsibilities.

Finally, judges at all events were given an opportunity to comment on the process. Comments were, overall, very favourable. Useful feedback at the Regional stage was taken on board in time for the National Finals. Detailed figures are available on request from River Path Associates.

Acknowledgements

In addition to general thanks for all the help provided by the many people who participated in this research in whatever capacity, we would particularly like to thank the following for their time:

Alan Bretherton, *Chief Executive*
Federation of Enterprise Agencies

Martin Briggs, *Director, Operations & Development*
Business Links Directorate, Department of Trade and Industry

David Pattison, *Economic Development and Tourism Director*
Cornwall County Council, Truro County Hall

David Irwin, *Chairman*
Federation of Enterprise Agencies

Tim Evans, *Director of People and Service Development*
Department of Trade and Industry

Gary Gould, *Business & Enterprise Manager*
Birmingham City Council Economic Development Department

Richard Street, *Chief Executive*
The Prince's Youth Business Trust

Breakdown of Organisations Contacted

a) By letter Total 730 as at 9th Nov - 731

Agencies	1	2
Borough Council	1	1
Business Connect (Wales)	12	12
Business Line (Wales)	1	1
Business Links	240	239
Business Shops (Scotland)	35	35
CBI	12	12
County Council	15	15
Development Agency (Wales)	1	1
Enterprise (Wales)	11	11
Enterprise Partnership	1	1
Local Authority	20	20
Local Enterprise	294	295
Other	3	3
TECs	83	83

b) By phone

Total 66 (5 had not previously been sent letters) As at 9th Nov 1998 71 (11 not previously sent letters)

Organisations replied (information sent) Total 165 as at 9th Nov 1998 175

Agencies	1	2
Business Connect (Wales)	2	2
Business Line (Wales)	1	1
Business Links	60	60
Business Shops (Scotland)	11	11
CBI	3	3
County Council	4	5
Government (DTI)	1	1
Local Authority	5	6
Local Enterprise	57	60
Other	3	6
TECs	17	18

Main contacts who sent information (from a total of 97 who were sent information)

Business Links	33
Business Shops (Scotland)	2
TECs	1