

29 May 2009

Telford and Wrekin Council: *Home Based Business Development*

Summary of policy/project

This is summary of a project on home based business development and mobile working facilitation which has increased performance outputs of 'total economic activity' to 13.5%

Description

ENTERPRISE HQ is a commercial venue and on line programme. Premises based in the Birthplace of Industry and celebrating and supporting 'the future of work' and the thousands of self employed entrepreneurs and innovators who will recover the UK economy. A low cost solution to support the Government agenda for low carbon economy, developing a new enterprise sector capable of delivering fast recovery from the biggest contraction of the economy since 1940. ENTERPRISE HQ develops existing business while targeting redundant professionals and new start ups – from home bases. The 'home' is the biggest start-up facility on record and the presence of a 3-tier economy within this sector means that investment into close interventions creates immediate economic development results, environmental efficiencies and cohesive and prosperous communities. EHQ responds to challenging structural and demographic issues and meets the needs of the burgeoning home enterprise sector which can grow fast and organically using the advances in ICT but is beset by its own problems which cause high failure rates. Problems facing the home-based business operator:

- Isolation from peers/ markets
- Perceived amateurish/ non-professional
- Knowledge gaps
- Low take up of e-commerce / business support services

In recognising the transformational economic and social change, EHQ improves the prevailing conditions providing

a vital connector for entrepreneurs and professionalism for their home enterprises. Clear lines of support and custom designed facilities enable their onward growth and development. In terms of family enrichment, 'home grown' financial literacy to help the next generation run their affairs is an outstanding and productive side effect of home enterprise. The differentiating quality of the project is that it operates in areas that markets would not enter thereby creating a high value, low cost intervention and a valid route for public funding. Operating from two outlets, EHQ opens up new local and global markets for non intrusive but hidden businesses, utilising the digital revolution to produce prolific virtual connections and business incubation services to multiple entrepreneurial ventures across a 3500 sq mile green 'enterprise zone'. During the difficult year of 2008, the trend for increasing numbers of self employed in Shropshire continued to rise – whilst all around were falling – Shropshire recorded 13.5% increase in economic activity in the self employed sector against regional figure of 8.4% and a national rate of 9.4%. MORE productivity and MORE self employment is the answer to economic declines and this project has been designed to reverse the present downward spiral by encouraging mass 'individual' innovation

What problems does the policy/project solve?

The EHQ project has transformed the social and economic prospects of Shropshire by focussing on a diverse range of small businesses. Increasing economic activity and moving the reliance upon agriculture and heavy industry and reducing the dependence on overseas investment by creating indigenous business growth •

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Increased performance outputs of 'total economic activity' to 13.5% [regional average 8.4%] The evidence of economic and social transformation is presented via the county's acknowledged input to take the West Midlands region from 7th position to 2nd in THE GLOBAL ENTREPRENEURSHIP MONITOR in 2008 • Developed the new culture of 'mass innovation' • Put Shropshire on the HOME BUSINESS MAP - Enterprise HQ, the landmark EHQ within the birthplace of industry is becoming known as The UK Centre for Home Business and attracts national attention while providing entrepreneurs with powerful local connections, commercial intelligence and a neighbourhood business meeting place. The county is the location for the pilot research by LGA and is deemed as the most advanced UK area in terms of supporting home enterprise • Launched two new economy Business Hubs providing incubation services to thousands of isolated enterprises. The concept is unique in the public/private world and the establishment of touch down centres to serve multiple businesses from just two venues driven by a collaborative member support system and centralised communications has established an iconic scheme that is set to grow exponentially over the coming five years. • Won European Commission support to deliver £1million pound project with two state of the art venues [Shrewsbury and Ironbridge] • Developed new business networks in tune with the new economy and compiled invaluable new data on this economic sector

What were the difficulties of implementation?

Home business and mobile workers form an 'unknown' within the local economy and there is limited awareness of the intricacies of the rapidly changing economic landscape, in particular of the growing and invisible home enterprise sector. The catastrophes that have befallen traditional rural industries, the flight to other parts of the globe by overseas investors and the effects of the recent economic crises have combined to create unemployment and decreased opportunities for wealth creation and it is these challenges that are being met 'head-on' by the ENTERPRISE HQ project. The challenges faced by the project include: 1. Being 'new' to market - having to educate the end user as well as funders 2. The 'job creation' within this sector is very much via self employed freelance contracts and as yet , the 'measures' for success in an area comprise standard 'head count' job numbers - hence the successes of the project are difficult to absorb into traditional readings for the public sector

What is the cost of implementation?

£1million. Two venues totalling 5000 sq ft, an incubation centre to serve 250 sq miles and 1000 businesses Web presence for virtual routes to market for the businesses

Has the idea worked elsewhere?

This is a landmark project and is an exemplar test project - this type of project does not exist anywhere in Europe

What is the evidence of success?

Serving a widely dispersed county the evidence to

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date includes: - 500 business membership base in 18 months - 400 businesses showcased from the EHQ central hub in Ironbridge - 250 local entrepreneurs a year receive business training and business assists - 10,000 entrepreneurs have attended the venues for peer support, use of the facilities and to connect to Government funded business support - VAT Registrations are increasing at a rate 3% beyond the national average - The numbers of registered self employed people is noted at 23% [per head of working population -the national average is 12%] The work of EHQ communicates a message of hope and recovery from the worst financial crisis in living memory. The 'good news' is that intense business growth can be perpetuated from the skills of enterprising populations working from an economic home base and supported by an ENTERPRISE HQ. Assist businesses to launch new products, gain new custom and increase sales and ultimately create new jobs and start up businesses: - 86 new business start ups via EHQ programmes - £500,000 of new business created by connections to EHQ - £250,000 in positive press coverage for members of EHQ resulting business development worth upwards of £1million - 400 businesses entered onto the EHQ Member Directory and promoted on line - 430 referrals a year to Business Link to access government funded business support services

What advice would you give any Councils wishing to adopt this idea?

ENTERPRISE HQ is a one stop shop for enterprise growth and development and has been designed to be expanded via franchise or license. The entire scheme has been built to be fully replicable and the centralised management, membership and support systems, which have taken four years to develop, are now fully tested and ready to expand across council borders. The rigorously tested template for the project is in place and the EHQ model is completely transferable. Home-based entrepreneurs are resident in homes across the whole of Europe. The market is 'out there' – the support systems need to be put in place and economic and social advancement will ensue. The detail for the EHQ blueprint is profound and powerful – from Funding Plans to Operational Manuals; the ENTERPRISE HQ scheme is an affordable rapid response mechanism that can mobilise people, revive economies and be delivered within 60 days. Creating immediate connections to local entrepreneurs and intense impact on local economies and communities, the low cost, easily replicable intervention can produce: - Immediate response to the current economic climate – supporting redundant professionals into self employment, tackling worklessness In all its forms - High rates of new start up business and increased productivity for a region without the blot on the landscape effect of industrial parks - Re-connecting families and introducing an entrepreneurial life into homes - Risk free business expansion in high risk times - Green economic growth, reduced levels of road travel - Support for the localism agenda with prosperous

Would this work in other Councils?

Yes. Home businesses are springing up all over the country. Mobile working will be 'the norm' in ten years' time

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local economies and reduction in skill and class divisions - Decreased dependency on large corporate employers - Good fit with regional and national economic development policies to encourage 'indigenous' economic growth There is also a trans-national perspective to the EHQ model. There is an innate potential to launch the venture into Europe and 'trade-twin' communities via home based business connections from all corners of the EU. The EHQ model whilst transferable will continue to develop through the exchange of best practice and lessons learned, working with co-operatives of home business operators trading and communicating between regions - and nations

For more information

For more information on this submission contact Fay Easton by email at info@shropshireenterprise.co.uk or write to Enterprise HQ High St, Coalport, Telford, TF8 7HT

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