

Time for the Government to back the micro-business boom

My wish list would help deliver growth, says **Tony Robinson**

When I left a director-level job at a UK subsidiary of a US corporate giant in 1986 with my colleague, Clare Francis, to start a micro-business marketing services to entrepreneurs, we didn't have a clue what we were doing.

This was despite having post-graduate business qualifications and an award-winning, bank-pleasing business plan. Our adviser was a retired corporate executive – useless. We made £12,000 in our first two years. We're still here.

In 1971, when I went to university, there were fewer than 1m micro-businesses in the UK. Today, there are 4.55m, each of them with nine employees or fewer, and they make up 95pc of all UK business. One in seven working adults is running their own business; by 2020 the number may be as high as one in five.

Around 500,000 micro-businesses start up every year – that's 40pc more than in 2000 – while all other sizes of business have remained static or even fallen.

Large companies have been in a jobs meltdown for many years and the lack of traditional job opportunities, together with a desire to control one's own destiny (my latest Kindle book is called *Freedom from Bosses Forever*) with work hours that suit, in a place that suits, have combined to fuel the micro-business phenomenon.

New micro-enterprises provide most new jobs and most of the innovation and creativity. They do more for their communities than larger companies and their employees are happier, too.

These 4.5m businesses provide 32pc of private sector employment and 20pc of private sector turnover. Micro-businesses are far more important than small and medium-sized enterprises with between 10 and 249 employees.

However, there is no level playing field. The largest companies, year on year, employ less as a proportion of the UK workforce and pay less, year on year, in corporation tax, yet 95pc of all government employment support and training funding goes to the largest 5pc

of UK businesses. Moreover, larger companies on average take 68 days to pay their bills – a killer for micro-business.

Lord Young, the Prime Minister's enterprise adviser, and Chuka Umunna, the shadow business secretary, have both publicly recognised the contribution of micro-businesses. This is positive, but whether government "gets" enterprise doesn't matter as much to me as it used to. We're doing our own thing. Call me fickle but fickleness is a family trait. My mother would say she was a "lapsed vegetarian" if she liked the look of the meat course more than her pre-ordered vegetarian option.

Politicians and senior civil servants can't claim any credit for the micro-businesses phenomenon. Few need to learn about it as their career path is usually corporate.

Most micro-business owners are passionate about their products and services and most go the extra mile to please everyone. They do not like to put their head above the parapet. By inter-trading and collaborating with other micro-businesses their dependence on government and big companies reduces.

But there are some things the Government could do to help. My wish list includes: requiring any beneficiary of public funding to pay suppliers within 30 days; reducing energy costs and

business rates; providing free Wi-Fi in public places; assisting business travel; introducing a more informal employment tribunal system; introducing tax incentives so people can try self-employment while in a job. These are practical steps other countries are taking to create a positive environment for micro-businesses to thrive.

The growth of B2B service businesses, trading platforms, work hubs, apps and competition has made private sector (online and offline) business support low-cost, accessible and effective. It is easier to start a business than it was 10 years ago.

But government start-up support has not improved in those 10 years. Six per cent of all start-ups will become substantial, higher growth, employing businesses. It is in the national interest to increase survival rates.

Some estimates suggest that only 50pc survive the first year and 20pc survive three years. Yet I know that many thousands of start-ups, when given the right support, including test trading, and good filtering of those not ready to start, achieve a survival rate of 80pc after three years.

The private sector can achieve this success rate. Everyone, including those being lured off benefits, deserves professional support, with test trading, for the first 18 months of their enterprise. After 18 months, the business owner will know more than their adviser.

Last year, I co-founded, with Tina Boden, Enterprise Rockers CIC, a massive, free-to-join, global, self-help community. We run our own businesses while helping each other. Our micro-businesses are our passion; a self-help organisation gives us a better chance of surviving and thriving than government, banks or big companies ever will.

Social media and the Enterprise Rockers Community are making micro-business owners increasingly aware of their contribution to the economy. The growth and importance of micro-businesses is a modern phenomenon but, to coin a phrase, you ain't seen nothing yet.

Tony Robinson OBE has been a successful micro-business owner for over 25 years and is co-founder of Enterprise Rockers ([www. enterpriserockers.co.uk](http://www.enterpriserockers.co.uk)) which supports micro-enterprises.

