



Entrepreneurship **2020**

Practical ideas for an enterprising society



Introduction

At the start of 2010 the UK emerged from recession, yet its effects continue to be profoundly felt within society. While the economy is showing signs of recovery, the UK will continue to face significant challenges over the next decade - from increased global competition to social, environmental and economic upheaval. It is clear to us that the UK must respond by building a new economy that seeks entrepreneurial solutions to our major challenges. We need then a collective vision of an ambitious, enterprising UK where entrepreneurship is harnessed as a force for good in society to generate jobs and future prosperity.

Clearly, in tough times, resources to support entrepreneurs will be pushed even harder. Resources must be concentrated on areas of genuine market failure, demonstrate excellent value for money and effectiveness, and not duplicate work that is already being done.

A new coalition Government in 2010 presents a great opportunity to shape a more balanced, entrepreneurial economy. Nowhere in the UK must this economic growth be driven by Government, but their ambition must be to facilitate a more entrepreneurial economy: to make Britain the easiest place to start and grow a business in the world and support and nurture the next generation of entrepreneurial talent.

Yet, reduced Government intervention and investment necessitates an enhanced role for business organisations, civil society and the private sector - all of whom demonstrate a great desire to help promote and support entrepreneurship in the UK.

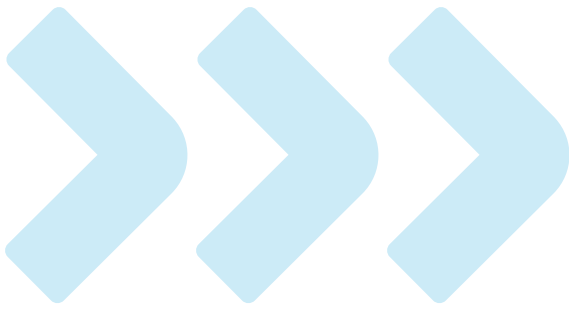
Enterprise UK was founded in 2004 by the British Chamber of Commerce, the Confederation of British Industry, the Institute of Directors and the Federation of Small Businesses with the objective to work towards a society that is more supportive of entrepreneurship. Our aim is to

drive economic prosperity and social cohesion by increasing the UK's enterprise culture and entrepreneurial behaviour.

Over the past three months, together with our Chair Peter Jones and our four founding business organisations, Enterprise UK asked entrepreneurs and organisations who support them to collaborate in building this entrepreneurial Britain. The Google Moderator tool was used to create an online space where practical and innovative ideas could be submitted and rated and ran a series of roundtable discussions.

Almost 200 ideas were submitted by nearly 100 entrepreneurs and organisations from all across the country - from the founders of multinationals to small business owners. Their responses overwhelmingly showed a belief in a new model of entrepreneurial growth and a real commitment to making things happen. Enterprise UK have shaped many of these ideas into practical ways to start a new chapter for entrepreneurship in the UK. The current paper is the first stage of a continued research effort and the submitted to date will serve as the guiding force for our three policy programmes over the coming months.

All of the submissions can be viewed on our website -
www.enterpriseuk.org/enterprisemanifesto



Inspiring Society

Efforts to raise the profile of entrepreneurship in this country over the past five years are paying dividends. Through enterprise education and enterprise culture campaigns to TV programmes like Dragon's Den, people's minds are being opened to new opportunities around them believing that entrepreneurship is a realistic and exciting goal for their lives.

Enterprise is more popular than ever - with almost half of the UK saying they would prefer to be self-employed. Positive attitudes about entrepreneurship are not enough, however, and need to result in more entrepreneurial behaviour. Too many individuals are still put off from turning their ideas into reality, or do not know how to find advice and support.

Teaching the realities of entrepreneurship

The next five years should concentrate on ensuring that young people in particular are not simply shown a superficial image of entrepreneurship, but witness and experience the realities of entrepreneurial life, both directly and through the entrepreneurs in their communities.

It is essential that people are also exposed to a diverse range of local entrepreneurs who are making a reality of their business ideas. We propose that schools, colleges and universities are all provided easy access to the range of entrepreneurial role models from different organisations both nationally, regionally and locally that can help inspire their students.

// Young people need to be more aware of the many entrepreneurs who live around them and what an opportunity becoming an entrepreneur is. **//**

Peter Jones, Entrepreneur and Chair of Enterprise UK



Recognise entrepreneurial activity as a legitimate part of education, training and employment

Currently, policies to support people into education and employment do not pay sufficient consideration of entrepreneurship and self-employment. For many people with entrepreneurial ideas or ambitions compulsory education or training can act as barrier to their enterprise journey if they are forced to spend time in traditional education or training rather than incentivised to develop their entrepreneurial ideas.

People with enterprise aspirations also find it hard to leave the security of paid employment behind, unless they have a significant amount of start-up capital set aside.

// Support those leaving employment to start a business. Focus of support to sectors most needing new entrants. //

Tony Maione, director at White Slate, Lincoln, UK

We need to ensure that entrepreneurial activity is more adequately recognised as a legitimate feature across a range of education, training and employment policies. This would include:

- giving young people, within education and volunteering schemes, opportunities to 'learn by doing' and develop enterprise skills through practical experiences that test their ability to start a business at a level of risk that they are comfortable with
- creating new paths for entrepreneurial young people such as by developing new Enterprise Apprenticeships, enhancing work placement schemes and internships with SMEs
- ensuring that self-employment and entrepreneurship are given sufficient emphasis in the proposed all-age careers service, which we welcome as a way to help individuals to direct their passions and talents into meaningful work, and that career advisors are trained accordingly
- enhancing the support available for unemployed people aspiring to start-up

// Expose students and graduates to work-placements in small businesses so that they see entrepreneurship as a viable and rewarding career. //

Rajeeb Dey, Enternships.com, London



Building Entrepreneurial Capital

An entrepreneurial society is a well-connected society. To achieve the ambition of the UK being the best place in the world to start a business, we need the right infrastructure that encourages people to take the next step, share ideas and connect with other entrepreneurs who will help make their business successful.

Often, the idea of setting up a business often seems daunting and can be affected by a fear of failure and an unwillingness to take the plunge. The ability to meet like-minded individuals and access support in places where they are comfortable with or are already at can help to alleviate such anxieties. Networks can provide a central part of building the entrepreneurial capital of a diverse range of entrepreneurs, home enterprises and young start-ups.

Develop a strategy for Enterprising Places

There is a tremendous wealth of resources, such as research facilities, desk space and training, that could be used to support entrepreneurs but are going to waste. We need then to ensure that business support advice is clear and easy to access.

Libraries, universities, colleges, JobCentres and community centres all have a role to play in serving as spaces where entrepreneurs and potential entrepreneurs can meet to exchange ideas, source business advice, and interact with the range of business networks, enterprise agencies and Chambers that exist to support local businesses.

We need to ensure that these existing public spaces in our communities serve to both promote and support enterprise. This provides a cost-effective and scalable method for engaging and developing entrepreneurial networks to build a more thriving and visible enterprise culture in the UK.

// Make every library set up as an enterprise hub with free internet and access to business research services. //

Louis Coiffait, London

We recommend that the UK develops a National Strategy on Enterprising Places that cements a commitment to the use of public spaces for entrepreneurs in the UK, and explores innovative approaches to building entrepreneurial capital. There are many examples where libraries, colleges, universities and more informal spaces are effectively utilised as business centres, hubs and as sources of advice that could be replicated elsewhere.



Improve mentoring for entrepreneurs

Since the launch of Enterprise UK, we have observed the amazing philanthropy of entrepreneurs - supporting other aspiring entrepreneurs, as well as their peers, through advice, mentoring, funding and volunteering. Mentoring has an important role to play to help businesses at both start-up and growth stages.

The level and type of mentoring required by entrepreneurs may differ at different stages of the journey but the principles remain the same. The key to the success of mentoring is flexibility, so we do not advocate a centrally organised, one-size-fits-all national scheme. An increase in mentoring will help more entrepreneurs to overcome barriers to setting up or growing their businesses and will facilitate the fostering of stronger, more sustainable ideas.

// Mentoring ambassadors and case studies of successful mentoring could help to widen its appeal. //

Alex Mitchell, Institute of Directors

We recommend an expansion of provision of mentoring for entrepreneurs, alongside an effort to build awareness of the value of mentoring by publicly celebrating the successes of mentoring and creating a central source of information on mentoring for enterprise to allow more mentees and mentors to be matched.

Government can support this drive by promoting examples of successful mentee-focused, entrepreneur-led mentoring schemes and the various existing mentoring opportunities available for entrepreneurs, both public and privately-financed.

// Create something in between a pub night and a trade organisation to have the chance to get together, network and reach out to other areas of expertise. //

Margaret Robertson



Productive Entrepreneurship

Entrepreneurship has a positive impact on economic growth and is therefore rightly at the centre of future growth strategies over ten years and beyond. However, we no longer have the luxury of spreading resources widely and therefore need to prioritise strategic investment in the areas of 'productive entrepreneurship' - businesses with real growth potential that can help the UK be a world leader. From low-carbon jobs to advanced manufacturing, from the creative and digital industries to our world-beating healthcare systems - there are plenty of sectors where the UK can be a world leader.

Raise entrepreneurs' global ambition and promote growth sectors

To affirm entrepreneurship at the forefront of our future economy, support should be given to raising the growth and global ambitions of our entrepreneurs. Government's facilitation role has moved on from micro-management and attempting to pick winners and instead is focusing on promoting strategic growth sectors, opportunities for global trade, and celebrating global and growth successes.

Government's role should include opening up procurement opportunities and considering the entrepreneurial implications of new legislation, supporting global connections and trade, and raising awareness of growth sectors. It needs to provide a committed, coherent and long-term approach to the support and development of existing work in this area by organisations such as UKTI, the British Council, the Technology Strategy Board and Global Entrepreneurship Week.

// A 'hands across the ocean' initiative between UK and US entrepreneurs - perhaps an online social networking tool to enable global entrepreneurial interactions and mentoring. **//**

Rex Northen, Cleantech Open, San Francisco



Incentivise entrepreneurial payback

Entrepreneurs and private investors are better at identifying and supporting growth businesses than government agencies. Entrepreneurs themselves should support other businesses and help pick winners, which is something that they already do, but Governments can help incentivise more through clear regulation and tax systems.

Productive entrepreneurship requires an entrepreneurial eco-system of mentors and investors that give back by investing in the future growth of entrepreneurial businesses. Government can help incentivise this risk by securing favourable tax allowances for those who take part in supporting business and provide greater capital gains reliefs for business investments.

// 100% taper relief for angel investors who fuel small businesses with the funding they need to grow, innovate, and create jobs and opportunities. **//**

Jamie Murray Wells, Glasses Direct



Entrepreneurship: The Next Ten Years

The change in young people's attitudes towards entrepreneurship over the past ten years is exciting. Young people from all backgrounds are being prepared to enter working life with drive and ambition. We hope that the next generation will be more entrepreneurial than ever before. But the UK must provide the infrastructure to help turn this potential into dynamic businesses. We need to reaffirm that entrepreneurship is vital to our economy and must be promoted and supported. We need to realise a vision of a future in which we have worked strategically to improve the entrepreneurial infrastructure and helped entrepreneurs to lead the way into new markets.

We believe that the three areas outlined in this document - teaching the realities of entrepreneurship, building entrepreneurial capital and productive entrepreneurship - are fundamental in creating this new model of entrepreneurial growth in the UK. They will ultimately help to build a new enterprising society where entrepreneurial behaviour delivers economic prosperity and social impact; a culture of enterprise where everyone with entrepreneurial talent, irrespective of age, gender, race or social background is inspired, and given the confidence and support to turn their ideas into reality.

// Entrepreneurs are the lifeblood of the UK's economy. We need their spark, energy and collaboration in our society now more than ever. //

Tom Bewick, CEO, Enterprise UK

Enterprise UK is the national campaign working to give people in the UK the confidence, skills and ambition to be enterprising.

We have a host of insightful research on enterprise and entrepreneurship that can be found at www.enterpriseuk.org/publications

// To compete in the global economy, the UK needs to be a powerful, entrepreneurial nation. A nation where more and more people, regardless of age or background, are starting businesses. How we achieve this transformation isn't just a question for policy makers - it's something we can all help with. **//**

Miles Templeman, Director General of the Institute of Directors

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