

■ The Bolton Metro's Ethnic Minorities Business Service

Sikander Badat*

Abstract This article presents a model of excellence for supporting the start-up, development and growth of Ethnic Minority Businesses. I have established this model on the basis of over twenty years of experience in delivering pioneering and innovative business and enterprise support initiatives targeted at ethnic and mainstream businesses. I believe that the model, which has received national and international recognition, can be successfully transferred to other business support organisations to produce similar results. It is important to state that this article represents a practitioner's view. One of the achievements of the model is its continuous formidable record of over 90 per cent survival rate for businesses trading over two years.

Keywords business, Bolton Ethnic Minority Business Service, ethnic minority business support model, 90% survival rate for ethnic minority businesses.

* QAEP, Holder of The Queens Award for Enterprise Promotion and Head of Special Projects, Regeneration and Economic Development Division - Development and Regeneration Department, Bolton Council, Town Hall, England.

■ The Bolton Metro's Ethnic Minorities Business Service

Sikander Badat

The Bolton Metro's Ethnic Minorities Business Service (EMBS) has been assisting the development and growth of Ethnic Minority Businesses since 1987. The Service has developed a range of innovative and pioneering programmes, which have helped to improve the performance and competitiveness of Small and Medium Enterprises run by people from South Asian, African/Afro-Caribbean, Chinese, Middle Eastern and Eastern European backgrounds. The programmes that have been developed and successfully implemented are based on an understanding of language, culture and ethnic minority community and business dynamics, to ensure that they meet the requirements of this target group. This work has enabled individuals from these communities to set up successful businesses and particularly to break out of traditional sectors such as retail and move into ICT, telecommunications, fashion and textiles, graphic design, food production/catering, pharmaceuticals and printing - to name but a few.

There is an unmet demand for business support from Black and Minority Ethnic (BME) communities and businesses, as mainstream business support organisations such as Business Link¹ are not able to successfully engage these communities in their programmes of support. Their services do not take into account the barriers that these communities face in starting up, developing and growing a business.

I have now been involved in this work for over twenty years and I have come to the conclusion that BME businesses face specific problems and barriers over and above those faced by mainstream businesses in start-up and development. Some of these barriers relate to accessing support from business support organisations. A number of research studies have been commissioned by the Department of Trade and Industry and other public sector organisations that substantiate my findings.

Raising finance, access to the provision of business support and a lack of crucial management skills and networking are the key issues that BME businesses face. Although some of these issues are common to all businesses, the impact of these issues is far more severe for BME businesses. In my opinion these are the symptoms and not the root causes, hampering the development and growth of businesses from this sector.

Business support organisations need to be aware that Ethnic Minority (EM) culture, business dynamics and language are in most cases the root cause of these

symptoms. For example, innovation in some of the EM firms can be slow to emerge and can be affected by the complexity of family decision-making systems. To encourage innovation, consultants and advisers need to be culturally sensitive and understand family dynamics. In addition, some EM communities historically had a low level of economic participation. This has meant that they have not acquired the full set of transferable skills. Support agencies need to recognise this and to develop appropriate strategies to overcome these barriers. Furthermore, family dynamics, culturally accepted distribution, power and authority play an important role in the life of EM businesses. Support agencies should be aware of these dynamics and have strategies in place to accommodate them.

Business support agencies should first demonstrate sensitivity to minority ethnic business needs, problems and opportunities; secondly, they should be sufficiently aware of and sensitive to the diversity of minority ethnic business in order to provide appropriate and targeted business support; and thirdly, they should have credibility in the eyes of ethnic minority business people. In sum, organisations need policies, strategies and programmes to meet these challenges and to ensure that BME businesses achieve their full potential within the economy.

The award-winning model I have developed of supporting businesses from this sector would certainly enable business support organisations to both engage and effectively help BME businesses. The model helps to overcome the problems, issues and challenges faced by the EM business sector mentioned above. These businesses are hard to reach, socially excluded - especially those trading in the inner city -, face multiple deprivation, and linguistic and cultural differences can sometimes hamper the growth and development of their businesses.

The challenge therefore is to overcome the issues highlighted above. We need to have in place a model of service provision that is not only tailored to this client group but is an integral part of the mainstream enterprise infrastructure, to ensure that EM businesses are not isolated from the mainstream. My model is unique and provides customised support to BME businesses. It is also a partner in the mainstream support structure, thereby helping to inform policy and develop appropriate strategies, enabling the development of this sector of businesses. The cross-cutting theme incorporated within the model ensures that all staff involved within the service have an understanding of different cultures, religions, languages and EM business dynamics.

The key functions of the model are Outreach and Capacity Building, Information and Support Provision, and Customised Business Support Initiatives. Outreach and Capacity building provides pro-active outreach support by dedicated multi-lingual enterprise workers. This function helps to develop sustainable capacity among potential and existing EM businesses. These individuals are the crucial

link between EM businesses/individuals and the wider enterprise network. The Outreach function allows continuous support to be provided to clients, enabling the service to achieve capacity, trust, credibility and loyalty between EM businesses, the service and all partner organisations involved in the enterprise network, including Job Centre Plus, the Learning and Skills Council and Business Link.

The Information and Support Provision function facilitates the clients' progress, once the Outreach function has engaged clients onto the programme of support. The Information Support function plays a dual role, in which it acts as an important link between the client, the agency and the Outreach function, while also gathering data on the effectiveness of the programme delivered to clients and the impact on these clients of policy measures from other mainstream service providers. Overall, it helps to inform future policy development and service provision.

The key elements of the service highlighted above generate demand among potential and existing EM businesses to avail of support services. The customised function is crucial in that it provides the business advice, training and consultancy support to enable the development and growth of Ethnic Minority Businesses.

The Outreach and the Information Support function contributes to the development of customised Business Support Packages for clients, to ensure the effective progress of their business plans. Therefore, the delivery of any such business packages includes an EM dimension, for example, the programmes are culturally sensitive, relevant and delivered in a number of languages by specialist business advisers who have a thorough understanding of EM culture and the relevance to business.

The enterprise support package includes Enterprise Awareness Events, Business Diagnostics, Diversification Programmes, Business Management and Marketing Skills Workshops, Tailored Programmes, Counselling and Consultancy, Business ICT Support, Business Planning, and so on, all delivered in a culturally relevant manner to unlock the enterprise potential of a community that has largely been pushed into entrepreneurship without the key skills to sustain, diversify and grow their business.

I am pleased to report that the model has achieved a 90 per cent survival rate for businesses trading for over two years, significantly higher than the national average, which currently stands at 60 per cent. The best practice that this model has achieved has been shared with business support organisations across the North West of England.

The Model of Excellence for Ethnic Minority SME's Start-Up, Growth and Development was presented at the International Council for Small Business 48th World Conference on 15–18 June 2003 in Northern Ireland. This is a successful business support model for Small and Medium Enterprise (SME) development which can be adopted by all business support agencies as best practice.

In January 2006 the Bolton Ethnic Minority Business service was incorporated into Business Bolton, the mainstream business support service of Bolton City Council. Business Bolton has adopted the key principles of the EMBS model and has business advisers and outreach officers who can engage with individuals from diverse backgrounds and cultures.

Notes

¹ For further information on the Business Link network, please see: www.businesslink.gov.uk