



**Specificity for diversity:
BME/Migrant experience of the Phoenix fund**

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Phoenix Development Fund

The Development Fund is designed to encourage innovative ideas to promote and support enterprise in disadvantaged areas and in groups currently under-represented in terms of business ownership. Its purpose is to encourage experimentation, the evaluation of new ideas and the identification and spread of best practice in an area where there is currently too little knowledge, The fund is looking to support a limited number of high quality projects to help inform this process.

Evaluation: Terms of reference

- To what extent has the Development Fund encouraged fresh thinking about stimulating enterprise and business support to people in disadvantaged areas and in under-represented groups;
- How effective have specific project type approaches been? Training, outreach, incubation, enterprise champions, etc;
- To what extent have projects to help particular sections of the community been successful? (e.g. disadvantaged areas, women, Black and Ethnic Minority, people with disabilities etc);
- To what extent has the Fund helped to engage mainstream providers in the support of entrepreneurs in disadvantaged groups and communities.
- To what extent has DF funding helped to build capacity within the organisations that are running projects?

Phoenix Development Fund Evaluation and learning

- The fund supported 95 Projects that supported enterprise in disadvantaged areas or for groups under represented in enterprise
- The evaluation
 - 3 Major surveys – one of 800 entrepreneurs, two of the 95 projects
 - 24 Case studies
- 2 Major evaluation reports on the [SBS website](#)
- Project descriptions: [Leading lights](#) report
- Key learning points: [Investing in success](#) report

Target areas and groups

‘to be eligible for support organisations must demonstrate that their proposals target specific areas or groups which are either disadvantaged or under represented’

four groups were specifically mentioned in bidding guidance: women, ethnic minorities, people with disabilities and ex offenders

BME and migrant facts

- 80% of Pakistani and Bangladeshi have incomes < 50% of national average
- 80% of new migrants working on hourly rates within £1 of minimum wage
- 50% of all Muslims in the UK of working age are 'inactive'

BME business characteristics

- 250,000 BME businesses (out of 4.3million)
- £15 billion
- 20% of BME businesses have been trading less than 3 years (compared to 14%)
- 90% in service sector (compared to 70%)
- 40% located in poorest 15% of electoral wards (25%) 56% of Pakistani owned
- Other Asian and Black 3 times the TEA
- High self employment for some groups 19% of Bangladeshis and Pakistanis, 18% of Chinese, 15% of Indians
- Low for others – african caribbeans 7% (12% white)

Reasons for low take up of business support by BME groups

- Cultural and language differences
- Lack of trust and confidence
- Lack of awareness of services
- Inexperience in engaging support
- Not linked to other advice needs (e.g. on immigration)

(David Smallbone)

Phoenix projects focusing on: BME/migrant existing business

ABi Associates	Fit to Supply Project. (ABI FTS)	Women and BME existing	NW London	The project concentrates on four areas: procurement support
Asian Trades Link. (ATL).		Asian existing	West yorkshire, BirminghamLe icester-shire	The project is piloting ways of supporting independent retailers
Business Link Hertfordshire	Share and Succeed. (SaS).	Mostly Asian existing	Hertford-shire	This project aims to increase the take-up of business support services by ethnic minorities by developing peer business to business networks
Nazir Associates		Asian existing	Birmingham	This project worked with retailers to help them to update their IT systems (EPOS websites etc)
Business Link for Birmingham – (12/8 network).	The 12/8 Network.	African Caribbean existing	West Midlands	This network seeks to accelerate the growth of a competitive and successful business community through developing a programme of improvement for existing businesses

Phoenix projects focusing on BME start up projects

Name	Project Name	Main target groups	Location	approach
ABi Associates	Faith in Business Project (ABI FIB).	African Caribbean Start ups	NW London	This project encourages, nurtures and sustains entrepreneurship by reaching out through the Black Majority Churches across London
East End Micro credit consortium	Micro loan funds	Somali and Bangladeshi women Start up	East London	Micro finance for women led start ups – uses an adapted Grameen peer group model, delivered through community based organisations
International Management and Recruitment Consultants	Enterprise Support for Disadvantaged Groups.	Refugees Start ups	London	This project aims to develop existing entrepreneur skills of refugees and help establish new businesses in disadvantaged areas
RETAS - BARON	Business: A Refugee Option Now	Refugees Start ups	West Midlands	This project deals with the development, production and dissemination of an interactive internet and CD-ROM based training programme in business advice

Faith in business: Piggy backing

- An outreach technique using pastors in Baptist churches
- Focusing on raising levels of enterprise among African caribbeans
- Developing faith based business clubs and a loan fund
- Uses church congregations and pastors as the route into the community
- Linking to 3000 black majority churches and 300,000 adherents in the UK

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ABI Fit to supply: Boosting markets

- Working with existing BME and women led businesses
- Procurement diagnostics and one-to-one tendering support
- Workshops and training for businesses in tendering
- Supply chain development: research on supply chains.
- Green procurement diagnostics, Sustainable procurement workshops: aimed at supply side
- E-readiness audits. -procurement workshops
Supplier diversity workshops with the suppliers
- Supplier diversity diagnostics: Working with selected purchasers,
- Information portal, resource centre and e-zine:
- High economic low social impact

East end micro credit consortium: Hub and spoke

- Micro finance delivered through a hub and spoke model
 - Environment trust – the finance hub
 - homeless families unit
 - Account 3
 - Quaker social action (streetcred)
- Peer group methodology (groups of 5 like Grameen bank)
- High deal flow after 18 months – 150 loans
- Very hard to reach target groups - Bangladeshi and Somali women in London's East End
- High social but low economic impact
- Now continuing East End Reinvestment trust and Fair Finance

IMRC

- IMRC worked predominantly with refugees and BME
- ⑩ Refugees are, in general, determined and enterprising individuals, often with professional and commercial skills. Though many come from business backgrounds they need help adapting to the culture of British business and finding their feet in a new world.
- Refugees and new settlers need confidence building and emotional support. At the very least advisors should show sensitivity. Ideally they should also use counselling and listening techniques. Refugees are often dealing with other major life challenges - such as personal and family life disruption - related to their immigration.
- invest significant time in building a listening and learning relationship, and understanding their unique set of difficulties and dilemmas. Standard support packages may well be inappropriate.
- to build trust with BEM entrepreneurs, advisers need to be culturally appropriate and sensitive - particularly to norms of politeness, respect and hospitality. This applies particularly when working with Muslim refugee groups (e.g. Somalis, Iraqis etc)

Targeting works

- 80% of BME and migrant clients were reached by 15% of the projects
- Most of these projects were specifically focused on BME communities
- Generalist projects, even when working in inner city areas did not achieve high proportions of BME clients although some achieved high numbers (e.g. Prince's Trust)

PDF projects reached BME and Women but not so many refugees or people with disabilities

Figure 5.0 PDF projects % of clients falling into target groups

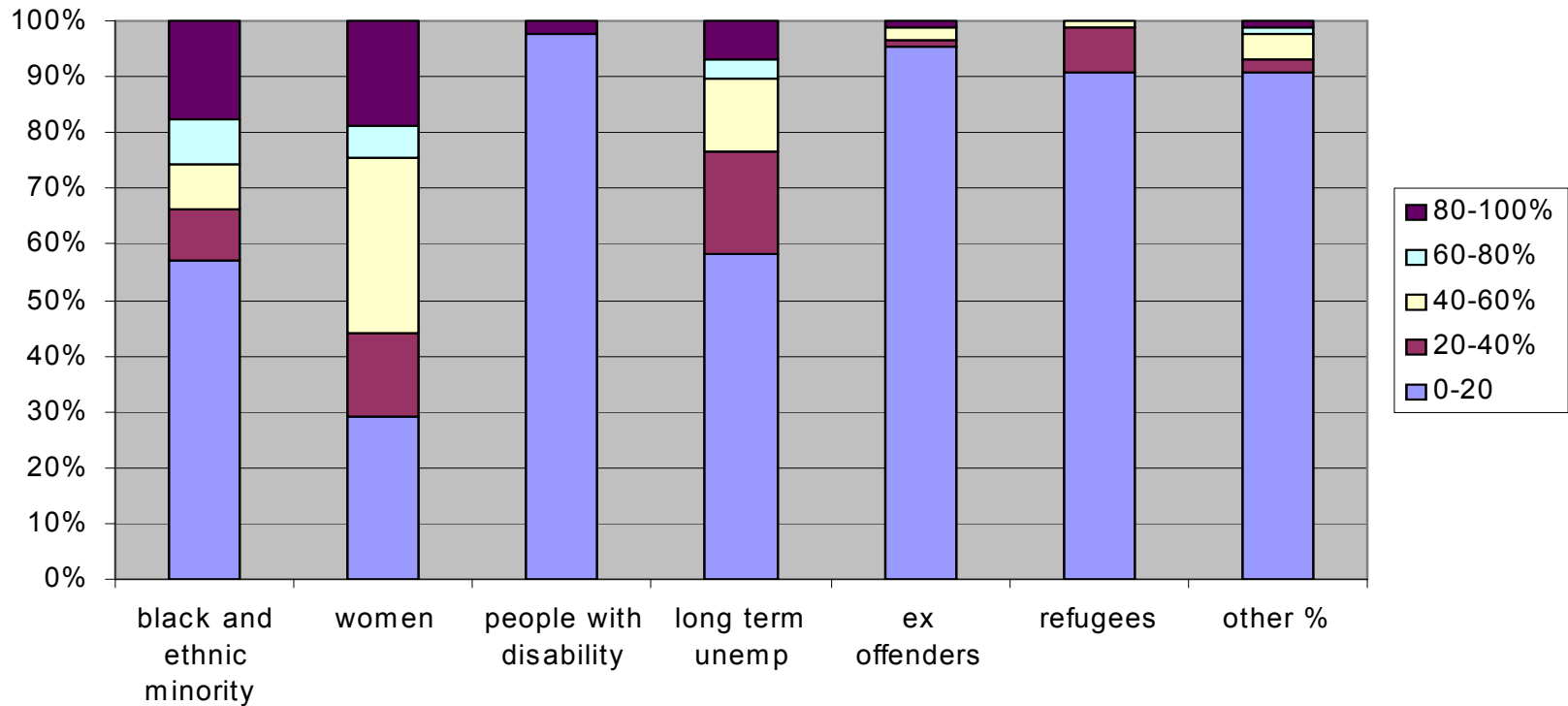
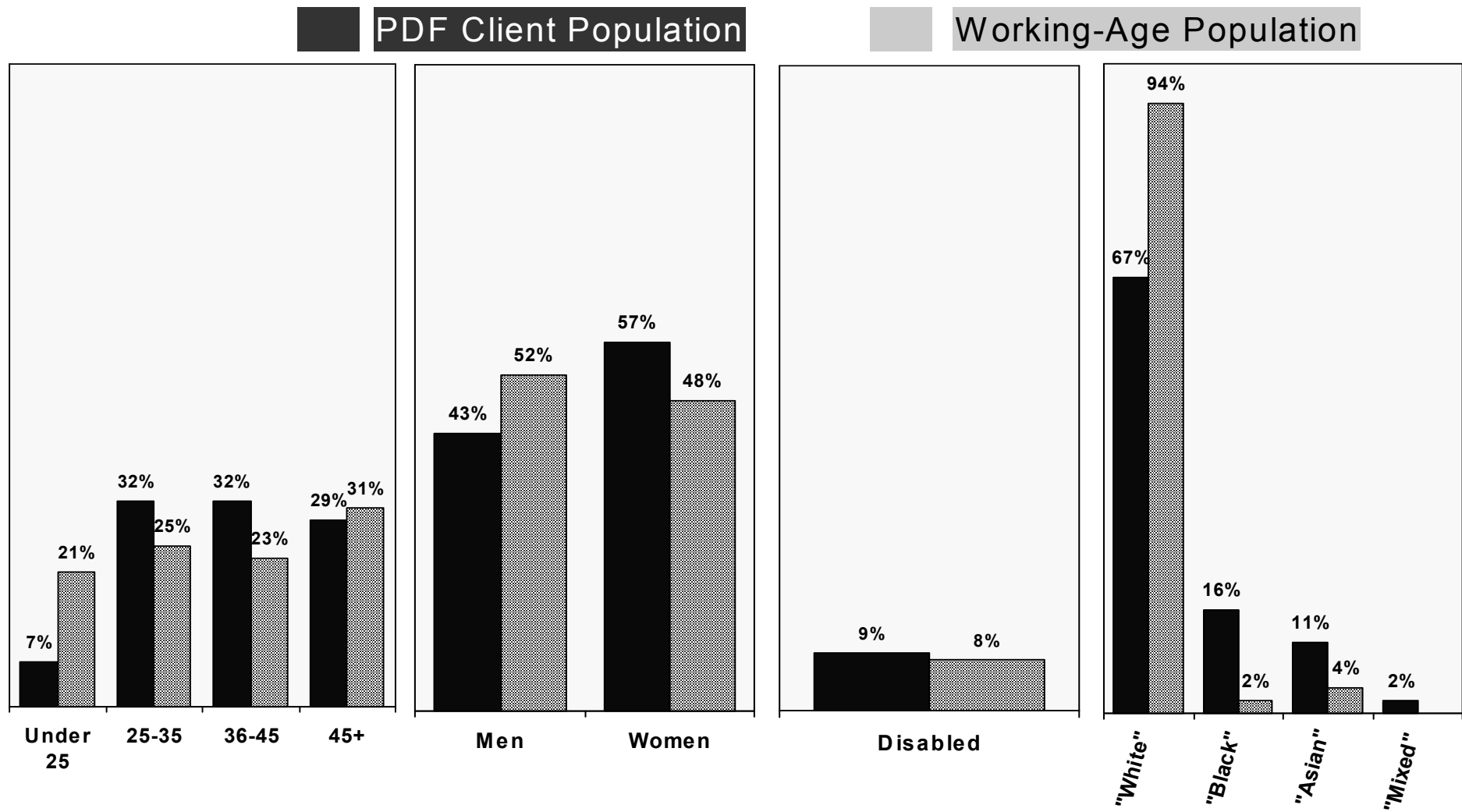


Figure 5.2 Demographic Profile of PDF Clients

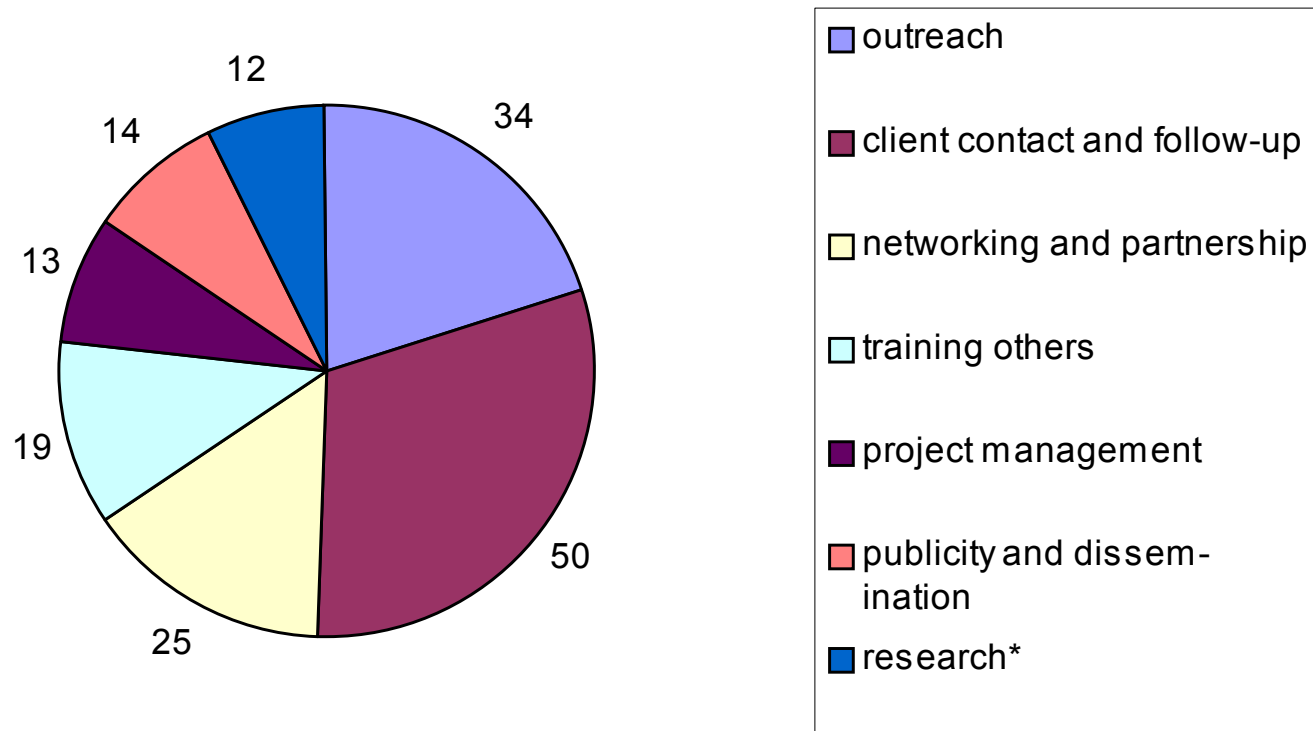


Base: All clients (801)



Projects innovated in outreach, client contact, and partnership

Figure 4.2 All Innovations in key areas



Fresh thinking in outreach

- Piggy backing locally based community organisations to access hard to reach communities- using the capacity of a locally based community organisation to reach the group (faith in business)
- Hub and spoke approaches (East End Micro Credit Consortium, Ideaspark)
- Building community capacity to deliver business support (Ideaspark but also Equal project Reflex/ACBBA)



New ways of working with clients

- Working in the clients community, culture and language (Nazir associates, Ideaspark, IMRC)
- Working with them from inside their community
- Providing support to the client to sort out non business problems (most projects)
- Finding new ways of supporting clients – e.g. mutual