

A HELPING HAND?

The DTI and SBS are making more moves than ever to help small businesses, but for many owner-managers it is still not enough.

BY TIM BURKE AND MARK DUNNE

Stephen Kowalik of Birmingham-based garment company KOVA Manufacturing remembers his company's first experience with Business Link all too well. Kowalik has used the government-backed organisation to get a grant, Internet access and several appraisals, but nothing came without hoop-jumping.

"They didn't come up with anything that was greatly innovative or would change things," Kowalik said. "Most of it you could have thought up yourself. From what we experienced the people who came to us seemed to be more interested in getting five new clients. The consultants were just there to have a job I suppose at the end of the day. I'm sure they helped some people, they just didn't help us."

Many of the stories told to A4G by Midlands SMEs have similar plots. No one doubts that there is money, advice and support available from government organisations such as Business Link, the Small Business Service and the regional development agencies. But even in those instances where it is exactly what the company in question requires, the red tape surrounding the end goal often proves too high a hurdle.

Diane Rayner, Midlands policy development officer at the Federation of Small Businesses (FSB), said regardless of how much business support the government offers, its attitude to SMEs is the cause of its rough ride.

"I think it's because they're starting off from the idea that they know best," Rayner said. "It's the nanny state attitude. Entrepreneurs are bloody minded individuals who have got an idea, got a

dream and they want to get on with it and they don't like the nanny state."

Things would be different, according to Rayner, if businesses could guarantee that the products and services on offer were tailor-made to meet their own requirements.

"When they're looking for support from government, they're not necessarily looking for money," she said. "Really it's the opportunity to cherry-pick across a wide range of things that businesses need, and if that sounds like having the best of both worlds then that's exactly what they need."

"They need to be able to buy into the training for themselves as business people and for their staff when they need it. It needs to be the training that they need, not something the government has dreamed up as being what they should be doing, or that the local Business Link has got a course on."

POLICEMEN, PEERS AND BEING ON FORM

But according to James Meyrick of the Forum of Private Business (FPB), there is more than one party at fault in the relationship between small businesses and the government, and SMEs' attitudes need to change as much as Business Link's.


"[SMEs] don't like the idea of government intervention and they don't want to give away things that they would rather not," Meyrick said. "There's a suspicion on the part of the small business towards these groups. Also there's an ignorance towards these groups and the things they can do to help them."

In Meyrick's experience, many small businesses prefer the peer-to-peer experience



TIMETABLE OF CHANGE

In 2003-2004, the government's Small Business Service claims it will:

- Define a re-vitalised Business Link brand (by September 2003)
- Roll out a new DTI business support portfolio. Business Link will be the primary means by which businesses access DTI products and services (to be initiated in three stages by March 2004)
- Develop the 'Business.gov' project portal offering by September 2003 (market launch estimated for the first quarter of 2004)
- Increase the market penetration and customer satisfaction levels of Business Link (by March 2004)
- Evaluate three RDA-led business support pilots in the North West, West Midlands and East Midlands (by January 2004) 

offered by organisations such as the FPB or FSB. "You don't want to go to a policeman, you'd rather go to the peer. [Businesses] see representative groups such as ourselves as peers and able to offer them impartial, accurate advice, rather than the Business Links, which people are wary to use."

A significant part of this wariness appears to be due to the bureaucracy owner-managers run into when they do use government support. Chris Pearson of Birmingham's Safe Lite, a supplier of traffic management equipment, found the biggest barrier between his company and a grant was the amount of paperwork required during the application process.

"We went to [Business Link] for a grant to develop our products, but found it bureaucratic," Pearson said. "[There was] a lot of form filling and I think generally that if you hadn't wished to persevere it would put a lot of people off."

Pearson said the best way for Business Link to make itself more useful to business would be to make the application criteria easier and more sympathetic toward customers. "I think it was too time consuming for a small business to fill in," he said. It is a bugbear shared by Rayner, who sees the paperwork behind Business Link initiatives as representative of a wider ailment in the UK government.

"There's so much box ticking in this country at the moment," she said. "So many people running around with objectives they've got to fulfil that have got nothing at all to do with helping business, they've got everything to do with making sure that their government initiative is on track and isn't going to be condemned as having run off track."

"Everything is being managed by this bean-counting, box-ticking, civil service approach to things. And it would actually

probably save money if you wiped that whole layer out and just spread the money around. Walk down the high street, walk into every proprietor and say, 'here, have a tenner.' It would probably do more good and it would be probably be cheaper."

WE CAN CHANGE

The government has at least opened its ears to such criticism, with the DTI publishing a guide to government services for SMEs earlier this year. Entitled The no-nonsense guide to government rules and regulations for setting up your business, it will save growing businesses time and money, according to Trade and Industry secretary Patricia Hewitt.

"The UK is already one of the simplest and cheapest places to start up a business and this guide will help make it even easier," Hewitt said. "The no-nonsense guide provides entrepreneurs, for the first time, with a single reference source of the regulatory information they need, plus signposts to help and advice on a wide range of business issues. It means real help and support for young businesses when they're at their most vulnerable."

With the announcement of the guide come six new business support products. A range of new sectors is now eligible for the Small Firms Loan Guarantee, the maximum turnover limit for which is increased from £1.5 million to £3 million per year. Grants for R&D and innovation and new partnerships to encourage links between businesses and higher education institutions are also to be launched. Furthermore, it was announced that 84 old business schemes are to close in the near future.

"Customers told us during a DTI Review that we had too many small, ad-hoc, complex schemes that delivered low-impact results," Hewitt said. "We have already closed 20 schemes and over 60

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TEACHING OLD DOGS NEW TRICKS

Barry Badham was bored. After 30 years of running car dealerships he had taken early retirement at the age of 55, but after a few months was already looking for a new challenge. In April 2001 he was talking to an old friend, Ray Steele, about ageism in the workplace – Steele had been made redundant at 52 after giving 20 years of his life to the financial services industry. It was a meeting that would send the two on a new career path.

Badham and Steele decided the Midlands needed a recruitment consultancy for people over the age of 45. While discussing the business they jokingly referred to themselves as being a pair of dinosaurs, hence the company name, Dinosaurs Unlimited.

Badham and Steele were experienced businessmen, but had never worked in the recruitment sector before and needed advice. Badham had heard of Business Link, but had not used it before, so gave the organisation a call to find out how it could help. “I didn’t have any contacts there so it was all a matter of picking up the phone and cold calling,” he said “When we set the company up we visited Business Link for general advice and talked about our ideas, really to see if the business was viable.”

Despite criticisms about the procedures and bureaucracy at Business Link by many of businesses it has been set up to help, Badham and Steele were glad of its assistance. “It was efficient and quick,” Badham said. “We had an appointment within a couple of days of contacting them. They encouraged us when we first started the business and after six months we joined the Birmingham Chamber of Commerce.”

Following that first appointment, Badham and Steele have had many visits from Business Link advisers. Through Business Link and the BCC they have bought a database of companies in the West Midlands with 50 to 150 employees to build a contact base for their clients, received publicity through articles in magazines, attended various networking meetings and received general advice.

“We are very happy with the service we’ve got from Business Link.” Badham said.

“I don’t think that there is anything really that the government should change about it. We found them really keen and interesting to talk to.” **!**

SPEAKING FROM EXPERIENCE

Birmingham-based inventor **Peter Morrison** went to several organisations in developing **Sport Systems** before approaching Business Link. “We went to Business Link because they were better placed to help us,” he said. “We first went to them eight months after being in business and they put me in touch with several organisations.”

Morrison is aware that the perception of Business Link in the Midlands’ business community is not always positive, but said the organisation has worked for him. “Everything I’ve asked for I’ve got from them,” he said. “They are able to help us with every problem. I know they’re slated by others, but Business Link really rolled their sleeves up with us.”

Duncan Blakemore, managing director of Wolverhampton’s **Rojac Tooling Technologies** has found dealing with Business Link too time consuming to be of any use.

“We tried to get support from Business Link but failed,” he said. “We needed to order new equipment but there wasn’t a long lead time on the order and they couldn’t do the paperwork quick enough.”

Blakemore believes such organisations are a good idea, but his experience leads him to believe they should be simplified. “There’s too much red tape.”

David Griffith has not used Business Link in the development of **Beeswift**, a wholesale distributor of protective clothing.

“We mainly found that because we’re part of a group we don’t qualify for anything that’s available,” he said. “There’s a misconception that because we’re part of a group we’ve got mass resources at our disposal, but we haven’t. We’ve just got the same resources as everyone else.”

Because of this experience, Griffith said things must change at the heart of Business Link. “They’ll have to look at the criteria that they have put in place for anything that’s available.” **!**

more will close in the next year. The products that replace them will be broader and more flexible, with an improved focus on the needs of business.”

The DTI’s guide comes alongside the Small Business Service’s annual business plan, which it claims will make the agency a “centre of expertise” in the UK’s enterprise culture.

“This plan sets out what we’ll do to make the UK the best place in the world to start and grow a business,” said Nigel Griffiths, small business minister. “We’re setting targets to gauge our success and will set out a leadership role for the SBS as a centre of expertise and an engine for small business issues within government.”



Among other goals for the SBS in the coming year are plans to drive up the market penetration and customer satisfaction levels of Business Link, to be achieved largely through a “re-vitalised” brand to be launched by September.

Indeed, the managing director of one Birmingham-based Web design company believed a new image is exactly what the organisation needs. “I think it just needs a friendlier, more down to earth, sort of street-style gloss image painted on it.”

The FSB’s Rayner, however, disagrees. “What it has got to be is more efficient at actually delivering what is wanted,” she said. “It doesn’t matter what they’re called, it doesn’t matter what the logo looks like. Rebranding Business Link will do absolutely no good at all. What they need to do is rethink what they’re delivering and rethink the way they’re delivering it and stop worrying about box-ticking and bean-counting. Start thinking about driving the economy.” **!**