

# Encouraging older entrepreneurship

Meeting the support needs of people entering self-employment after the age of 50 in the UK, and those running their own businesses up to and beyond state pension age



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A PRIME report on diversity in practice

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The PRIME Initiative  
Astral House  
1268 London Road  
London SW16 4ER

Tel 0208 765 7833  
email [prime@ace.org.uk](mailto:prime@ace.org.uk)  
[www.primeinitiative.org.uk](http://www.primeinitiative.org.uk)  
[www.primebusinessclub.com](http://www.primebusinessclub.com)



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President: HRH the Prince of Wales. PRIME (the Prince's Initiative for Mature Enterprise) was set up by the Prince of Wales to help older people rejected by the labour market find a way back into work via self-employment or setting up some other kind of business. The PRIME Initiative is a registered charity number 261794-2 linked to Age Concern England and a company registered in England (No. 4184314).

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## **Forward**

A third of those aged between 50 and state pension age are not working, with a large percentage dependent on benefits. Self-employment, while not the right route for everybody, is an effective way to sidestep discrimination and keep earning a livelihood. And many older entrepreneurs find it fulfilling and enjoyable in its own right.

Here PRIME explores possible solutions to the difficulties and barriers which the over 50s face in gaining access to employment and the world of enterprise. The aim has been to identify practical and effective solutions that will empower individuals and help them start and run their own businesses. This project has provided significant learning for the future - and some effective responses to new problems that have emerged in a rapidly changing environment.

PRIME's participation in the EQUAL-funded Diversity in Practice project has coincided with a period of unusual turmoil in the business support sector. Major changes to how support is funded and who provides it have unintentionally created new difficulties for individuals seeking to start their own businesses, as finding affordable help has become harder.

The way the changes have worked out in practice varies from one part of the UK to another. Finding support for a new business or self-employed venture has become even more of a post-code lottery - what's available depends on where you live. This is particularly the case for the type of very small business started by individuals with little money behind them - the kind of people PRIME is most interested in assisting.

Sometimes it is just a matter of finding services that are still available - though that in itself can be a barrier to those unfamiliar with the world of business. And in other areas meaningful free support has disappeared altogether - to be replaced with services that have to be paid for - or no service at all.

We did not anticipate how serious these changes to the support environment were going to be at the start of the project. Part of PRIME's mission has always been to refer its clients on to other sources of business advice and help where this is available, so as to avoid unnecessary duplication of services. This has become more difficult, and PRIME has had start making major changes to how it operates as well as developing new services to fill in the gaps.

However, the project has proved useful in formulating a response to this new obstacle, as well as taking a fresh look at older ones. This report is therefore a response to the changing environment of support provision, not just a report into our clients needs. To carry out its charitable mission PRIME has to adapt to the world around it and find practical and affordable ways of doing its job.

## Executive summary

The EQUAL-funded Diversity in Practice partnership is about equal access to enterprise and the overcoming of obstacles to employment. PRIME is a charity that assists a section of the population (those aged over 50) that is disadvantaged in the conventional labour market, and puts forward self-employment as a possible solution for individuals to consider.

But to make self-employment an achievable option, various practical problems have to be overcome. Our project activities addressed serious deficiencies in the help available to people setting up in business in this way. We recruited more partners able to offer appropriate support to the over-50 age group. We empowered clients with information so they can refer themselves to the most suitable mainstream support available in their areas. And we developed new materials to meet the needs of sub-groups within our client population that we had previously overlooked

We were able to increase the number of PRIME delivery partners, almost doubled to over 200, and to add more specialist partners to fill gaps in provision. However, this only partly compensates for the loss of other free and low-cost business support providers. The business support sector in the UK is still in turmoil, and fewer organisations are able and willing to offer free support to the clients PRIME sends them.

This made the development of a more effective client-facing web site of even greater importance. [www.primebusinessclub.com](http://www.primebusinessclub.com) is both technically highly accessible and also lets clients get at more key business information themselves. For example they can find nearby partners and check costs, services and specialities. The web site is more accessible for those with visual impairments, dyslexia or mobility problems than PRIME's original web site, and easier to navigate.

It also avoids the confusion of tone that afflicted our original site, because [www.primebusinessclub.com](http://www.primebusinessclub.com) is aimed exclusively at older people starting or running a business - not at academics, policy makers, funders or journalists. It therefore talks to them, rather than about them. And it provides more ways for people to talk back.

PRIME has kept the project costs low by using free (open source), donated or low-cost software whenever sensible. This worked well on the web site, where the only major expenses were for the partner-mapping software and the speech . software used to enhance accessibility.

Less successful was the attempt to roll out customer relationship management (CRM). The CRM system proved too complicated. We got the software for free under a corporate donation programme, but couldn't master it with our in-house expertise. Rather than keep buying-in expertise we have put most of the project on hold, using simpler tools that we can understand for the most urgent or useful tasks.

A philosophical issue also emerged. Our original intention was to use the CRM system to manage referral of individuals to appropriate support partners. But providing the information to clients and letting them refer themselves meets their needs equally well. The CRM would allow us to provide more information to partners and other stakeholders, so the project may eventually be revived, but it is not of immediate direct value to clients.

It proved surprisingly easy to segment people who call in by phone into the four groups we eventually ended up with. We haven't yet duplicated this success with people completing a form themselves online. This may not be possible using the same categories because clients are not in a position to make the same comparative judgements as PRIME staff. But the telephone sample is large enough to validate the approach and gauge the likely size of the groups.

Overall participation in this European Social Fund programme has provided us with the resources to double the number of partners and improve the way clients get to them. It has also improved our understanding of our clients and enabled us to identify some significant under-served groups - and come up with new ways of approaching them.

In addition, we have developed some new material which we can build on in future programmes of events and future project bids. PRIME now has a new modern web site that is much more accessible for clients and easier and cheaper for us to run. Overall client enquiry numbers are significantly up, as we have an additional effective contact channel.

See also Appendix A1. Summary of PRIME deliverables

# **Chapter 1**

## **Introduction**

### **1.1 Background and purpose**

Age discrimination in the conventional job market means that the older you get the harder it is to get a regular job, making self-employment often the best way to avoid prolonged welfare dependency. PRIME's contribution to the EQUAL Diversity in Practice partnership is to find better ways of assisting businesses owned by older people to set up on a viable basis, and sustain themselves up to and even beyond the current state pension age.

PRIME set out to use active research into its client base to both identify gaps in provision and to find methods to address them with relevant and cost-effective interventions. It then tried out the most promising interventions. Some of the results are detailed in the report that follows.

PRIME is a registered charity, number 261794-2, linked to Age Concern England. Its charitable object is the relief of unemployment among members of the public over the age of 50 and the prevention of social exclusion. It does this principally by helping the over 50s set up in business for themselves.

PRIME stands for the Prince's Initiative for Mature Enterprise. PRIME was set up on the personal initiative of HRH The Prince of Wales in response to letters he was receiving from people desperate to work but unable to find anyone to employ them - because of their age.

Diversity in Practice is part of a community programme called EQUAL – a European Social Fund initiative which tests and promotes new means of combating all forms of discrimination and inequality in the labour market. The focus on innovation is rare in projects of this type, and made it a good fit with what PRIME wanted to do.

2007 has seen major changes in the business support world, which have had the effect of reducing the number of organisations able to provide assistance to PRIME's target group. Funding problems have led to the closure or curtailment of many free training and advice programmes that were previously available, reducing the options for PRIME's clients.

PRIME's previous "signposting" business model relied on the existence of delivery partners – organisations with properly-accredited business advisers able to give free or low-cost help. But with partners disappearing or starting to charge the model was in urgent need of a revamp.

PRIME has used the Diversity in Practice project to help rebuild its partner-based capacity. But it has also used it to research and then build its own capacity to deliver at least some support throughout the UK.

This new support capacity is what marketers call “low-touch” – this means it can only give customers a low level of service. In our case this means delivering information cheaply via the Internet or slightly more expensively on paper by post. This contrasts with the “high-touch” service offered by a traditional PRIME partner – where the customer gets tailored one-on-one advice from a trained business consultant.

Obviously many people would prefer to receive a high-touch service. But the costs are much higher – indeed the mainly public sector providers of funding for such services have found it difficult to sustain a national service. It was always a bit of a post-code lottery for clients, but with recent funding cuts the availability of high-quality affordable assistance has become even more problematic.

A low-touch service for the over 50s therefore plays the key role of filling in some of the gaps opening up in the support available to business starters and those running small businesses in the UK. Given the role self-employment plays in allowing older workers rejected by the labour market to get off welfare and resume earning their own livelihood the opportunity for PRIME to develop it was very welcome.

One final point worth making is that in the course of the project PRIME discovered that one significant sub-group of customers probably prefer the low-touch approach. When offered the choice of trained advisers to talk through their business plans some people are just not interested.

This group probably numbers no more than 15 to 20 per cent of those who contact PRIME and has a number of defining characteristics – so it is by no means typical of PRIME customers. But for some the world of business plans, meetings and be-suited advisors is not where they want to be. For these people the low-touch approach is the only one likely to prove effective.

## Chapter 2

# Age and worklessness – the scale of the problem

### 2.1 Demographics - size and make up of target group

According to regular population surveys carried by the Office of National Statistics every three months, there are always at least half a million and possibly as many as 1.3 million people in the UK over 50 and below state pension age who want to work but who are currently workless.

This may be for a variety of reasons, but age discrimination by employers is certainly one of them. Employment in a regular job gets less likely as you get older. Self-employment by contrast gets more likely - and self-employment is one of the few effective means of sidestepping ageism.

Let's look at the figures in more detail.

**Table 1: Economic Activity amongst 50 to SPA in the UK**

Region	Total Pop. 50-SPA	ECONOMICALLY ACTIVE				WORKLESS			
		Working as Employee	%	Self-employed	%	Econ. Inactive	%	Registered Unemployed	%
<b>East</b>	863,000	521,700	60	120,200	14	205,500	24	15,600	2
<b>East Midlands</b>	676,500	401,300	59	87,600	13	174,300	26	13,400	2
<b>London</b>	933,900	507,900	54	145,900	16	247,500	27	32,600	3
<b>North East</b>	395,400	216,000	55	32,200	8	139,100	35	8,100	2
<b>North West</b>	1,037,000	578,100	56	105,200	10	336,200	32	17,500	2
<b>Northern Ireland</b>	235,000	111,800	48	30,700	13	87,200	37	5,300	2
<b>Scotland</b>	792,500	474,100	60	75,600	10	225,900	29	17,000	2
<b>South East</b>	1,268,200	777,800	61	190,600	15	274,500	22	25,300	2
<b>South West</b>	817,000	478,000	59	117,500	14	206,500	25	15,100	2
<b>Wales</b>	474,000	247,800	52	56,800	12	161,000	34	8,400	2
<b>West Midlands</b>	822,800	482,600	59	100,800	12	222,300	27	17,100	2
<b>Yorkshire and The Humber</b>	769,000	456,200	59	81,400	11	216,100	28	15,400	2
<b>Total</b>	<b>9,084,300</b>	<b>5,253,300</b>	<b>58</b>	<b>1,144,500</b>	<b>13</b>	<b>2,496,100</b>	<b>27</b>	<b>190,700</b>	<b>2</b>

*Source: Nomis Annual Population Survey Apr 2005 - Mar 2006*

*SPA = state pension age, currently 65 for men and 60 for women*

What stands out immediately is that only two per cent of the total age group are defined as "unemployed" in these official figures, while a whopping 27 per cent are something called "economically inactive".

Unfortunately this does not mean that all 27 per cent are living in prosperous and contented retirement. The two per cent counted as unemployed includes

just those registered with the Jobcentre and claiming Jobseekers Allowance. Many of the older unemployed start off this way, but when they can't get a job end up either on Incapacity Benefit (which is not counted as "unemployed"), or drop out the system altogether and "retire" early, albeit involuntarily.

While it is difficult to give precise figures about what all these workless older people are actually doing, the Cabinet Office did an analysis back in 2000 ("Winning the Generation Game") that is probably still the best estimate of the proportions falling into different categories. In the right-hand column of the table below we project the proportions this report found onto more recent ONS data to get a feel for the situation today.

**Table 2. What workless older people (age 50 to SPA) are probably doing**

	<b>% estimate in "Winning the Generation Game"</b>	<b>Estimate projected onto 2006 ONS data</b>
<b>Incapacity Benefit</b>	49	1,323,000
<b>Retired on adequate pension</b>	9	243,000
<b>Retired on inadequate pension</b>	18	486,000
<b>Caring</b>	17	459,000
<b>Registered Unemployed</b>	7	189,000
<b>TOTAL</b>	100	2,700,000

These figures provide a fairly reliable model to be getting on with, while not being totally precise.

On the conservative assumption that only 50 per cent of those on Incapacity Benefits really can and want to work, that only 50 per cent of the carers will need to find employment at some stage; and that only 50 per cent of those retired with inadequate pensions want and can work, these figures suggest that there are over 1.3 million people aged between 50 and state pension age who want jobs but don't have them

Not all of the older people wanting to work will have the right attitude, skills and knowledge for self-employment. But if even as few as one per cent of them became self-employed, that would require the creation by them of 13,000 new businesses.

## **Chapter 3.**

# **Ageing and its impact on the ability to work**

### 3.1 Thinking clearly about age

A lot of things about age are so obvious that they are first taken for granted, then begin to be ignored, and eventually get forgotten altogether. So our task in this chapter is to remember them, and examine what effect they may have on self-employment.

Rather than think vaguely about age it's helpful to use a framework we have adapted from the Centre for Research into the Older Workforce (CROW) at the University of Surrey. This categorises what age does to people under three headings.

- (1) Ageing effects - the physical and psychological changes, some of which we talk about in the next section.
- (2) Generational attributes - the attitudes, skills and knowledge shared by a particular age cohort
- (3) Personal experiences - the accumulated attributes of a particular person.

It's worth sounding a note of caution before we proceed further. There's always a risk of stereotyping when making generalisations, which is what we must do here to open up the issues. Our concern is to identify broad trends and probabilities rather than predict the characteristics of any given individual.

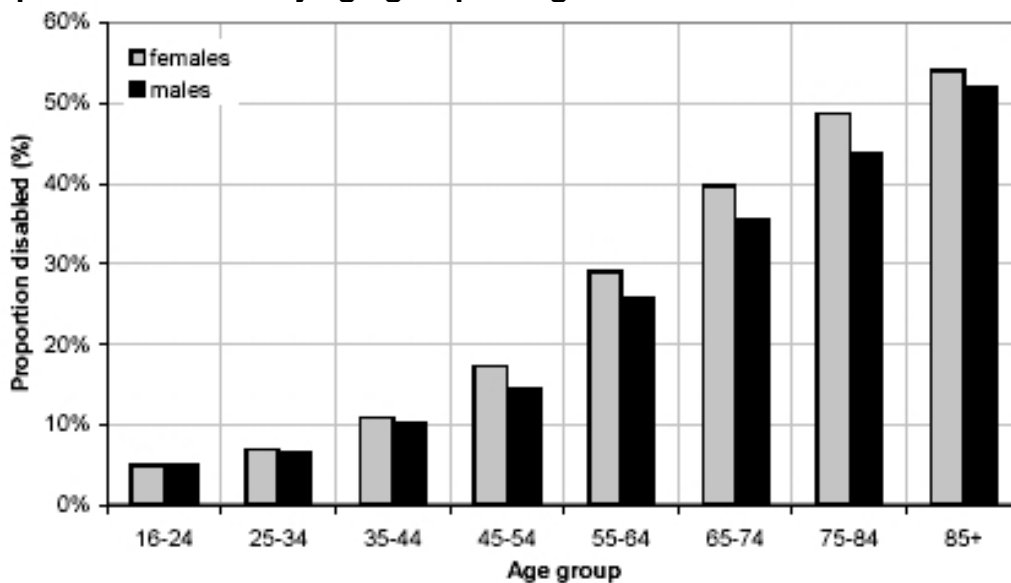
### 3.2 Age and disability

There is a very strong correlation between age and disability. Older people are more likely to be disabled than younger people - that is they are more likely to suffer physical impairments such as hearing loss, problems with their vision and muscular-skeletal problems such as bad backs, curved spines or brittle bones.

They are also more likely to suffer from fatigue and obesity, mental health problems and a whole raft of severely disabling health conditions. We're not just talking about the very elderly here. The effect is cumulative - for each decade of life the incidence of all these disabilities increases.

Before putting some numbers on this first another word of caution. Because of the way common benefits in the UK are linked to disability status there are distortions in some of the national figures. Indeed cynics say that all those people on "incapacity" are there simply to hide the real extent of unemployment. So before returning to the UK situation let us first adopt a Europe-wide perspective to remind us of the overall big picture that is so often forgotten.

#### **Proportion disabled by age group and gender for 15 EU countries**



Source: Lutz and Scherbov, 2005 (see below)

Caption: based on analysis of ECHP data for 1994-96

The chart shows that under 5% of the 16 to 24 age group are disabled, as compared to more than 50 per cent of those over 80. And in the middle years the disability rate goes up roughly in step with age. Well over a quarter of the 55 to 64 age cohort define themselves as either moderately disabled or severely disabled

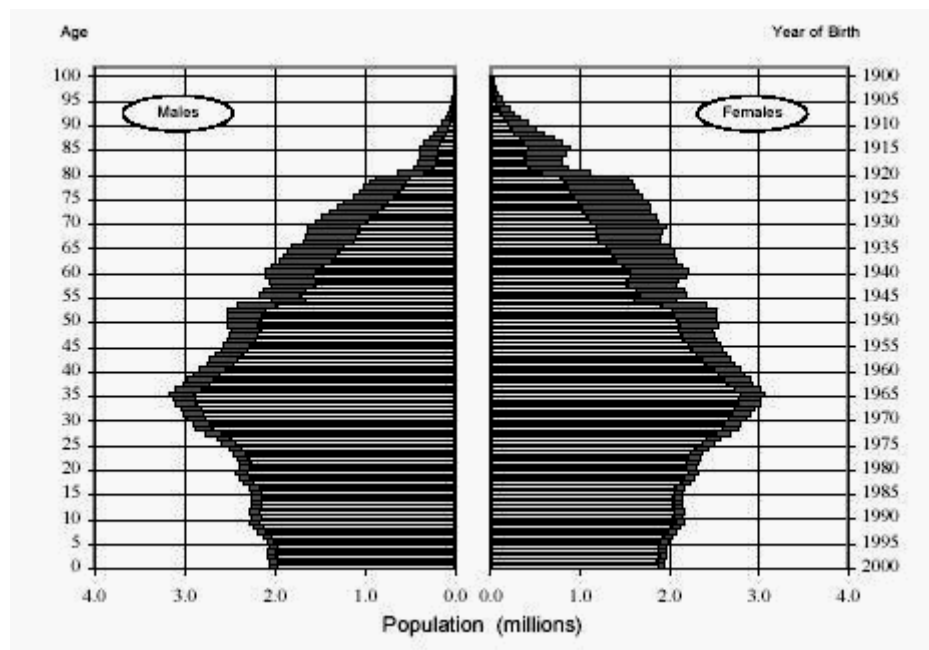
Lutz and Scherbov based their analysis on the European Community Household Panel, a large pan-European survey, and for the years 1994 and

1996. This may seem rather old data, but it was the most recent for which age and gender data was available for all 15 countries then in the EU, and it is fine for our purposes here. The ECHP questionnaire asks people to say whether they consider themselves either moderately or severely disabled, and this method should avoid some of the distortions associated with data derived from claimant counts.

Another striking thing to emerge from the analysis is that although women on average live longer than men, at every age beyond 25 more women are disabled. Considering just those who define themselves as severely disabled, this rises from two per cent of women aged 25-34 to 10 percent for the 55 to 64 age group. The rise is even faster when moderate disability is added, where the overall disability figure for 55 to 64 year-old women approaches 30 per cent.

Lutz and Scherbov have another striking image that shows people with disability as a widening red (black if printed) fringe on a standard age pyramid

### Age pyramid showing disability status in 2000 for 15 EU countries



Source: Lutz and Scherbov, 2005 (see References)

Caption: red/dark shaded fringe indicates people with disabilities

### 3.3 A plea for objectivity

This picture of a physical decline with age can be uncomfortable in these upbeat times. And failure to acknowledge what actually happens to people can be made worse by another factor. Call it political correctness, or call it simply politeness, there is a kind of well-intentioned dishonesty that, if present, can cause problems.

People, especially when talking on behalf of some organisation, sometimes tell us they pay no attention to age - because they think that's what we want to hear, or that since October 2006, when new anti-age-discrimination regulations in the field of employment came into effect, it's legally required.

But if people are overlooking age in an unthinking way that may itself create obstacles for those it is intended to benefit. For example, an enterprise agency happy to sign up older clients may find few coming forward if they can't read the promotional literature or hear what's being said at training seminars. Sometimes there's a need to actively make yourself accessible to the group you are trying to reach.

PRIME has for a long time run courses for people working in its partner organisation that focus on the practical ways of making services accessible and welcoming to older clients.

### **3.4 Some recent data from PRIME**

What matters about disability or health problems in this context is whether they pose a significant barrier to starting or running a business.

As part of this project we have been asking people who contact PRIME about this up front. Of those contacting us using the short form on our web site, nine per cent say they have some health issues themselves, and 10 per cent, often the same people, are on Incapacity Benefit.

Those ringing in are generally willing to give us more detail, and 20 per cent say something in response to the question " **Do you have any health problems or physical impairments that might affect your business?**"

However, about half the time they mention a condition only to then say that they don't think it will hinder them. We get very few requests for specialist referral, and of course 80 per cent just say a plain no. Here are some typical responses from those saying more.

**Question: PRIME has some partners that specialise in helping those with disabilities into business. Do you have any health problems or physical impairments that might affect your business?**

- 1. No - can cope with painkillers for desk job**
- 2. Poor eyesight. Need lenses and extra light to work**
- 3. Is an alcoholic, but non-drinker for a year**
- 4. Effect of disability on many aspects of life, including mobility is reason for thinking seriously about self-employment.**
- 5. Amputated leg. Wants to get back to work. Bored.**
- 6. Health impacts on ability to keep regular scheduled hours. Needs a web-based or direct selling business.**
- 7. Some Psychological issues**
- 8. Coping with illness but no special help needed.**
- 9. Recently diagnosed with Diabetes**
- 10. Suffers from agoraphobia**
- 11. Repetitive Strain/Pain Syndrome**
- 12. Sciatica - however shouldn't affect business.**
- 13. Dyslexia**
- 14. Has a bad back**
- 15. Back Pain - but not particular hindrance**
- 16. Slight brain damage at birth - but not likely to affect business**
- 17. Mini stroke two years ago**
- 18. Blood Pressure - however under control with medication**
- 19. Has some problems with back. Shouldn't affect business.**
- 20. Suffers Spondylitis - but has brother-in-law to help**

What comes through sometimes in the comments is some uncertainty about whether the problem will affect the business, which is probably why it is being mentioned. But even with serious conditions there is an expectation that they can be worked at around. At least for the self-selected group contacting PRIME, the disability is not regarded as a show stopper.

### **3.5. Generational attributes**

Returning to the framework we adapted from the Centre for Research into the Older Workforce (CROW), the second age category to consider relates to what people born at a particular point in history have in common with each other - the generational effect.

Here are some statements about what the baby boom generation (born 1945 to 1964 roughly) may have in common when applied to starting in business. Note these are just possible brainstorming suggestions or indeed stereotypes, and not predictions or research results. Some are contradictory.

#### **CON**

Attitudes - the 1960s generation are still hippies at heart and anti-business.

Skills - older people are weak on IT, text messaging and other high-tech tools.

Knowledge - they are out of touch with modern working styles and younger people.

**PRO**

Attitudes - older workers are hardworking, and good at understanding customers and dealing with them (the B&Q factor).

Skills - they were properly trained in era when education worked.

Knowledge - they have a lifetime of accumulated answers to draw on.

The point here is not that any particular statement above is true. It's more the more general but still important point that each generation has developed its own culture and self-image. Exactly what this culture is and how strong it is beyond the scope of this study. But it is important to be aware of it, particularly when doing marketing and outreach work.

Refs Appleyard, B (xxx something)

Plus something more academic

### **3.6. Personal experiences**

The third CROW category is the personal experiences that come with age. But here age itself is a less good predictor.

This is because individuals can differ from the generation to which they belong. Indeed, the differences may widen as more experiences pile up. As CROW puts it "people do not become more alike with age".

For example, the experience of being out of work can leave a mark if it persists for a long time, as can the experience of being in a particular job or profession. Whether you have been a captain of industry for the last 10 years, a cog in a bureaucratic machine or in prison you may still find yourself out of work in your 50s. The experiences this older age group brings to entrepreneurship is much more varied than that of say school leavers.

There is also some evidence that the wealth gap among baby boomers is greater than that of their parents' generation. (Ref Jane F xxx)

Here are some examples of the impact of age on individual experience.

**CON**

Training: the qualifications you have from 30 years ago may be out of date.

**PRO**

Training: older people are sometimes assumed to have the relevant skills and knowledge. For example if you turn up to do a skilled job people may assume you know your craft because of your older appearance.



## Chapter 4

# Case studies of older business starters

### 4.0 Method and sample

These case studies are chosen to illustrate some of the issues facing older entrepreneurs - but also some of the interest and excitement they feel in starting their own businesses. However, these are not just "success stories" - some difficult issues are brought out too in what follows.

That said, there are some sources of bias in these case studies, and there is a generally unacknowledged problem of bias in the case study literature generally.

This comes from two sources – firstly when the case study was written in a rapidly changing world, and secondly from the agendas of both those commissioning case studies and the subjects who agree to participate.

### Timing

The interviews for these case studies were conducted in November and December 2006, and are with entrepreneurs who have already started trading who are looking back.

Though this allows a fuller range of start-up issues to be discussed, it also introduces an important distortion when it comes to business support.

The availability of free and low-cost business support has been changing markedly over the period of this project. A problem with case studies about anyone setting up more than a year or two ago is that they present an upbeat picture of oodles of free business support that is no longer available in most places.

### Unstated agendas

Particularly in the case of agencies paid by results to deliver business support, there is a strong tendency to only commission the writing up of good outcomes - and if possible in the form of a media-ready news story that will not just please the funder but also attract the agency some favourable publicity and new clients.

And it has to be said the entrepreneurs themselves generally also prefer this approach, unscientific though it may be. After all, they have set aside the time to be interviewed and usually have the right to refuse permission for the use of the final result. Not surprisingly the entrepreneur often want something out of

it, and that is usually a story they can use themselves to promote their business.

This means a success story featuring a beaming business owner surrounded by many happy customers is what's required all round, rather than a warts-and-all portrait of a start-up beset by worry and stress and heading for failure.

## **Our agenda**

PRIME does like its research to be truthful and present a fair picture as we use it to make sense of the world ourselves, as well as influence other people. But we are not entirely immune to the pressure to produce up-beat case studies about interesting people with interesting businesses, because as a cash-strapped charity we like case studies to be multi-use.

At least four of the case studies here have also been used (usually in shorter form immediately after they were written) for publicity purposes (Elizabeth King, the Spires, Mike Lloyd and Sally Walton). And all PRIME clients are now routinely asked whether they want journalists referred to them (about half do).

Case studies are expensive to produce so maybe this is as it should be. Perhaps they should be helping tackle the problem and not just filling academic reports and contributing to scientific understanding. However, this does inevitably produce a bias in the sort of businesses represented in much of the literature of entrepreneurship, including our own.

Most strikingly, case study subjects almost all tend to be successful. They are usually also photogenic and easy to understand - so the crafts and caring professions tend to win out over complicated financial or technical services.

We did write up one case study for this report of an original but risky web business, but as it now appears to be struggling the owner has withdrawn their permission to publish until a better story can truthfully be told.

Another withdrew his permission because the complex technical service he was supplying especially appealed to the armaments industry, and on reflection he wasn't certain his customers would want him courting publicity.

As for as the sample from which the contacts for these case studies are drawn, six are direct PRIME Clients, two (Norma Vondee and Linda March) are graduates of courses run for women by London Metropolitan University, a PRIME partner, and one, Sally Walton, came via a competition PRIME was involved in judging (sponsored by Intel), The final older entrepreneur actually once worked for PRIME (Mike Lloyd), after being in the police for 26 years.

## 4.1 Graham Siggs, PAT tester

Graham Siggs is 61. He started his own electrical testing service two years ago and intends to keep his business going for quite some time yet.

“I have a quality product that I intend to sell as long as I can, and then sell as a going concern,” Graham comments.

Graham is based in Somersham, near Cambridge, and his business, HuntsPAT, is a testing service for portable electrical devices. It's a business that Graham finds easy to run and that fits in well with his substantial experience and his desire to continue working after the age at which he was forced to retire from the civil service.

“I did 40 years in the RAF before I reached retirement age at 55 and I then joined the civil service, but had to retire at 60,” explains Graham. “I wasn't ready for the rocking chair and slippers. I wanted to do something, but I wanted it to be something that wouldn't be too onerous.”

PAT testing was the obvious answer. Portable Appliance Testing is the electrical equivalent of gas safety checks, which have to be carried out on appliances once a year. This is not yet a legal requirement for portable electrical appliances in premises throughout the UK, but the law demands that all electrical equipment must be safe, so there is a large target market. Graham's background has provided him with essential experience in this field.

“I did my first PAT test in 1961,” he says. More recently, when Graham retired from the RAF, he joined an equipment testing team at the MoD. “I was looking for something to do that I was qualified to do and that would make me a little bit of money,” says Graham, who decided that setting up his own PAT testing business would fit the bill.

“Setting up the business was fairly easy,” comments Graham, who began the necessary moves to set up his business before he formally retired. “I was in contact with PRIME from the beginning,” he says, “and I also got in touch with Enterprise Fenland, which was the best thing since sliced bread. They provided lots of free advice and free courses, and I went to each and every one. My only regret was that I didn't do the basic course first. I did it about halfway through and while I felt very pleased in some ways, because many of the things covered on that course were things I had already done, it would have been more useful if I'd done that course right at the beginning.”

Graham feels that starting to research his business plans before he actually retired was immensely useful. “By the time I retired, I had amassed an awful lot of information,” he says. “In addition, because my job involved dealing with equipment suppliers, I was able to get a great deal of background information and good contacts, before setting up the business.” Another bonus came in the form of Graham's retirement package, which included as part of the settlement, a place on an equipment manufacturer's course.

Graham set up his business in March 2004, but went through a year of familiarising himself with the market and with the requirements of self-employment and running a business, before formally beginning trading in the 2005/2006 tax year.

Graham does his own book-keeping, but uses an accountant once a year to do his formal accounts and self-assessment. "So far, I haven't made any money – but I've had a very useful tax rebate," he comments.

The aspect of self-employment that Graham has so far found most challenging is having to sell his own services. "The selling has been a challenge," he acknowledges. "I started by trying to persuade people who didn't do PAT testing that they needed to do it, but I found it too difficult to persuade them that they should be doing this testing and that it should be me providing the service."

Graham also tried local advertising, but found it ineffective. "It brought in no business at all," he says.

Instead, Graham decided to focus on potential customers already familiar with PAT testing. He finds these potential customers through a simple method: looking around him locally. "Every shop or premises I go to, I look for the little labels, indicating that the devices have already been PAT tested," he explains. "Then I look to see when the PAT test is due." There are complex regulations on testing, but most users tend to test their equipment once a year.

Graham contacts the potential customer about a month before their existing PAT label expires, to offer his own services. He has found this a much more effective selling method. "I got a contract recently from the local vet, for instance," he says. "I took the dog down there and noticed they had PAT testing, so I wrote to them, and got a contract not only from that practice, but from another two as well."

Graham also attends networking events held by Enterprise Fenland, which he has also found useful in helping him find business.

Graham does not yet have a website, although he intends to set one up eventually. "At the moment, I don't particularly need a website," he says. "So far, I have had more work in the first five months of this financial year than in the whole of last, so things are building up nicely. The good thing about this work is that it is repetitive – people need to have their PAT testing done regularly. It doesn't bring in lots of money, but I enjoy it. It is something I can go out and do, and meet nice people. I don't intend to expand; I have spent enough of my career managing other people."

Graham believes his age has been an asset in setting up his business. "I see it as a great advantage, because I have experience of all sorts of things," he says. "I understand the admin; I understand how various agencies work; and I can talk to people very easily. The only area where my age might count against me is in sales, because I'm not a brash young salesman, but I really

don't see that as much of a drawback. I have a nice letter that I write to people and that seems to work well."

## 4.2 Trevor Fieldsend, consumer IT services

Trevor Fieldsend runs Home Call Computer Services (HCCS), providing home-based computer services for small businesses and home users in Lincolnshire.

Trevor, who is 53, has a background in motor vehicle engineering and worked for many years in Saudi Arabia, servicing vehicles for an oil exploration company. "Part of the job involved electronics, at a time when computers were only just beginning," he explains. "I was interested in that area."

Due to a long-term health condition, Trevor had to retire from his job. Still under 40, he went on to college to upgrade his mechanical engineering qualifications, with a view to perhaps setting up his own business in that area. But he discovered that considerable investment would be needed to set up something like an independent garage. "It seemed a bit too daunting," he comments.

Trevor was then off work for some time, due to problems with his health, including several stays in hospital. "I had to think about the situation and find something to do that wouldn't be so demanding," he explains. "Computers were my hobby. I was always fixing computers for friends and neighbours and that is how I started in this business. It was getting to a stage where people were coming along to me for help and I realised that I could look at setting up a business to provide a service for people in their homes."

Trevor gained support in setting up his business from PRIME and from Business Link. He did several courses, available through local business support organisations, on how to start up a business, as well as on marketing and bookkeeping. "They were very helpful," he comments. "But it was particularly useful to talk to other people who had already been through the process of setting up their own businesses. Hearing about their difficulties and how they tackled them was very helpful. That was the point where I thought it could be achievable."

Trevor also joined the Federation of Small Businesses, from which he gained a lot of useful information. Armed with more confidence and knowledge about starting up his own business, he began test trading in May 2005. He did not need to borrow money, as his initial investment in the business was not large. "Because it is a business where I am working in customers' homes, I didn't need premises," he points out. "I already had a laptop, with the relevant diagnostic software, so the investment was only about £1,500, although I have spent more since starting up, on setting up a workshop." Trevor was also aided by a government grant for those moving off benefits into self-employment and government funding that paid for his course fees.

Trevor had written a business plan, including a cash flow forecast, and after six months of test trading went ahead and formally set up his business. He has just completed his first full year in business.

Before starting his business, Trevor took extra qualifications in computing and software. "That was important to me, because I felt that if I am approaching people, it would help if I had those formal qualifications," he comments. "In fact, only a couple of people have actually asked about my qualifications. But I still feel that having the qualifications on my business card does present a more professional image."

Doing the exams was not easy, Trevor acknowledges. "There was a lot of study involved and I was doing the course at the same time as test trading," he says.

One year on, however, and Trevor is pleased with the way his business has developed. Getting customers on board was initially demanding and he has had to find the best way to approach this challenge. "I did some cold calling, but I really did not like doing that," he comments. "Then I went to a speed networking event, and I enjoyed that." He also put ads in local shops and has advertised in local magazine and in Yellow Pages.

"The business is now building up nicely," he comments. "My aim was to gain a reasonable income from the business within five years and I am now ahead of my target, with more than 100 customers. A lot of the business has been repeat customers and recommendations."

Before he started the business, one of Trevor's concerns was linked to his health problems. Because he has Crohn's Disease, he has to be very careful about his diet and sometimes needs access to toilet facilities. "That was one of the biggest concerns, about whether my health would affect being able to run the business, which involves being in people's homes," he comments. In fact, Trevor's condition has been more manageable than he had anticipated. "Once I had been out and done a few jobs, I was able to gauge the situation accurately," he explains. "In fact, since I have been running the business full-time, the condition seems, if anything, to have improved."

Before setting up the business, Trevor also had some financial concerns. He had been receiving various benefits and was unsure if the income from his new business would be enough to cover the loss of income from benefits and allowances. "I was concerned," he comments. "For instance, we now have to pay council tax. But the income from the business is more than making up for it."

Pricing the business was another challenge. Trevor is based in rural Lincolnshire, where he feels he has to price his services according to what the local market will bear. But he is happy with the prices he is charging and with the income from the business.

Setting up the business has been a major improvement in Trevor's life. "Before, I was on various benefits, but I did not want to be in that situation for the next five or 10 years," he comments. "Taking the step into self-employment has been very good. It has really brought about a change in my attitude. I enjoy meeting people and talking to them. I am very enthusiastic

about the business and I plan to continue with it until I retire, which certainly won't be before I am 65."

## 4.3 Eleanor Dowds, Home Stager

Being Scottish, Eleanor Dowds, 53, probably appreciates the well-known words of Burns about the best-laid schemes of mice and men “going aft agley”.

Having worked for more than 30 years as a nurse, Eleanor, who is based in Cheshire, has been planning a move into self-employment for her middle years – but her plans have had to be put on hold for the time being.

“I had planned to take early retirement, which is possible in the NHS at 55, and that would free me up to have a career diversion, into building up a business,” explains Eleanor.

The new career that Eleanor has been planning is in the home-staging business, making homes more appealing to potential buyers. Eleanor and her husband have direct experience of enhancing homes, not only through having renovated two houses in which they have lived themselves, but also through having bought and renovated two properties to rent out.

Using a combination of workmen and their own efforts, Eleanor and her husband have carried out a wide range of renovations, including installing central heating, rewiring, plastering, installing new bathroom and decorating. This has been possible, explains Eleanor, because until recently, she was working only three days a week in her job as a nurse in a local hospital operating theatre, giving her the time she needed to work on her house project.

Two years ago, the couple moved into the house in which they now live and carried out extensive renovation. “It was as we finished that work that I realised that I could probably develop this as a business,” Eleanor says.

Eleanor began researching the subject and decided to attend a course run by Ann Maurice, well known as television’s House Doctor. Ann runs a series of courses on property presentation and home staging, designed to prepare individuals for a career in residential home staging, and in 2006 launched a House Doctor Home Staging Network, to provide a training and qualification programme for house staging professionals.

In September 2005, Eleanor attended one of Ann Maurice’s home staging courses, held over a long weekend in London. “If anything, the course was better than I had expected,” she comments. “They were very long days, but very enjoyable, and provided such a lot of detailed information.”

Although she does not plan to become a senior consultant in Ann Maurice’s House Doctor network, Eleanor expects to get some benefit from the House Doctor branding and market reach by having her details displayed on Ann’s [www.housedoctor.co.uk](http://www.housedoctor.co.uk) website.

Still working a three-day week, Eleanor set about getting more information that would help her set up her home staging business. She got in touch with a local PRIME adviser, who was able to provide information and support. Eleanor also attended a one-day PRIME business workshop, which she found useful in providing advice on how to set up her business.

Her aim is to work through local estate agents in and around Cheshire, in order to get herself known in the local area. "I can go in, stage the house as much or as little as a client wants and make that property more sellable," she explains. "It won't cost the estate agents anything, but it benefits them in that a quicker sale is good for them."

Eleanor acknowledges that her biggest challenge will be persuading estate agents that her service is necessary. "Going through the estate agents is the best way, but convincing them they need me is another matter," she says. "But I don't get discouraged. Even if I have to do a few projects for free - so they can see the concept, that will be fine."

Eleanor is a great believer in the value of personal network and personal recommendation. "The more people you know, regardless of whether they are in the same field as you or not, the better," she says. She has kept for some time a list of the professionals she has worked with and would be happy to recommend to others. "Anyone at work who wants a worker, knows they can ask me and I can recommend someone I've been pleased with," she says. One of the reasons Eleanor found PRIME helpful was because of the local knowledge it has been able to provide.

With her plans in place, Eleanor intended to go ahead and set up her business, while still continuing to work three days a week. She had already begun approaching local estate agents and had done her first home-staging project.

Then, at the beginning of the year, things changed. Because of a change in her employment, Eleanor found herself having to work in her paid job four days a week. Initially, Eleanor tried to negotiate with her employers, to try and work longer hours, while still working just three days a week, but this proved impossible. As she explains, this has made a significant difference to her plans. "It gives me very little time to carry on and try and build up the business, because I work shifts and weekends," she says.

Eleanor has now adapted her plans to cope with this change. "I will continue in my job, probably until April 2008, when I will be 55," she says. She will then take early retirement and will be able to start building up her home staging business. But she will also have an option, once she has retired, to go back to her job as a nurse, working just 18 hours a week, and she believes this will provide the best way to continue to bring in a salary, while building up the new business.

“Unless anything changes in the meantime, I don’t feel it would be fair to try and attempt to build up the business now,” she says. “I want the time to give to it, otherwise I think it would be easy to get frustrated.”

Eleanor says she is at a point in her life where she still has plenty of drive and determination. “People can see that drive and can see I’m excited about the new business,” she comments. “I also think a bit of maturity can be an advantage. You can start a business at any age.”

## 4.4 Elizabeth King, partner in car wash

Elizabeth King, 51, and Vanessa Payne, 39, run a new car wash service in Cheshire. The business is based on Vanessa's professional expertise in car valeting and Liz's hands-on approach and willingness to learn something entirely new.

The two women were friends before deciding to run a business together. "We are both horsey and we actually met when I bought an Arab mare from Vanessa, who was then living in Cumbria," explains Liz.

When Vanessa subsequently moved to Cheshire, the two women realised there was a potential business opportunity for them in the local area. Vanessa had several years' experience in car valeting, while Liz had noticed the growth in car traffic and realised there was a gap in the market.

It has taken Liz and Vanessa almost two years to get their business up and running. Finding the right premises was a particular challenge. But they have now launched Arclid Car Wash, based in the village of Arclid, between Sandbach and Congleton, not far from the M6 motorway.

"We have done a lot of local research on valeting and car wash services and we are in a good spot here to capture trade," says Liz. "We did start to look for premises nearly two years ago, and at one point we were waiting for some new units that looked promising. But then these premises [in a former garage] came up and they are better because we now have a workshop, with the pits, as well as offices and a waiting room area."

While Vanessa has a professional background in car valeting, this is a new business area for Liz, whose main experience is in design.

Having studied design at college, specifically design for wallpapers, fabrics and other surfaces, Liz then worked for a local firm before joining her mother's business, decorating goose and ostrich eggs in the style of the world-famous Faberge eggs. "I was employed full-time, designing for the business," she explains. "We sent the products out worldwide and did work for all kinds of customers, including the Greenwich Maritime Museum. We were producing high quality, original items."

The entrepreneurial spirit clearly thrives in Liz's family: before starting this business, her mother had been a teacher. Liz herself worked in the family business for 20 years before changing direction. Initially, she did some work producing hand-painted furniture, before getting into property development. "I was involved in property development professionally in the 1980s," she explains. The Cheshire-based business focused on buying and selling local stone cottages, was successful at the time. "I decided to get out of that business when it was the right time to do so," says Liz.

She then worked as a freelance artist, but wanted to find a more solid business venture, something less high-risk than going back into property

development, but that would provide greater returns than working for herself as an artist.

A complete change of direction then presented itself, as she began to research the car wash business with Vanessa. Liz says the shift into something that is very hands on is not as dramatic a shift as it might first appear. "When I was involved in property development, we literally did everything ourselves," she explains. "I've done roofing and plastering. I glazed all the windows and plastered walls, so although I may be a designer by trade, I've done a lot of different things."

Liz is also used to dealing with the public, following a stint in her youth as a bunny girl in a Manchester club. "It was when I was at college," she explains. "I had a holiday job as a cocktail waitress and it was such an interesting time. We had footballers, actors, lots of interesting people. So I am quite used to dealing with people."

Despite this mix of talents, Liz has had to learn a lot more, now she has started a completely new business. Her first stop in the learning process was a PRIME course, which has provided her with a good deal of business advice and ongoing support. "I got a lot of general business advice from PRIME and a lot of business tips from the PRIME business adviser," comments Liz. "It is really good, because I know he is always at the end of the phone, if we need any help."

Liz and Vanessa do not have a formal business plan. "I'm an impulsive person," explains Liz, "I firmly believe this business is going to be a success."

Nor have two women needed to approach finance companies or banks in order to fund their fledgling business. The main investment required has been for the power washers, but the initial investment has been relatively low – about £5,000. "My partner and I have funded it together," explains Liz. This is typical of the approach the women are taking, which is very largely based on personal networking.

"The people who supply the equipment have been tremendously helpful," says Liz. "They have been in the business a long time and the gentleman who runs it has put us in touch with family members in various trades, as well as advice about where to put sockets and pipes."

With the business now up and running seven days a week, the two women are looking for extra staff, but are determined to keep it a family business, employing relatives rather than hiring external staff. Liz, over 50 herself, has even enticed her mother partially out of retirement, to produce flyers for the business, and to do the accounts.

"The biggest challenge has been learning a new trade," acknowledges Liz. "But Vanessa knows exactly what she is doing, so that has been great. And we are determined to put the emphasis on quality. We are already getting bookings for high-quality cars and that is the market we are aiming for. It has

been a lot of hard work, but we want to build up our good name and reputation. As women, we are very particular about working to a high standards and providing a service second to none.”

Liz says her age has been utterly irrelevant. “Age is just a number to me,” she comments. “It’s not an issue. I’m still the same person I was at 18.”

## 4.5 Karen and Errol, chip shop owners

Karen and Errol Spires, who are aged 46 and 60 respectively, are a husband and wife team who have gone into business together. They run a fish and chip shop in Grimsby, the historic seaport on the south bank of the Humber estuary in Lincolnshire.

In the 1950s Grimsby was the largest fishing port in the world. Although the industry has been in decline for many years since, Grimsby still has the UK's largest fish market and many food producers are based in the town.

When they decided to move into self-employment, Karen and Errol had both been working for some years at a local pizza chain. The idea of running their own business was suggested to them by Karen's stepfather.

"We had worked for two years at a local pizza place," explains Karen. "We started as delivery drivers and then I was manageress. To be honest, when my stepfather suggested we should set up a business of our own, we weren't sure if we wanted to do it. We had a regular income, both from the pizza place, where we were working part-time, and from some benefits we qualified for, and we weren't at all sure about going into self-employment."

The move into self-employment for Karen and Errol was helped by two main factors. They had spotted potential premises for their business, which had been empty for several years. Although the shop was in a bad state – "It was derelict," says Karen – they felt it had potential and when they made enquiries, they felt they would be able to afford to go ahead with the business.

They also went on a free, three-month business course provided by the local council "The course was extremely helpful, covered a great deal of ground and gave us a lot of information about setting up a business of our own," says Karen. "The advisers told us that it was not the end when we left the course, and that they would be available to help, and they have been true to their word. They are very helpful and even now, if we need any information, we can phone them up and they will come round and have a chat about things. It has been extremely useful."

Following the formal ending of the course, Karen and Errol felt they were in a position where they could put together a business plan.

In order to raise the necessary finance to renovate the premises, install the necessary equipment and pay the rent, Karen and Errol used a mixture of funding. Karen's stepfather, who had been the original inspiration behind the move, put money into the business and Karen and Errol also took up loans from Business Link and from PRIME.

The couple approached their local Business Link and put forward their business plan to be approved for a loan. "Attending the meeting and answering questions about our proposed business was a little daunting, but everybody was very friendly," says Karen. Business Link could not provide the

full amount, but put Karen and Errol in touch with PRIME, which was able to provide a further loan.

The couple were then able to set up the business and opened the doors of the Mariner Fish Bar in Lord Street in August 2003. The first year was challenging, acknowledges Karen. In fact, the first evening was something of a challenge. "We opened the doors at 4pm and there was no-one there. But by 4.30pm, it all took off and we never really stopped," recalls Karen. "There was a queue down the street."

Karen and Errol realised they would need extra help running the business and this became one of their challenges. While they had dealt with the complexities of tax and national insurance on their business course, the reality of finding reliable employees remains something of a challenge. "We had thought it would just be the two of us, but we realised we would need help," says Karen. "It can be difficult, finding people who are honest and willing to work."

The business demands long hours. Both Karen and Errol begin at eight in the morning; Errol prepares the machinery and peels potatoes, while Karen shops for other produce and bakes. One of the distinguishing factors at the Mariner is its wide range of products. The Spires do not only sell fish and chips, they also provide cakes, a salad bar, kebabs, Chinese cuisine, curries, homemade pies and, one day a week, full-cooked meals, including vegetables and potatoes.

Karen's background includes earlier work in the fish and chip trade, learning the business, and she has also previously run a catering business from home when her children were young. She gave up that business when regulations made it too onerous to run a business from home, but it provided her with valuable experience

The Spires have also learned new lessons about running their business from the Mariner's customers. For instance they tried selling other types of cooked meals right from the start, but at first these failed to take off. "It was because people didn't know us," explains Karen. "But after about nine months we had a set of regulars, who were saying to us that they were fed up with chips every day. So now we try to do something different every day. We do the cooked meals on Mondays and homemade pies on Thursday, and there will be some kind of special offer every night, such as a discount, or getting something free."

Karen and Errol appreciate the help, both financial and practical, they have received, particularly from their local Business Link advisor, who is always available if help is needed. When a freezer broke down and a lot of stock was lost, the couple were able to take a three-month break from their loan repayments to Business Link and PRIME, which helped them recover their business. Since then, they have been able to pay off both loans early.

Karen says setting up the business has been hard work, but Karen and Errol are still enthusiastic. They have now bought their premises and plan to expand to set up another, similar business. Karen believes hard work and high standards of food and cleanliness have paid off. “Our success has also been through word of mouth and this has been the best advertising,” she says.

## 4.6 Harry Dennis, Environmental Consultant

Harry Dennis set up his own business in October 2005, when he was 51. Based in Stockport, Harry has worked in the chemical industry his entire career and has now built on his experience by setting up an environmental consultancy, Dennis Environmental Ltd, which specialises in waste management, in particular waste minimisation and hazardous waste for the chemical industry.

“I was working for a company in Manchester that was transferring a lot of production over to India and China,” explains Harry. “Eventually, the company announced that the site where I worked would close and I decided to leave almost immediately. I had no plans to take early retirement.”

Instead, Harry decided to capitalise on the skills he had learned most recently in employment.

“I had spent a lot of my career managing people, but I had ended up in a job I really enjoyed, in environmental management, where I generally worked alone where I had a lot of outside connections,” he says. “I was on a decent salary and could see myself doing that job until I was 60.” The change in circumstances meant Harry had to re-think. “I was already concerned that, being over 50, there was a possibility I might struggle to get another job with a chemical company,” he says. “But I realised there were things I could still do and since I was enjoying the type of work I was doing, I thought I would try to go out on my own.”

Financially, Harry was not too exposed. “I received a redundancy package and a pension from my previous company and my wife was very supportive of my plans,” he comments.

Initially, Harry spoke to those around him with experience of running their own businesses, including his brother-in-law. “I wanted to do things correctly and start as professionally as possible,” he comments. “So that involved things like spending quite a lot of time on getting the name of the company right. It sounds quite simple now, but we did consider quite a lot of alternatives. I also wanted to present myself professionally, rather than look like a one-man band, so although I work from home, I set up a PO Box in Stockport and set myself up as a limited company. I also used a local graphic designer to design the business cards, stationery and the website.”

Harry put his redundancy package into his new venture, as a director’s loan. “I knew I would probably have enough to cover two years’ running costs, providing the costs weren’t too high, so I put in enough to cover the costs and my salary,” he explains. The set-up costs totalled about £5,000, including all the office furniture and computer equipment that was needed. Harry finished full-time work in August 2005, but had already had three months’ gardening leave in which he had been able to work on the plans for his business, so launching the venture did not take long.

Harry also decided to make it a family business. "I decided to bring my daughter in as a commercial manager, to look after the administrative, financial and marketing side of the business," he says. "She works part-time, which fits in well for her with family life." Just as important a contribution, he adds, is made by his wife. "My wife looks after the grandchildren while my daughter works for the business, so she, too, has had an important role."

Although Harry initially found working from home a daunting prospect, he has found the disadvantages have been far outweighed by the advantages. "I have been able to watch my grandchildren grow up from close quarters, have been able to spend a lot more time with my wife and have even managed to find time to enjoy running and golf during the week," he comments.

Harry believes in taking a highly structured approach to the business, even though it is still relatively small. He has a formal business plan, which includes a marketing strategy, and once a month, he and his daughter have a formal meeting to discuss the business. "We have a fixed agenda and we minute all our action points," he explains. "I believe it is very important to keep things as professional as possible and it enables us to tackle all the issues that have come up."

Like many other people starting their own business, marketing was something of a challenge in the initial stages. "Early on, I did a lot of cold calling, which was tough," Harry acknowledges. "It was a difficult few months, getting our first few leads, but I don't think we could have done it differently – we had to do it that way to get to where we are now."

One of the contracts that has sustained the business over its first year has been through a separate division of the company for which Harry used to work. "They asked me to go in and I worked there for two or three days a week for three months and that was perfect," says Harry.

When he started the business, Harry was optimistic about its prospects, because of the new environmental legislation, coupled with increased awareness of environmental responsibility within the UK. There were also a high number of government grants available for environmental improvements in industry, but he has found it hard, as a small, independent consultant, to get into that market. "That money is going to other firms," he says. "A lot of companies use the same consultants that they have always used and there are also a lot of big consultancies in this area."

Despite these challenges, Harry remains optimistic about his prospects. There are several proposals with clients at the moment that he hopes will turn into major contracts and he has also set up a partnership with his former employers which has helped him travel overseas to pitch for business, including a trip to Saudi Arabia. "One of the main things I have learned over the past year is not to say no to anything, well almost anything," he adds.

"I think my age and experience are a big selling point, no doubt about that," says Harry. "But on the other side, it has been great to have someone a bit

younger to help me design the website and work on the presentation side of the business.”

The biggest challenge, however, has been Harry’s enthusiasm for his subject. “I like helping people,” he comments. “So I end up giving them free advice. My daughter has to rein me in a bit. At the end of the day, I’m selling my experience and I have been caught out once or twice. I’ve been in and done work and given more than I needed to. So getting that balance right is my biggest challenge. In the past, my role has been to provide information, and I find it hard to suddenly say I’ve got to stop here and start charging for that advice.”

## 4.7 Linda March of Court Support

Linda March, who is over 50, is currently setting up a rather unusual business. Called Court Support, it provides a service to witnesses attending a Court of Law or similar hearing.

Linda attends Court with the witness. She supports them throughout the experience by explaining the court process, helping with their testimony or statement and dealing with resulting press queries.

Linda previously worked for a public sector organisation and delivered a similar court support service for the staff. This service was well received by both staff and their managers. There seemed plenty of demand for this rather specialised area of public relations.

When her job came to an end Linda thought that this was an idea she might be able to turn into a free-standing Court Support business. It would give her the chance to put her energies into something new.

Linda did extensive market research into the sectors where her unique service could be utilised. She made progress through networking and at last made a connection with a firm of Public Relations consultants that specialise in litigation. They are encouraging and enthusiastic about the concept and have contacts that will open the door to the sort of work she has envisaged.

The main barrier Linda had to overcome were her doubts about whether her idea would be commercially viable as a separate stand-alone service. She was uncertain about finding clients who would be able to afford the service and the appropriate fee level. So far she has found no competition with which to benchmark her idea.

These barriers have been overcome to some extent through contact with the relevant organisations and making links with the right people. Currently, Linda is working on the specific literature that will both explain and promote this new service.

When asked what she has learnt about herself during the setting up of her business, Linda said she has learnt to be “cautiously optimistic and not to be put off too easily”. She has worked steadily and incrementally to make the right contacts in order to go forward with her business idea. She has learnt the importance of pitching the service at the right price to the right audience.

Linda enjoys taking sometimes bewildering and complicated information, simplifying it into various components and supporting someone in the understanding and use of that information. As Linda says “this is the basis of all good communication management.” It is this same process that stimulates Linda to help people. Aided by her natural enthusiasm, this is the ‘buzz’ and motivation for starting a business.

Linda admits that if she had started this business in the past she might have panicked but now she knows that she is a self-starter who can operate without the comfort of an organisation and monthly salary. She is feeling excited and quite adventurous about the future.

Linda is in the very early stages of her business so she is not at the point where she can say in retrospect what changes she might make if she was starting all over again. However, she says she has kept going with a supportive network of family and friends and by attending the Forward at 50 business support training course at London Metropolitan University. Linda places great value on the encouragement the course offered and the stimulation of learning together with other like minded people, who like herself believe that it is never too late to start your own business and develop in a new direction.

Finally, Linda gives this advice to other women starting out on their own into self-employment. "Search within yourself and into your own values and do what you enjoy. Do something to lift the spirit and then obstacles can be overcome. Learn everything you can about implementing your idea as a business before you start. When things are not going right, just keep at it – be tenacious."

## 4.8 Mike Lloyd, flower delivery

Mike Lloyd has demonstrated that business ideas can sometimes come from unexpected places. After a career advising other people on how to set up their own businesses, Mike has now, at 60, found himself running his own business, delivering flowers.

Mike has set up Flying Flowers Network, a delivery service for florists in the North Somerset area. It is not something he had expected to be doing. For many years, Mike was a business advisor. He has worked for PRIME, and his most recent job was working as a regional development manager for the InBiz organisation. "It was an interesting job, working with socially disadvantaged clients and helping them into self-employment," he explains. That job came to an end when he was made redundant, following funding cuts. "It was a purely financial decision and entirely amicable," he says.

Initially, Mike was not too concerned about his change in circumstances and intended to get another permanent job. But it was harder than he anticipated. "I had lots of experience and first-hand knowledge in a management role, supervising staff, so I thought I would apply for a similar job in the south west," he says. "So I started applying for jobs, but got nothing. Then, one Sunday, my wife and I were at a garden centre and I saw an ad from a new florist, wanting a driver and I thought that would do me until something else came along." A week later, Mike had begun his new job, as a van driver.

"The first job I did was a delivery to a local undertaker. When I arrived, three separate florists' vans were also delivering flowers," says Mike. "I could see at once how inefficient that was, so I suggested to the florist employing me that if I invoiced him, rather than working directly for him, I could do deliveries not just for them but for all the local florists and that way, I could help them to reduce all their costs."

Having had this idea, Mike did an outline of his business plans and spent three months researching the market. "I needed to see if anyone else was doing this, and no-one was," he says.

The chief objection to Mike's new delivery service was one he anticipated: all the florists he approached said they already had their own delivery van. "So I had to go away and regroup," he explains. Researching the market further, Mike discovered that all the local florists belonged to different telephone ordering services. By delivering these orders himself, he could save the florists money. In order to make this business viable, Mike has had to discover a great deal, very quickly, about the flower business and how it operates. "The florists have been very good," he says. "They tell me about the way things work." But it has still been a challenge. It's been a vertical learning curve," he admits. "But I now work for nine florists and have three part-time workers."

In four months, Mike has trebled his turnover and the business is now self-sufficient. "I haven't had to put any money into the business," he explains.

“The trick is not to spend too much in the first year and not to borrow if at all possible.”

Mike is now anticipating a rush in the run up to Christmas, and then a quiet period afterwards, in which he wants to get a website up and running and get uniforms made for his staff.

“The challenges have been the same as for any new business, except that I have had to learn about a completely new subject,” he points out. Mike feels his background, which includes 26 years in the police, has helped him in different ways. “I know a lot of former police officers, many of whom are now self-employed and who are willing to help out with the odd afternoon or day, so I can turn that on and off as demand ebbs and flows,” he says.

Setting up the business has been demanding and involves long working hours. “My first delivery is at 8am and the trick in this is to develop a circle of routes, so I can move round one and then another,” explains Mike. “I’ve generally finished by 5pm, so it’s not a bad working day, but of course the downside is that I have to work on Saturdays. In fact, I have suggested Sunday morning deliveries, at a premium, so I now also work about one Sunday each month.”

Mike has delved deep into this market and now knows a great deal about flower selling in the UK. “I keep things simple and I keep asking questions,” he says. “I’ve learned things I knew nothing about, in double-quick time. It is really exciting.”

While it may seem to have put Mike under pressure to start a business in a completely new market, his reaction to the experience is different. “My previous job was a highly-pressured job,” he says. “I was earning a good salary, but I was having to travel constantly. Now, I think I could do this job for another 10 years. The other morning, for instance, I had just made a delivery and had a spare 35 minutes, so parked by the sea, had a double espresso, read the paper and thought - this is the life.”

Mike may be enjoying his new life, but he believes it is important to keep one’s business feet firmly on the ground. “If you spot an opportunity, you must rationalise it,” he advises. “You need to do the research and development. Then you need to incorporate all that into a plan and stick to the plan. If that doesn’t work, you need to write a new plan - and then stick to that.”

He also believes it is a mistake to expand too fast. “I think it’s a good idea to move on steadily, rather than rush on,” he says.

## **4.9 Sally Walton of Carry-A-Bag**

For Sally Walton, it was a combination of external and internal factors that prompted her to set up her ecological design business, Carry-A-Bag ([www.carry-a-bag.com](http://www.carry-a-bag.com)).

Sally, who is 55 and based in St Leonard's on Sea, in East Sussex in southern England, had been working with her husband for more than 15 years, writing books on a wide range of topics, most connected with home decoration and improvement.

Five years ago, the events of 11 September 2001 effectively put an end to this business. "We were very involved with one big publisher whose books were aimed at the US market," explains Sally. "But that year, no-one went to the Frankfurt Book Fair. The US market turned in on itself. So I had to find something else to do."

This time coincided with Sally's own feeling that for 20 years she'd been giving people ideas about interesting things to make and do and it was now time for her to do something for herself that she was interested in.

One of the books she had written was called Eco Deco and looked at how to create stylish items for the home from recycled materials. "I did a lot of research for the book into recycling and got very enthusiastic," explains Sally. "So then it all came together. I knew I wanted to start a business where I was physically making something, and that could build on my existing knowledge of ecology and recycling."

The business Sally has set up offers customers a stylish alternative to the reusable shopping bags. Sally's bags are made from organic, Fairtrade calico, lined with beautiful, recycled fabrics and printed using a discontinued range of fabric printing inks.

Initially, Sally sold her first few bags to local businesses, including a friend who opened a local store. She then approached her local enterprise agency, 1066 Enterprise, mainly to get advice about funding her business.

As a result, Sally went on a six-month, Learning and Skills Council NES programme. "I hadn't thought of going on a course; I just wanted some money," she comments. "But the agency convinced me that it would be helpful and in fact I thoroughly enjoyed the course. I completed changed my attitude and I found it very empowering."

One of the aspects of the course that helped Sally take a more focused approach to her fledgling business was the computer studies. "We had to look at spreadsheets, which I had dealt with before, but very much on the creative side," she says.

The course finished in February 2006 and Sally then began test trading until June. The cost of the course was free, and Sally also got £1,500 towards setting up her business, which she used to buy business stationery and towards the cost of her website ([www.carry-a-bag.com](http://www.carry-a-bag.com)).

“For the website, I used Republica Design, who were also just starting out, and my training as a designer really helped in clarifying my ideas about the website,” says Sally.

Sally invested the rest of the money in buying two second-hand but reliable sewing machines and her first rolls of fabric.

Sally has a modern approach to marketing, based on personal networking. Her four children have jobs in the fashion and media worlds, and this has given Sally a highly useful set of contacts to whom to market her products. “My eldest son is a creative director and all his friends work in the area of product promotion or fashion styling, she explains. “I realised it’s a pretty small world. I realised I knew a lot of these people and could send them a bag or information about the bags.” In addition, Sally’s husband is an artist who draws musicians, so Sally also has contacts in the musical world, and has promoted her products to them.

Targeting media professionals, as well as those in the fashion and music business, has proved a highly-effective way of promoting Sally’s brand into her potential customer base. “My marketing strategy is entirely based on promoting my products to everyone I know and to everyone my children know in London and the media,” she explains.

“The first thing was a piece in Country Living magazine and I could not believe how much came out of that,” she comments. “From the moment the article appeared, things just went ballistic. It was fantastic. And that is exactly the customer I’m aiming at. I’m thinking of the Country Living woman and the young fashionable local shopper, in trendy places, like East Dulwich. I’m very clear about who my customers are. We were asked on the course to identify our ideal customer and mine was Jamie Oliver’s wife, Jools.”

The initial publicity has been followed by several more articles, including one in the Saturday Telegraph, and more are in the pipeline.

This has provided Sally with an excellent start for her business and she has learned the value of flexibility. “The business plan is more or less on track, but some goals have changed a bit,” she says. Originally, Sally planned to move the manufacturing of the bags out of the country, as the business expanded, but she has now decided they will be made locally. “I don’t want that sort of business,” she says. “I want the hands-on feel. I will be employing local people and I may set up a workshop.”

Sally’s biggest challenge has been staying focused on her primary goals for the business, rather than getting distracted into other projects. Within five years, she would like to have a concession within a major upmarket department store in this country and possibly in New York.

“I keep on planting the seeds,” she says. “I haven’t focused on trying to make money before, but now I am enjoying this challenge. It has been a huge change, from researching and writing books to running a business. Now that

I've started, I would like it to be successful and being quite wealthy would also be nice!"

## 4.10 Norma Vondee, Mosaic artist

Norma Vondee, 54, is an artist. She creates mosaics and mosaic sculptures and has run her own mosaics business, Norma Vondee Mosaics, for the past five years. Her biggest struggle continues to be the contrast between the business side of the work and the artistic side.

“I still find it difficult that I have to spend two days a week trying to get the work and only three days a week making the work,” comments Norma. “I’d really like to be spending five days a week making the work.”

Nonetheless, Norma has managed to move successfully from being a teacher into the world of running her own business, by finding out how to talk the language of commerce. “I was an art teacher for 18 years and did some part-time commissions, so I didn’t go into this all at once,” she explains. When her son, who is now 14, was born, Norma took time out to look after him in the pre-school years and then took an MA in Art in Architecture.

Norma, who is based in east London, has built up her business gradually, renting out a room in her flat to pay for a studio where she could work. She then realised she needed to make a greater commitment to the business. “The crunch came when I was 51,” she comments. “The business was dragging its heels. It was under-financed and under-publicised.”

Norma took action. She achieved greater publicity when she won a contest run by CIDA, the East London agency that supports local creative arts and she also went on the Forward at 50 course run by London Metropolitan University. “It was great meeting other people in a similar situation, but from very different backgrounds,” says Norma. “Some of the speakers on the course were inspirational, particularly on the topic of taking risks – risks with finances, with mortgages and with life. It’s all about that idea of taking that leap before you are ready for it.”

Norma even found inspiration in the less-good speakers. “They made me realise that I was ready to take on corporate presentations,” she says. “I’d always found it different to talk to corporate clients, but I realised it’s just about doing the corporate speak. It isn’t rocket science.”

Armed with greater confidence and knowledge about how to develop her business, Norma went about financing her next move, which was setting up a website. “That was going to be a major investment of money, but in fact, it ended up being a major investment of my time,” she explains.

Norma’s studio is in Trinity Buoy Wharf, where other creative firms are based, one of which gained a grant to provide training for artists to create their own websites. Using this funding, Norma was able to work on creating her own website ([www.normavondeemosaic.com](http://www.normavondeemosaic.com)). “It has taken a large amount of time and of course in that time, I haven’t been doing other things, like selling my work, so it has had a knock-on effect,” she says. “I’m now having to catch up. My next step is to do more advertising.”

Norma has found that regular exhibitions of her work have helped promote her business and she has also done some leafleting and has listed herself in various professional publications. "But the best publicity is my website and word of mouth," she says.

Norma already uses part-time assistants and aims to develop the business to the point where she can take on a full-time assistant and also employ an agent, to carry out more of the administrative and sales side of the business. She is continuing to develop the business, in her own way. "I don't have a written business plan," she says. "I know I should have one, but the plan is in my head."

Norma finds the most challenging aspect of running a business the constant need for different skills. "I'm constantly wearing different hats," she comments. "This is certainly not a nine-to-five job, where you go in in the morning and know exactly what you will be doing. You have to be both pro-active and reactive, and I find it exhausting." Time management can be a challenge, in these circumstances, particularly for those, like Norma, also involved in family life. "It is not easy to find family time," she acknowledges. "I am now trying find to be a bit more sociable, but it can be difficult. My son is away at school, which helps a lot, but when he is home, it is all pretty full on."

Some of the key lessons Norma has discovered from the process of setting up her own business is the need to take risks. "The statistics show that women tend to under-invest in their businesses and ask for less help," she comments. Although Norma talked to her bank about financing her business and found that encouraging – "I realised that they were willing to bend over backwards to help businesses get started," she says – she has taken her own risks in re-mortgaging her property to invest in her business.

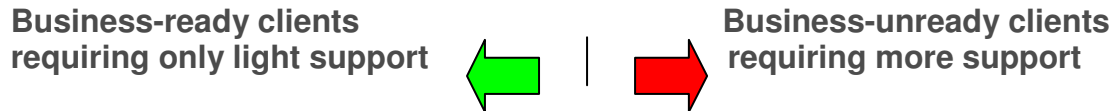
She has also had to do a lot of market research, to locate potential customers. She now takes on commercial commissions, as well as commissions from private customers, and her work includes commissions from clients as wide-ranging as an estate agents in Hackney, to film actresses.

As a creative person, Norma's real passion is for her work itself and she does find it difficult to handle the more commercial aspects of the business. Initially, for instance, she found pricing the works quite a challenge, although she has overcome this barrier by taking greater control when negotiating with clients and gaining a better idea of the price of works of fellow artists. But it can still be daunting to handle these kinds of financial matters. But Norma's determination has paid off as her business continues to build up and she is now working to achieve her goals, including her aim of being able to put greater effort into her own creative work.

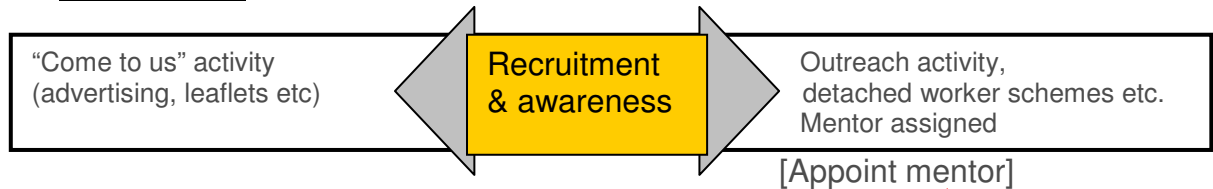
# Chapter 5

## The lifecycle for owner-operated businesses

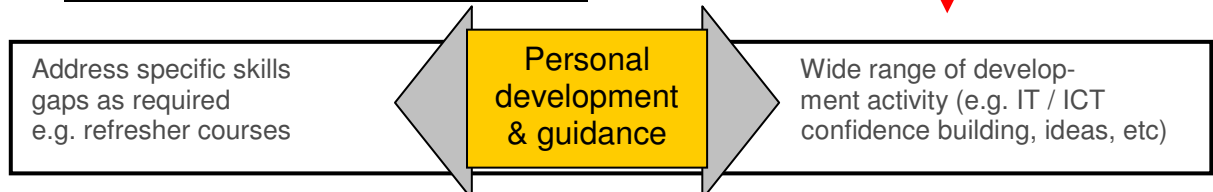
### 5.0 PRIME's Business Lifecycle Model



#### 1. Recruitment

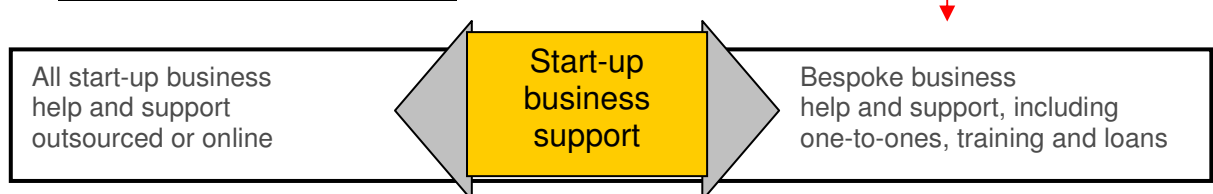


#### 2. Personal development & guidance



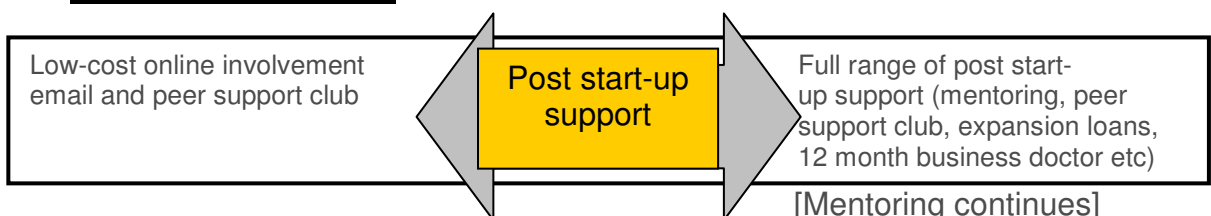
[Mentoring continues]

#### 3. Business start-up support



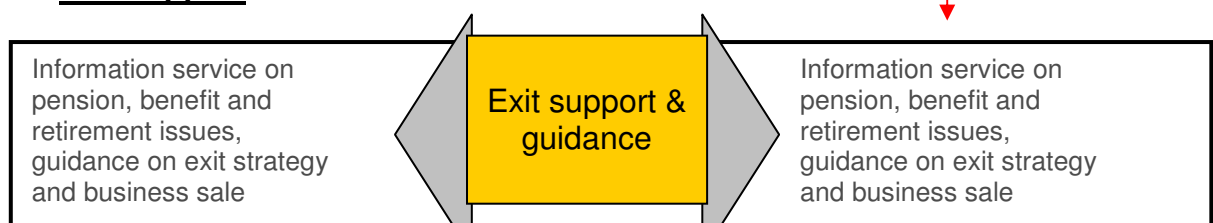
[Mentoring continues]

#### 4. Post start-up support



[Mentoring continues]

#### 5. Exit support



a client might go on, coming in at the top when first considering whether to start in business and exiting at the bottom much later when selling up, handing over or closing down a business that may have provided them with a livelihood for many years. .

The chart also shows a useful distinction between two categories of client – those on the left requiring little support and those on the right requiring much more. This distinction between business-ready and business-unready is a useful first step in segmenting clients conceptually. In Chapter 6 below we develop it further and describe the kind of triage it is practical to do over the phone.

At this stage it is important to note that PRIME welcomes clients of both sorts. Our charitable goal is to prevent poverty in retirement by combating worklessness among those wanting to work. Such people may be either ready-to-go or unready depending on their individual circumstances. Our current record is one female entrepreneur in Cheshire who had been planning her start-up for 17 years while waiting for her children to grow up enough to free her the time. Ref ((xxx Christine's study))

But many others never expected to start their own business, and these necessity entrepreneurs often come to PRIME before they have even formulated a start-up idea.

## **5.1 Recruitment and outreach**

Major problems here across the sector.  
Offer is too complex for punters to grasp.  
Post code lottery in what is available  
Never-ending series of pilots never leading to the real thing complicates picture further .  
Low levels are marketing spend by most support agencies and projects  
Confusion over who controls spend  
Branding errors  
"Business simplification" promises fix but already unlikely to deliver.

## **5.2 Pre-start - personal development and guidance**

Standard barrier research (reference to include several PRIME reports)

But it normally fails to distinguish between real showstoppers and hurdles that can be jumped or sidestepped

workshops ideas book web site mentoring

Both the way PRIME promotes itself (for example, as a charity) and self-selection by clients looking for low-cost help does tend to bias its client base towards those with less money, but as mentioned above they can fall into either the business-ready or unready categories.

Research conducted by Prof Mark Hart (who is a member of PRIME's board – the equivalent controlling body in a charity to a company's board of director) and Richard Hyde, both of Kingston Business

Of those contacting PRIME

Our data suggests that about 80 per cent of the over 50s contacting us are workless, and just over 40 per cent will be reliant on the state pension with a further 13 per cent not entitled to a full state pension. Around half do not own their own flat or house. In fact 30 per cent of those in the study are referred to PRIME by Jobcentre Plus.

Ref: Hart and Hyde 2007

### **5.3 Start - problems, gaps, fixes**

mentoring referral for skills loan club networking events  
combating isolation

### **5.4 Mid-life development - problems, gaps, fixes**

Health checks - theoretically no need for PRIME to provide as BLs should have funds

Need for loans for development rather than expansion for smaller businesses

web club poss referral for skills

### **5.5 Exit - problems, gaps, fixes**

exit and retirement planning, referral to IFAs and business sales specialists

new loan - financing older businesses for preparation for sale

Possible pension-linked schemes.

## **Pensions**

The UK has the lowest public pensions in the 30 OECD countries (Figure 1 and Table 1). For an individual on average earnings working a full career, the net pension in retirement is just 41% of pre-retirement net earnings, compared with nearly 70% on average in OECD countries. This is around half the net replacement

rate in Italy and Spain, for example.

The limited role of the state in old-age support means that individuals need to save for their own retirement.

Source: OECD 2007

Pensions at a Glance - Public Policies across OECD Countries 2007 Edition([www.oecd.org/els/social/ageing/PAG](http://www.oecd.org/els/social/ageing/PAG))

### Hiding one's head in the sand

While other people's attitude to age are undoubtedly important, particularly if they are based on ignorance, it is possible to have the opposite prejudice oneself, and view your own future prospect through unduly rose-tinted spectacles. Ultimately we all die, and the process can take some time and doesn't necessarily conform to the expected timescale.

So people starting in business in their 50s, 60s or even 70s do need to think about decisions they will have to make a few years down the line. PRIME believes that thinking these things through at the beginning can save problems later, and maximise the contribution the business makes to the person's income in retirement.

Neither the entrepreneur themselves nor people advising them should ignore the difficult questions.

### **5.6. Summary of needs and provision**

Matrix of gaps by life stage (would need to be 3d to do regions)

New methods of outreach and delivery

### **5.7. Addressing the crisis in business support**

See Appendix A6, some of which belongs here.

## Chapter 6.

# Segmenting clients by support needs

(Note - this section is out of date and needs to be edited to reflect the categories we actually ended up using and the changes to our referral process (See Chapter 11 Lessons Learned). But the basic point that segmentation works and is proving extremely helpful holds true.)

Most of PRIME's clients did not intend to go into business, but are doing it out of necessity because they need a livelihood. The group has very diverse support needs, which is why devising a practical way of segmenting clients by their support needs is an essential and valuable part of this EQUAL Diversity in Practice project. People do not become more alike with age, but less alike - because what they have spent the rest of their life doing affects their attitudes, skills and knowledge, the access they have to capital and the human support networks available to them.

Based on the phone exercise we have been carrying out, it is possible to separate our clients into meaningful categories while taking their details on-screen. Though we may need to tweak the categories slightly, they are rooted in an honest attempt by us to assess clients' individual needs. People have proved willing to talk to us about things like their health, disabilities and care responsibilities. And the distinctions we are making based on learning style seem likely to hold up.

Indeed after a couple of minutes conversation is often possible just to ask them about their learning preferences. As we get more practiced using the questionnaire it may turn out to function as an ice breaker, so we can confirm our initial impression by asking very directly about what sort of business support they would actually go along to.

Categorising people by learning style is the most novel of the things we are attempting to do. We need to be confident in our assessments as we are hoping to use the judgement we make here for a kind of triage. We know from earlier research that many people don't contact the organisations we suggested to them under our previous one-size-fits-all referral system. The point of doing segmentation at this early first-contact stage is precisely to enable better referral to our now expanded partner network.

The idea is to allocate individuals to the partners and other support services that they are most likely to get the most benefit from.

But even before that the data collected by the segmentation exercise it should help identify neglected types of client and significant support gaps. This will guide PRIME in developing its own offer immediately, and help us link up with partners who can plug the most urgent gaps.

Based on the exercise so far, we are already able to make a good guess about some of the categories the people contacting us by phone naturally fall

into. This process is iterative - for example I'm not sure we have got the categories right yet for people who are not ready to go, so we may need to adjust the questionnaire to probe further in this area, and wait for more data to come in.

But for the ready-to-go people our distinction between methodical planners and the impatient-to-get-on-with-it learning-by-doing people is holding up well. We can start acting on this insight immediately. We may want to probe further in what ways they are support phobic, and to what extent they overlap with the kinaesthetic type identified in the educational literature. But we can be sure they exist.

Indeed the impatient-to-get-on-with-it, possibly kinaesthetic, group is turning out to be quite numerous, which is important because they among the least likely (along with the ultra-timid members of the not-ready to go group) to seek business advice. This has big implications not just for PRIME but for the way the publicly funded business support network in the UK markets and tailors its offer to potential entrepreneurs. We can follow this up more at the mainstreaming stage of the project once we have the data to back it up.

See Appendix A2 for client numbers by segment and questions used

## Chapter 7

# Using the Internet for support delivery

### 7.1. Background to the new PRIME web site

As part of PRIME's contribution to the EQUAL Diversity in Practice Partnership the charity launched a new web site [www.primebusinessclub.com](http://www.primebusinessclub.com) aimed exclusively at supporting older people setting up or running small businesses in the UK.

The goals for the new client-facing web site are:

- To allow PRIME clients to get at more key business information for themselves, thereby offering some assistance even where PRIME has no staff or delivery partners in a region. This means the site has to be easy to navigate and have good self-service features. The main content is business information, case studies of real Olderpreneurs and details of free events run by PRIME and selected partners. Self-service means for example that visitors can register for a free support pack and newsletters, find their nearest business support and check on the services, specialities and costs for themselves.
- To avoid the confusion of tone that affects PRIME original web site ([www.primeinitiative.org.uk](http://www.primeinitiative.org.uk)) by aiming [www.primebusinessclub.com](http://www.primebusinessclub.com) exclusively at older people starting or running a business - not at policy makers, academics or other PRIME stakeholders. The site therefore should talk to older entrepreneurs, rather than about them. And provide more ways for people to talk back and talk to each other.
- To be more accessible for those with visual impairments, dyslexia or mobility problems than PRIME's original web site. All these problems become more common with age and disproportionately affect the over 50s, so accessibility is part of the sites core mission – not a compliance-driven box-ticking add-on.
- To be affordable and cheap to maintain

### 7.2 Development

To keep the costs down PRIME set out to use free (open source), low-cost or donated software whenever sensible. The core software used on the web site was the open-source content management system Wordpress. This software occupies a position at the top-end of amateur blogging and the bottom end of professional web development. This turned out well, because Wordpress is complemented by an active community producing a great number of free or low-cost add-ons and open-source templates. We spent more on content - in particular on professionally written case studies, than on the web technology.

The only major technology expenses were for the forum software, the partner-mapping software and the speech-enabling software used to enhance accessibility. In these cases we opted for best-of-breed solutions that had to be purchased.

### **7.3. Launch**

The site first went public with a limited range of features in December 2006, being announced to clients and used on PRIME publicity from January 2007. More features and considerably more content has been added through the year.

### **7.4. Accessibility**

The latest feature to be added is text-to-speech, which allows you to get the content read to you by an automated voice. This can be useful for people who have problems seeing the text, but is also handy if you just want to listen to one of the longer items while getting on with something else.

You don't have to download any software to get the reader to work. You just click on a yellow-and-green Listen icon near the headline of the item you are interested in. Or If you find access keys easier than using a mouse, then access key L has exactly the same effect.

www.primebusinessclub.com is designed to genuinely meet the accessibility needs of its target audience of people over 50, not just legal requirements. So it has access key alternatives for common tasks to assist those who have trouble controlling a mouse, and easily re-sizable text.

### **7.5 Adoption and traffic**

The site now gets around a thousand visits a month - a similar level of traffic to PRIME original web site. More detailed figures are given in Appendix

When it comes to improving traffic on the new site, we do still have a problem with poor search engine rankings and a dearth of inward-bound links. The old site gets many its visitors from these sources.

The new site gets traffic from directly input - people typing the web address into browser address bar, and from people clicking through from the old site.

However we haven't yet done a concerted campaign to boost the new site up the search engine rankings. The previous site achieved a move from number 114 in Google UK for the query "prime" up to number one - but this took a year of team efforts to boost the number of organisations linking to PRIME.

For the new site we will adopt the same methods, but also adopt some new ones. The direct promotion of literature and events using Google Adwords will not help search engine rankings, but will build traffic by getting potential clients to click through to the site, and hopefully some of this will stick.

## **Chapter 8**

# **Expanding the partner network for advice delivery**

See Appendix A4 for samples of new partner records visible to clients from web site.

## Chapter 9

# New paper products for overlooked groups

See Appendix A5 for actual example

### 9.1 Material for Non-planners

The objective is to produce a single sheet of paper that can stand on its own, but also be handed out and used as the basis of discussion at live events we may later be able to run.

We will also put up an expanded version with links up on our web site, to which they can refer later. If they do later visit our web site this will bring them into contact not just with more information written in an accessible, but the whole world of free and low-cost support represented by PRIME's 200+ partners.

We've gone for pitfalls as the first topic because the target audience is hard-to-reach people who are hard to reach because they normally don't want business advice. They are not naturally planners, would not think of going along to Business Link or any other bunch of theoreticians and just want to get on with it.

But we may be able to get their interests by arousing a vague unease or fear.

We don't want to hold these natural entrepreneurs back or dampen their enthusiasm, but we do want to encourage a quick moment of reflection to check that they have all the common traps covered before they resume their onward rush.

If this idea works it gives us a new format that we could use for reach a group that is badly under-served by mainstream business support. Many are among PRIME more business-ready clients, but their reluctance to take advice does not bode well for their business. Research (ref) has shown that business survival rates are greatly improved by making use of the professional advice that is out there.

## Chapter 10

### New methods of publicity and outreach

The Internet has opened up affordable new ways of not just reaching clients, but finding out what potential clients want from you. This section looks at how we as PRIME can make use of this knowledge to hone our marketing messages and reach our target customers more effectively.

This work is still ongoing, and is expected to be carried forward into a small corporate grant application after the end of the Diversity in Practice project.

#### 10.1 Finding out what people are looking for

Search engines don't just drive traffic to our two sites. They also can tell us things about what our customers are looking for. We know from software we already have installed what search terms the people who have ended up at our sites have typed into the main search engines.

[Could include a list here or in an appendix]

It's obvious some of people have ended up at our sites by mistake, because words are tricky things. But many of them have been brought in correctly because we have content that relates to what they were really looking for.

But what we don't know and would like to know is what the people who ought to contact PRIME (for their own good!) have been looking for. Knowing this would help us put the correct content on our sites, and also help us approach people more effectively in other media.

## **10.2 Adwords - costs and funding sources**

One way of finding out is Google Adwords (Yahoo also has a similar programme but it is smaller). This is a pay-per-click advertising medium, so it costs money. So let's start with the costs and possible funding sources.

Alan Rae (author of the online marketing course we are offering free of charge to visitors on [www.primebusinessclub.com](http://www.primebusinessclub.com)) reckons you can learn a lot for £100 a month, and you only need to run the exercise for two or three months. His own web sites are targeted at a similar small business audience to ours, so some of the examples and costs he mentioned are very relevant.

Another partner, Exemplas, is itself just starting to use Adwords - to promote both its own programme and the women's web site it has set up with Everywoman as part of the EQUAL Diversity in Practice project.

Google itself has a charity grants programme now running in the UK that will pay for three months of Adwords. It is a competitive application process. It can take them up to six months to say yes, but you can still apply for a Google grant even if we have started paying for the service.

<http://www.google.co.uk/grants/details.html>

## **10.3 How an Adwords campaign works**

So how do Adwords work? Adwords are the small four-line text ads you see when using the Google search engine or reading email in Gmail. Here's a real example I just got in my mail.

Got a business idea?  
Special offers and free support  
to get your idea off the ground.  
[www.ivegotanidea.co.uk](http://www.ivegotanidea.co.uk)

Google can explain it better than me  
<http://www.google.co.uk/grants/information.html>

The essential point is Adwords only appear on pages that contain the keyword or phrase that you have specified. You bid for keywords you are interested in - let's say "business plan", specifying a maximum you are willing to pay per click to have your ad appear on associated search results pages in a particular territory. What you actually pay may be less per click if you have chosen an unpopular keyword and no one is bidding against you that day.

It's significant that you pay per click, not by how many people get to see your advert (which is called the number of impressions). This means that if we are

only interested in getting people from Yorkshire to click through to our offer we could put turn-off words into our ad (like Yorkshire).

How can this be used for research? We can monitor both the number of people who see our ads and the click-through rate. Over time and with a bit of trial and error this should allow us to determine what are the most productive key words to associate ourselves with, and what are the most effective words to use to pitch our offers in the ad itself.

So if you are getting a lot of impressions but not converting many you are either making your pitch badly, or associating it with a keyword of poor relevance (e.g. keyword=PRIME, which would put our small businesses pitches in front of a lot of bemused mathematicians, financiers and politics enthusiasts).

If you are getting few impressions the keyword is clearly one few people are searching for. This may be bad, but sometimes it may be good. It may be good if the click-through conversion rate is high, because this is the key thing. It would mean that you had found a rare but very well-matched search term. So for example if we had an event in Hull and used the keyword Hull we might not get many impressions. But of those entering Hull as a search term a fair proportion might notice our pitch for a Hull event and click through.

It's possible to extract lists of keywords Google thinks people will be able to find at different web sites - an exercise I've carried out for Everywoman, Bytestart, PRIME Business Club and PRIME Initiative. What it means is that if we were doing things the other way around and selling advertising space on a site, these are the keyword categories Google would let us sell into.

#### **10.4. Refining our marketing messages with Adwords**

Where Adwords has the most potential to teach us useful lessons is on the pitching side. While it is worth knowing the most cost-effective keywords, this is a web thing and something we might be able to guess (although it's valuable to do a bit of research to confirm things). But learning the best way to frame our offer to clients has very broad applicability.

We could be making big mistakes in how we approach clients and not know. It's what they think that's important, not what we think. We need use the language our target clients actually respond to, not what we think they ought to respond to.

Take the following lines

"For the 50+" "For the over 50s" "For those aged over 50"
---

"For silver surfers"  
"For older entrepreneurs"  
"For olderpreneurs"  
"For Olderpreneurs"  
"Start a business later in life"

Which of the above will appeal most to our clients? Which will they even understand? Personally I dislike silver surfers, like Olderpreneur and think the later in life phrase will frighten people off. But what do our target clients think? What will they actually respond to? We have no evidence for any of this.

In the same way we could test out the response to Ads with "Workshop", "Seminar" and "Event" in them - things we think we know about but actually don't. Is a Drop-in event likely to prove a bigger attraction than a plain Event? It would be worth knowing.

And does a Seminar attract a different type of client to a Workshop? This sort of thing takes a bit more effort to find out.

### **10.5 Discovering what works best for different clients segments**

This is possible, if a little complex. It all depends on matching the clients acquired through a specific Adwords campaign with what we know about those clients, and in particular the client segments we have allocated them to.

This is possible because when a web user clicks on a particular Adword we have paid for they go off to the link we have specified. In the jargon this is called the landing page, and it will be on our site. Since we have full control of [www.primebusinessclub.com](http://www.primebusinessclub.com) we can create as many different landing pages as we like there, and allocate a different one to each active Adword variant.

Since we'll normally be dealing with new clients, and probably offering them a free business pack, download or event, we can ask them to fill in a form with some confidence they many will do so. And the form can be specific to the landing page, as this is easily accomplished with other software we are already using. So we'll know from the form exactly which ad they responded too.

If we co-ordinate all the steps properly we should end with a stack of forms for all the people who respond to a specific ad. That puts us in a position to know a lot about the people who respond to different pitches. So we'd be able to answer the question about seminars versus workshops by testing two variants identical except for this change in wording.

It will take us a while to predict the effect of small changes, but that's precisely the knowledge we are paying for. The main value to PRIME is in marketing

use, and specifically in learning how to tailor our message better to reach different target groups.

Consider:

**Making your business legal**

Free event if you're aged over 50

Confidential advice from UK charity

[www.primebusinessclub.com](http://www.primebusinessclub.com)

This is a hard pitch to make, so it would be useful to know how to do it effectively. Other groups that are difficult to reach include the long-term unemployed who may have given up, the very unconfident who may be inclined to get stuck in the process and end up doing nothing, and of course the impatient ready-to-go types who don't think they need any advice.

### **10.6 Research use**

As well as learning better ways of getting such people to respond to us, there are also research uses that are nothing to do with marketing. And these aren't always purely academic, as we learn things that have policy implications we can campaign on, or that imply changes in our own resource allocation.

For example how many of those impatient to go people who are not seeking out business advice are women or from ethnic minorities? We should be able to tell a lot of this instantly from the forms. And why aren't they seeking advice? We may not be able to answer this immediately, but deeper analysis may suggest some possibilities. And we will be in a good position to do follow-up research.

Once people who have arrived on a landing page fill in a form for us we will know their names (no Data Protection problem here because they are volunteering data in response to an offer). This means we can in principle keep track of their relationship with us and invite them to participate in follow-up studies. We'll always be able to link them not just to the event but to the particular message that got them to contact us in the first place.

I'm not sure how much use this last bit of information will prove to be. We could probably pick up any correlations with business survival rates between people responding to radically different types of pitch - for example the offers we have made to long-term workless claimants or rich ready-to-go easy wins. But in such cases there'll be lots of other suggestive correlations in the data they provided in the forms. So we have probably exhausted the useful information that can be wrung out of an Adword campaign,

## Chapter 11

# Lessons learned from the project's failures

In an experimental project of this type it is inevitable that some things will not work. The important thing is to learn the lessons, and either think up a Plan B that does work - or rethink the objectives.

### 11.1 Customer Relationship Management - CRM

CRM - the donated software proved too complex, and cost saved on purchase and hosting looked likely to be lost on higher development and training charges.

**Plan B** - use a mixture of simpler software to accomplish the key goals. Rethink the more ambitious goals. Wait for sister organisation Heyday to pioneer this type of application then take advice from them.

### 11.2 Rethink of PRIME's referral business model

The project took place against the background of a crisis in the business support sector. Reductions in public sector funding, turmoil over which organisations would get the remaining contracts and widespread staff cuts changed the landscape in which PRIME operates.

On the plus side this made the Diversity in Practice project particularly valuable to PRIME, as it provided a relatively strings-free way of experimenting with novel ways of meeting our charitable that would work in this new world. But one of the first casualties was the model of business referral we had started the project with.

Traditionally PRIME has seen itself not as a support deliverer, but as an organisation that signposted people to support available elsewhere. Better client segmentation and the CRM system we seen as a way of streamlining this process. For example, we would categorise clients and then refer them to the specific partner best able to meet their support needs. The CRM would help administer this process - matching clients to partners and producing referral letters and follow-up enquiries, as well as oodles of statistics about the outcomes.

The problem with this is that it assumes partners willing and able to fund the delivery of support to the clients PRIME would send to their door. The turmoil in the sector meant that the supply of these partners dried up - and worse, many of the remaining PRIME partners started to charge. For PRIME's

charitable mission, which implies a strong focus on helping people without much money into self-employment, this was a major problem.

On the plus side the delay with the CRM system was no longer such a problem - one of its major tasks had just disappeared. But a major rethink to PRIME's business model was in order.

### **Plan B**

Rather than refer clients to specific partners individually chosen for them by CRM-equipped PRIME staff, the new approach is to adopt more of a self-service model. Of course where we have suitable partners able to offer exactly the right help, we will point clients in their direction. But in the majority of cases clients refer themselves from a paper or online list.

To make this strategy work PRIME contacted every existing partner to get more details of their charges and services, and added extra partners wherever possible to take up the slack. This process is described in more detail in Chapter xxx. The new PRIME web site [www.primebusinessclub.com](http://www.primebusinessclub.com) took on a greater referral role, with the Streetmap system described in section xxx assisting clients with self referral.

### **11.3 Delay on loan fund**

At one stage PRIME was planning to include work on developing an innovative new loan fund as part of the Diversity in Practice project. This grew into too specialised a project for inclusion, and also one with imponderable timescales set by the fund's likely corporate sponsors.

### **Plan B**

This project is going ahead, but is unlikely to come to fruition till 2008.

## **Chapter 12**

### **Conclusions and next steps**

(May be very similar to Executive Summary)

Main next steps

More materials for overlooked groups -

the impatient to start  
those without computers or Internet access

Application for Google Adword grant

More work on extending partner network and improving self-referral database

More work on developing cheap universal offer (web site, cheap paper material more cheaply distributed in alliance with key partners) to compensate for gaps in overall UK support provision.

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## **Appendices**

### **Appendix A1 Summary of PRIME deliverables**

/Report - this analysis of new way of delivering support in changing environment  
/Web site - improved UK-wide self-help offer  
/Enlarged network of new style partners  
/Case studies  
/Client segmentation and analysis leading to identification of gaps  
Material to plug specific gaps - do as matrix to show remaining gaps  
Material for those without affordable local partner - web orientation guide  
/Material for those without Internet connectivity - improved client pack with paper partner lists and ideas guide  
/Material for the support phobic - monsters as part 1  
Material for those with a disability that affects business - new partners

### **Appendix A2 Client segmentation and questionnaires**

xxx

## Appendix A3

### Web traffic and client enquiry numbers

The new web site [www.primebusinessclub.com](http://www.primebusinessclub.com) is aimed at clients - those actually starting or running businesses.

It's success can be measured in various ways - technically if somewhat unreliably by web logging software that reports on server activity, and directly by the number of clients filling in forms on the site, and indirectly by clients ringing in to book places at workshops or request help, who are always asked where they heard of PRIME.

#### A3.1 Client enquiries to PRIME's head office

(excludes direct enquiries to regions other than events)

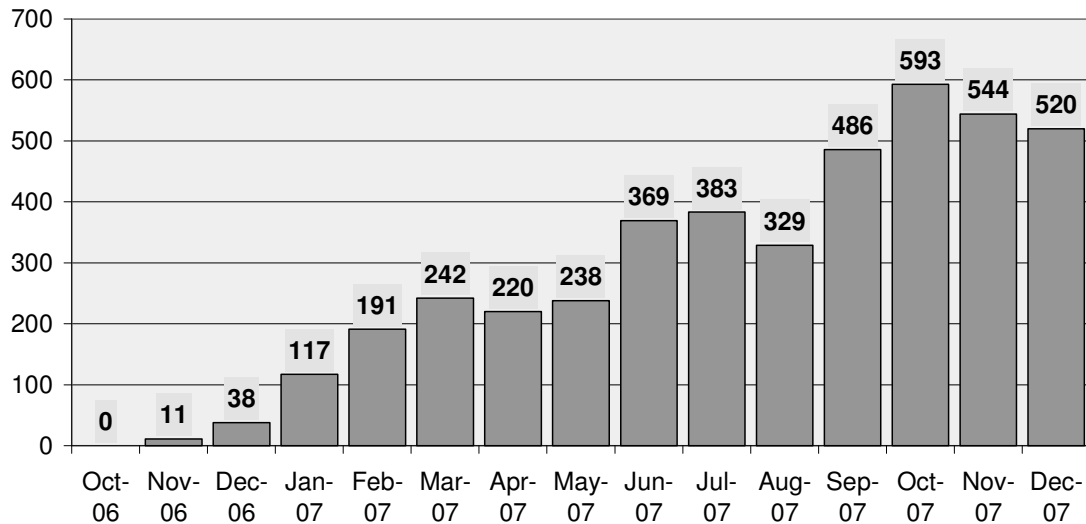
Although there's plenty of variation in the overall figures caused by what activities are going on, what's significant is the steady rise in enquiries coming in from the web site as [www.primebusinessclub.com](http://www.primebusinessclub.com) has built up traffic.

	All enquiries	Web	Phone	Letters	Events
Nov-2006	131	18	71	1	42
Dec-06	31	5	24	2	0
Jan-07	121	11	82	2	22
Feb-07	124	7	65	0	52
Mar-07	215	21	78	2	114
Apr-07	165	14	63	3	84
May-07	160	13	72	1	74
Jun-07	122	17	82	1	21
Jul-07	62	21	41	0	0
Aug-07	134	42	79	4	3
Sep-07	170	55	56	3	50
Oct-07	151	81	41	23	3
Nov-2007	273	92	51	103	28

A3.1 Overall traffic reported by Webaliser

I've checked with the same software we use to measure our original site (Webaliser), and when counted in exactly the same way traffic levels are similar on the two sites. The new site [www.primebusinessclub.com](http://www.primebusinessclub.com) is getting

**Average visits per day to  
www.primebusinessclub.com**



Month    Average visits per day    Visits per month

Aug 2007	327	9811
Jul 2007	383	11884
Jun 2007	369	11084
May 2007	238	7379
Apr 2007	220	6623
Mar 2007	242	7529
Feb 2007	191	5375
Jan 2007	117	3627
Dec 2006	38	1191
Nov 2006	11	342

Oct 2006	0	13
Sep 2006	1	38

In reality I think this package flatters both sites, as it counts people who return after a 30 minute break as new visits. However, this is a widely-accepted way of counting in the Internet industry. The actual number of visitors is probably a lot less. But even if it were ten times less we would be getting a useful number of people visiting the site.

### **A3.2 Geographic spread reported by Statacom**

### **A3.3 Maps served by Streetmap**

October 2007 - 685  
September 687

This the number of map panels served to people using the Find My Nearest Business Support service. We don't use Streetmap for the maps on events listings, so this is only the number delivered to people interrogating the database. People can zoom the map or get panels for adjoining areas, which would add to the hits, but this usually isn't necessary. If we assume on average each user looks at three panels this would give us a conservative figure of over 200 visitors using the mapping feature monthly.

## Appendix A4

### Sample partner details displayed to client query

Partners are displayed ten to a page under a map with numbered flags indicating the nearest partners. This can be most easily seen by entering a query at

<http://www.primebusinessclub.com/#PartnerSearch>

Each displayed record has the following structure

#### 1: Wise Owls Employment Consultancy

**PRIME partner type:** Full PRIME partner

**Distance :** 0.8 Miles (1.3 Km)

**For detailed location map [click here](#)**

**Geographic area covered:** Hackney, Newham, Lee Valley & City of London

**What does it cost?** It charges but the cost is subsidised

**More on cost:** First visit free thereafter typically £80 a day up to £500

**Who can it help?** Anyone in its local area

**Target client group(s):** All

**Services:** Start-up advice, Advice to existing businesses, Live courses

**More on funding help:** Access to grants and financial support

**Sector speciality:** General

**Extent of workspace and premises help:** Property list

**Address:**

Wise Owls Employment Consultancy

Unit 7

St Margaret's House

15 Old Ford Road

London

E2 9PJ

**Physical accessibility:** Wheelchair access provided

**Disabled facilities available at this location:** Signers available on request

**Contact person:** Chris Walsh

**Telephone:** 0208 443 5457

**Email:** [admin@wiseowls.co.uk](mailto:admin@wiseowls.co.uk) or [marketing@wiseowls.co.uk](mailto:marketing@wiseowls.co.uk)

**Web Site:** <http://www.wiseowls.co.uk>

**Region:** London

Currently there are 226 organisations in the database. Here's another one.

## 2: Enterprise South Devon

**PRIME partner type:** Full PRIME partner

**Distance :** 11.4 Miles (18.4 Km)

**For detailed location map** [click here](#)

**Geographic area covered:** Teignbridge, Exeter, South Hampshire

**What does it cost?** Most services free, others low cost

**Who can it help?** Anyone in its local area

**Target client group(s):** All, new focus on women in business

**Services:** Start-up advice, Advice to existing businesses, Mentoring

**More on funding help:** Signpost to funding from local council

**Sector speciality:** General

**Extent of workspace and premises help:** Property list, Incubator units

Workshop space, Offices

**Address:**

Enterprise South Devon

Teignbridge Business Centre

Cavalier Road

Heathfield Industrial Estate

TQ12 6TZ

**Physical accessibility:** Wheelchair access provided

**Disabled facilities available at this location:** Signers available on request

**Contact person:** Helen Drinkwater

**Telephone:** 0845 644 7558

**Email:** [helen.drinkwater@enterprisesouthdevon.co.uk](mailto:helen.drinkwater@enterprisesouthdevon.co.uk)

**Web Site:** <http://www.enterprisesouthdevon.co.uk>

**Region:** South West

## Appendix A5

### Sample leaflet aimed at overlooked group

As a result the segmentation exercise undertaken as part of this project. PRIME now has more knowledge of groups it might previously have overlooked. One such group is those who don't respond well to the typical rather-earnest, planner-oriented business advice. This material about common business pitfalls is one attempt to produce something that will get read and acted upon.

It is available in two forms - a cheap-to-produce four-page A5 paper leaflet, and an expanded online version of the same text complete with web links to items that can help with each of the ten problems.

Reproduced below is just the text from the A5 leaflet. A PDF of the design is available here xxx and the expanded version of the Top 10 with advice links is here xxx.

xxx Metric? Hits on the advice page are running at xxx

# TOP 10 THINGS

## that can kill your business

### Some common business dangers

#### 1. Failure to sell

New businesses should concentrate on winning their critical early customers before anything else. If you are uncomfortable with selling, try another approach. Selling doesn't have to be the traditional hard sell, but it does need to be done. Even when you are busy, set time aside for thinking about where your next customers are going to come from.

#### 2. Not watching the cash position

Know what you have got from week-to-week, as this is a very common cause of often completely unnecessary failure. A sudden cash shortfall can happen even if things are going well. Indeed the cash can run out just when you get very busy, as you may be spending a lot on stock or materials and not have time to watch out for pitfall no 3.

#### 3. Failure to chase for payment

Chase up money promptly or they'll think you don't need to be paid. Don't be embarrassed – if you have done the work you deserve to be paid. Don't take it personally – be businesslike at all times. Regular reminders and clear terms of

payment can forestall many problems, but if you have to go to law the small claims court (the county court) is simpler than many people expect.

#### **4. Underpricing**

Pricing is one of the most difficult things for a new business to get right, because you don't yet know all your costs or how your customers respond to price. A common mistake is to overlook some major costs and thus set prices too low. It's hard to increase prices later. If on the other hand your prices are too high then achieving sales will be difficult and you may end up having to spend more on marketing. If you suspect this is the case experiment with lower prices through time-limited sales or trial offers to particular customers.

#### **5. Failure to do a reality check on your basic business idea**

Any entrepreneur needs enthusiasm to overcome the inevitable obstacles, but don't let this blind you to fundamental flaws in your business idea. Think of all the dreadful singers that enter The X Factor. Though their mum likes them, and their friends say they like them, neither is the audience they need to impress. Look at your business from the point of view of your real audience, the paying customers. Are there enough of them, and will they pay enough to give you a good income when all your costs are taken into account?

#### **6. Ignoring seasonality**

It is amazing how many types of business show a strong seasonal pattern of demand. It's not just toys, ice cream and fireworks but journalism, dog kennels and car parts. When you enter a market do all you can to quiz people in the know about its distinctive seasonal pattern. Methods used to counter big seasonal swings include adjusting pricing (as in the holiday industry), diversifying into markets with an opposite pattern and exporting to somewhere with different seasons.

#### **7. Forgetting about the competition**

It's a rare business that has no competition, so you need to think up good ways of dealing with it. Avoid entering a crowded market unless you have a very good plan for winning customers. There are already too many aroma therapists in some areas – which makes it difficult for any of them to make a profit. Try to make your product or service unique in some way that is important to the customer, so you are not competing head on. Take a lesson from the animal world and search out your own niche.

#### **8. Ignoring legalities**

Only take risks in the area you are most confident in – which for most people isn't the law. Minimise risks everywhere else so you have less to worry about. Always check the small print in contracts before you sign. You don't need to be obsessed with regulations, but watch that you have the necessary licences if you are street trading, that you obey hygiene laws if handling food and that you know the basics of employment law if you take someone on to help. Legal wrangles can waste a lot of your time or even close you down if you get it wrong.

#### **9. Taking too much money out too soon**

Until the business has been running for some time you don't know how much money to keep in reserve to cover late payment, bad debts and unforeseen expenses. So put off major expenditure on kit, advertising or yourself so you always have some money in reserve.

#### **10. Getting trapped in long-term arrangements**

New businesses are usually best off keeping things flexible, so they can move to where the money is. You don't want to get locked into anything you can't get out of easily. This applies to premises, hiring staff and contracts with suppliers. The big strength of small businesses is that they can quickly change to take advantage of the opportunities they discover. Don't throw this advantage away.

Go to [www.primebusinessclub.com](http://www.primebusinessclub.com) for more on how to cope with each of these solvable problems

The PRIME Initiative, Astral House, 1268 London Road, London SW16 4ER  
**Freephone 0800 783 1904**, email: [prime@ace.org.uk](mailto:prime@ace.org.uk)

**PRIME** is a registered charity (number 261794-2) linked to Age Concern England and a member of the Prince's Charities Group. We help people over the age of 50 set up in business for themselves. These services are free

A longer booklet is currently under preparation aimed at a larger overlooked group - those who are not computer users. Though we don't yet know whether this lack of access is due to lack of money to own a computer, lack of secure accommodation, lack of technical confidence or computer skills, physical difficulty coping with the computer interface - or simply the lack of a desire to use the technology, we suspect this group is as large as a third of all who contact PRIME.

The immediate need is better paper-based material to send people in the pack they get at first contact. The longer booklet is a general Starting in Business guide for the over 50s, designed to give a general orientation including key things to think about and the sources of help that are available. This is being printed in a cheap-to-mail but effective-to-display square sub-A4 (210 by 210mm) format that we have used with success on booklet about tax credits. The orientation guide is longer at 40 pages - the limit before binding costs become a factor.

Longer-term PRIME will have learned lessons from a computer literacy / digital inclusion project that is just about to get underway in the Black Country. This is jointly undertaken with Age Concern and sponsored by Microsoft. Of course the lesson may be that an appreciable number of people will remain unable to access Internet-based information for the foreseeable future, so PRIME needs to have other ways of effectively engaging with them.

## Appendix A6

### Changing map of business support

For some groups, including our clients, the complexity of the way business support is organised in the UK can itself be a barrier. It is so complicated that people have difficulty finding the free or low-cost support that is available, and after making several fruitless enquiries may give up.

The government - or more specifically the BERR (renamed from the DTI, which is what many over 50s will know it as) has been endeavouring to simplify things, bringing more together under one brand. But as is often the way with government initiatives, the consequences don't seem to be panning out the way the officials and politicians intended. Though it may be simpler for them, it's no clearer for the public.

Basically, under the new proposals that are due to come into effect between now and the middle of next year, most support will be channelled through the Business Link network, which itself will be centralised to make it simpler. It's important to realise that Business Link is more like a franchise than a single organisation, with different legal entities bidding to run the Business Link contract in different areas.

In England what Business Link actually does is affected to some degree by the nine Regional Development Agencies, quangos (except in London where the local LDA is answerable to the elected Mayor) that have been given the task of setting local priorities.

However, in about half the regions they have interpreted this to mean that they should set up parallel programmes that offer business support outside the Business Link framework. This may be because of a (probably correct) perception that Business Link won't be able to effectively reach some of the disadvantaged groups that are deemed a priority by the RDA.

This is important from the point of view of the Diversity in Practice project. Where they are present, these contracts awarded outside the Business Link framework often have responsibility for reaching ethnic minorities, loan parents, people with disabilities and - occasionally, the over 50s. What's clear is that most Business Links in practice aren't that interested in very small businesses being started by people with little money, preferring instead to go for the easy wins that enable them to meet their contracted targets.

So despite "business simplification" untidy regionally specific projects remain important, particularly where small-scale self-employment is a route from welfare into work.

Let's look briefly at what the picture seems to be in the nine English regions (we'll discuss the rest of the UK later), as at September 2007. To do the job properly would be a full-scale project in its own right, because it is not simple

Around the English parts of the UK

North West - RDA has a separate programme, contracted to A4E, mainly targeting spatial areas, and certain disadvantaged groups (BME, Women, Young People)

North East - RDA has separate programme, but with very limited funds, delivered through around 20 different contractors, each doing something "innovative". The focus is on enterprise awareness, rather than delivering support in depth, and is mainly targeting spatial areas, and certain disadvantaged groups (BME, Women, Young People, People with Disabilities)

West Midlands - RDA has a separate programme, with four subregional startup/enterprise awareness programmes each delivered by a sub-regional consortium

East Midlands - has been in a transition phase, with a regional startup/enterprise awareness programme (branded New Business New Life) being run separately to the single regional Business Link. But Business Link now run the New Business New Life 'pilot'. PRIME is also aware of some separately funded sub-regional startup/enterprise awareness programmes that also seem to be going. Bit of a mess really.

London - the main programmes are all delivered through Business Link for London, but there are some targeted initiatives. The RDA (called the London Development Agency and the only one of England's RDA's directly answerable to an elected body (two actually - the Mayor of London and the 25-member London Assembly) is interested in pulling together all the diversity programmes, currently BME, Women, Young People, People with Disabilities - and adding in over 50s.

South West - has a single programme delivered through two Business Links, one for the north and one for the south (Somerset, Devon and Cornwall) of the region. However, the southern one won't be set up until December 2007, so for the moment the losing bidder Business Devon and Cornwall is providing the service in part of the territory.

South East - has a single programme delivered through six Business Links, with provision for the disadvantaged going through separate of Gateways run directly by the RDA SEEDA.

Yorkshire & Humber - officially until the end of March 2008 (although possibly with an extension of six months) four sub-regional Business Links will continue to deliver a single programme, though some of it is contracted through local enterprise agencies. Then, officially from 1/3/08, a programme to be delivered by a single regional BL -this contract has been awarded to Exemplas. It is too early to predict what other programs may be funded alongside the Business Link, or whether they'll contract everything through the Business Link.

East of England - single programme delivered through one Business Link , including startup/enterprise awareness. Some of this is sub-contracted through 10 suppliers, including three enterprise agencies and other training providers.

[Add Scotland, Wales and Northern Ireland?]

### Simplicity gets even more complicated

So this is the new business support structure, aiming towards simplicity. But is it really simple? There are three further lies in the ointment if you are an ordinary person trying to find your way to some free or low cost.

These are:

1. Even the new improved Business Links won't all offer the same business support model - in other words they won't all decide whether to fund support for you and who should actually give you that support in the same way. In fact we count FOUR different Business Link support models in the brave new simplified world

2. Business Link and the RDA aren't the only players in the government game. Both these players get their business support funds from BERR, but other parts of government also have a hand in promoting business,. And not in a small way - some of the programmes are massive.

We count:

LEGI - spending big sums of money particularly in small areas of high deprivation.

Other local council initiatives - e.g. £1,000 grants to improve shop windows on Camberwell High Street, in Southwark, South London.

Defra - huge rural programmes.

Home Office.

Learning and Skills Council.

EU - mostly coming to an end. Successor programmes though smaller may have impact in for example small business loans.

3. There is no unified policy on whether support should be free at the point of delivery or not. This is the key question for many of PRIME's target clients.

So how exactly is this complexity a barrier for entry?

The problem is that people starting in business haven't got the time to chase up every possible programme. Many of the programmes themselves have small marketing budgets, or are not competent at reaching some of the target groups for which they are responsible.

This is a particular problem for older entrepreneurs - even some RDAs have shown a woeful inability to distinguish olderpreneurs from retired people, directing their outreach efforts to this group - which are rare enough, into channels where they are only likely to be seen by retired people, or if they get the channels right using images of very elderly people sitting comotose in deck chairs looking vacantly out to sea (a real example).

The over 50s are not unique in having unhelpful stereotypes. They are probably common to most or all disadvantaged groups, which is why outreach efforts are usually most effective if they are directed by people who understand and perhaps belong to the group in question.

This is one of the big flaws in the whole simplification programme. Marketing efforts are likely to be centralised in organisations that have little in-house affinity with the disadvantaged group in question. We can anticipate much waste as target groups are approached using clichéd words and stereotypical images they don't identify with.

In the case of the over 50s this usually means using photographs of elderly retired people and words that address people as if they had the same attitudes and interests as their own parents. There is sadly a tendency to overlook the large cultural gap between the baby-boom generation and their parents. Apart from being a waste of money, using the wrong images and messages in advertising and support materials can actively alienate people.

(( ENDS ))