

# The case for micro business owners supporting themselves

**Frustrated by many years of his recommendations to Government ministers falling on deaf ears, TONY ROBINSON has taken the bit between his teeth and set up an alternative approach to providing micro-business support.**

**T**owards the end of the last millennium, along with a band of other business owners, I challenged the Government and banks' accepted doctrine – that everlasting business success comes to those with a thirty-page business plan (with all boxes ticked) who were trained, dressed and spoke like corporate managers. This has earned us much criticism and the labels of being 'negative', 'troublemakers' and 'out of touch'.

We chose not to follow the established practice of asking academics, television celebrities and large company chief executives what should be done. Instead, we asked small and micro business owners what they had to do, and needed to know, in order to survive and thrive in their businesses.

We looked at what factors improved the survival rate of start ups and what business support and training is available in countries that are acknowledged as being better than Britain at developing successful new businesses.

And then in January 2012, **Tina Boden** and I founded a global band of micro enterprise owners, intent on making business life better for the whole of their community. We're on a mission to improve the skills, knowledge and survival rates of those starting and running their own enterprise in Britain.

So what exactly are these principles that we believe will provide the most useful support to prospective and existing micro enterprise owners in the UK?

## **1** **There are a lot of us but we're worth helping**

There are a lot of micro businesses in the UK and we're growing in number every year (there are currently 4.5 million of us – 95% of all businesses). We're difficult for Government to reach and engage with. It would require an army to support us enough to improve our cumulative performance.

These are all big reasons why no Government will provide significant business support and training to micro enterprises.

With start ups and existing micro enterprises, Governments attempt to either 'pick winners' who are deserving of their limited funds and support, or they ensure that as many of the unemployed or those 'on benefits' as possible go self employed. It still doesn't represent a significant amount of publicly funded business support. Indeed, four successive Governments have given over 95% of all Government employment, support and training funding to the minority 5% of larger UK businesses.

These 5% of larger companies are on a downward spiral, and have been for a decade, in terms of the number of jobs provided to the UK – and the amount of corporation tax they pay, too. The stock of micro enterprises in the UK continues to increase as the availability of jobs in larger companies decreases. Up to a half a million people a year are starting their own business, not because of the Government's enterprise policies, or because they want to be the next Bill Gates, but because for most it is the best, or only, available way to earn a living.

Micro enterprises are worth helping. New micro enterprises provide most of the new jobs and most of the innovation, and micro enterprises make the most significant contribution to their local communities.

Give start ups the right help over the first eighteen months of their existence and two to three times as many of them will survive more than three years. Indeed, some research has shown that as many as 85% of businesses, with the right support, can survive over three years and 6% will become substantial employers.

**We're on a mission to improve the skills, knowledge and survival rates of those starting and running their own enterprise in Britain**

## 2

**Micro owners are the best people to help micro owners**

Micro enterprise owners understand and recognise what it takes to earn your living from running your own business. Government understands more easily what to do to help businesses with over 10 staff, and especially medium sized enterprises with over 50 staff (the M in 'SMEs'). They understand them because these enterprises look more like the organisations their business education and training described to them.

These 'SMEs' are businesses with formalised missions, strategies, plans, budgets, systems and processes. They have managers and leaders that look and behave like politicians and bankers. They consider these larger businesses as 'serious' and likely to provide the winners for the economy. Access to finance is the hot topic so that banks can invest in 'SMEs' for them to grow bigger and employees can trade in their employment rights for a share of the success. The high tech, global businesses of the future will come from SME start ups and they're likely to be found in universities and business schools.

Micro enterprises, especially the self employed, are often misclassified and misunderstood, by anyone other than micro enterprise owners themselves, as just 'lifestyle', 'freelancers', 'not serious businesses', 'not entrepreneurial enough', not 'wealth creators' and were even once described to the author of this article as 'the great unwashed'.

It is true that most micro enterprise owners will encourage start ups, if they can, to bootstrap rather than borrow, to test trade online (on third-party platforms) and offline (via markets/car boots/exhibitions) and to start their business while they are in a job or have another source of income. As importantly, unlike Government, micro enterprise owners do not believe everyone is suited to starting and running their own business and will positively discourage some people from doing so. All this is important to survival rates.

Many government-funded start-up schemes put the emphasis on the loan or investment, the big business plan, management skills and a mentor with more generalist business experience

than the start up. Most micro enterprise owners believe that a newly redundant corporate executive advising a start up in any capacity is just wrong.

So micro enterprise owners have a different view to that of Government – who knew??

## 3

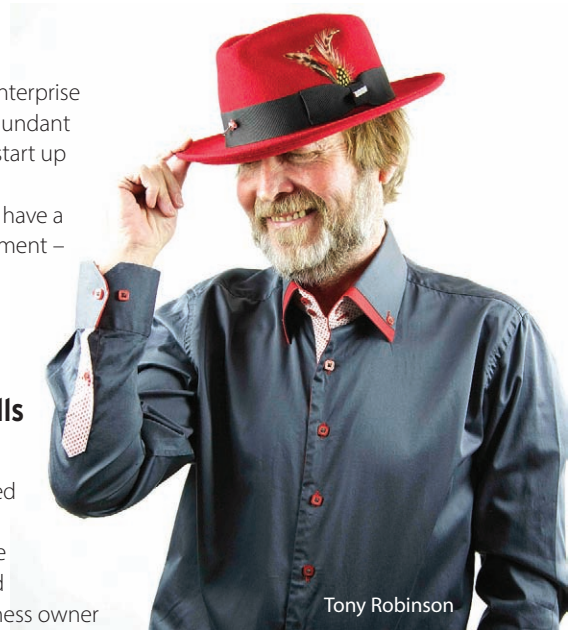
**Gaining the essential skills and know how**

The skills and know how required to start and run a business successfully depend on the type of business and must be viewed in the context of what the business owner considers to be successful for that type of business. Most business owners need to have someone in their business that is competent at winning and keeping customers, making deals, managing cash-flow, handling the regulations surrounding that business and providing the products and services. In most cases, especially at start up, the business owner will do all of these.

They are very different abilities from those that most corporate managers have. The business owner's main role in nearly all

micro enterprises is winning and keeping customers. Whether you can persuade enough customers to buy your product or service is the acid test of whether you have a viable business idea and why test trading is vital. Yet in larger companies these customer-facing roles are delegated by managers to, often, the lower paid staff. Not that micro enterprise owners can afford be status and salary conscious – the average earnings of a micro business

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Tony Robinson

## The Enterprise Rockers

**Enterprise Rockers** was established by **Tony Robinson** and **Tina Boden** in January 2012. Since then they have been working hard to grow their global band of micro enterprise owners. Their band, and the support principles that have underpinned their community, are those that Tony has researched and proven over many years.

The Enterprise Rockers is a free-to-join-in community with thousands of different opinions, hundreds of different campaigns led by different people, and no single political or lobbying position. The Rockers have come together because they share one common belief. The belief is that business owners are the best people to help other business owners to keep going – to help each other to survive and thrive.

For more information, go to [www.enterpriserockers.co.uk](http://www.enterpriserockers.co.uk).



Tina Boden



Left to right: Kate Hardcastle, Tina Boden and Clare Rayner

► owner in the UK are equivalent to that of a supervisor or team leader in a large company.

So it's not surprising that most micro business owners believe that it is best for a new business owner – the start-up period can take eighteen months – to get these skills and know how from other business owners and experts like accountants and business advisers. Experts who have run their own business and understand the type of business being run.

It is often a case of getting what you pay for and is why accountants help 39% of start-ups and professional business advisers 15%. Contrast this with volunteer mentors, business networks, friends and family, which together are trusted and used by only 5% of start-ups seeking help.

All is not lost if a new business owner cannot afford to pay for start-up help. Many Government schemes do come with a health and wealth warning but the **National Enterprise Network (NEN)**, formerly the National Federation of Enterprise Agencies, has members with

fully competent business advisers that can help in the pre-start and early start-up stage. Most of their services are free or subsidised to new starts because of public funding or sponsorship. There are many other fabulous organisations, like the **British Library** and the UK-wide network of public reference libraries, towards which NEN members can point pre starts and start ups.

Once someone has started in business they can join the Enterprise Rockers Community free of charge. There'll always be another micro enterprise owner that can suggest where to get help and there is every type of expertise and type of business within the community.

## 4

### A 'rocking' enterprise future

As the Regional Development Agencies, Business Links and Sector Skills Councils networks were providing less and less business support and training to start ups

and micro enterprises, their demise has not been felt that greatly by 95% of all UK businesses.

Instead, the credibility gap between people running their own enterprises and Government and banks has widened. This is no bad thing as it means there is little demand for most Government schemes such as volunteer mentors. The Start-Up Loans scheme cannot afford to fail so the incentives for providers are high, which is worrying, but hopefully most of the start ups getting these loans would have borrowed anyway, but at a higher cost.

The positive is that many new campaigns and support programmes that are funded independently from national Government are beginning to fill the chasm. **Clare Rayner** with her **Indie Retail** campaigns and **Kate Hardcastle** with her **Positive Image** campaign are just two. Equally, people like **Fay Easton** and her **Enterprise Hub Network** are taking the day-to-day problem solving and trading opportunities through low cost business accommodation to new heights. Hubs are formed by a mix of contemporary business space, collaborative members and customised support systems, all of which clients love.

All around the UK, business owners like **Nigel Hudson**, **Johnny Stobart** and **Alan Briggs** are setting up their own offline support networks and enterprise clubs. **Lorraine Allman** has already developed fantastic online **Speed Mentoring** and **Bartering** platforms for the Enterprise Rockers. **Stefan Topfer** and **Winweb** have developed specific apps that are exactly right for start ups and micro business owners.

We hope that Government will finally learn to 'go with the grain' and enable the private sector to better support start ups and micro enterprise owners. Government can then focus their interventions on important structural issues. These include reducing business rates on the high street; reducing energy costs to small and micro businesses (as they are doing in Malta); improving regulatory guidance and the tribunal system; specifying that all those organisations in receipt of public funding through subsidies, loans, support or as suppliers to Government must pay all their bills within 30 days and so forth.

That's how a partnership between Government and the enterprise sector will really get **Enterprise Rocking**. ■

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