



## Enterprising Times

### Colin:

Britain used to be called a nation of shopkeepers, but it is also a country with an unrivalled industrial heritage, fired by the imagination of engineers, architects, craftsmen and innovators; all entrepreneurs who inspired the Industrial Revolution.

These days Britain is no longer a manufacturing nation. Instead, it is a post-industrial society with small businesses. As for those shopkeepers, many have disappeared amid the march of supermarkets and out-of-town shopping centres.

It could all be so depressing except for one distinct chink of light: a dot com generation of entrepreneurs who are using their imagination and mastery of modern technology to lead the country out of recession.

### Male 1:

We're extremely excited that we believe we've got something that will form the basis of a revolution.

### Male 2:

Reality TV programmes such as The Apprentice and Dragon's Den have created a rock-and-roll status for entrepreneurship.

### Colin:

I'm Colin Gray, Professor of Enterprise Development at The Open University and for the past 25 years my department has constantly monitored the opinions and performance of Britain's 5 million small businesses.

The report we produce is called the Quarterly Survey of Small Business in Britain.

As the UK attempts to haul itself out of recession it seems a new spirit of enterprise and innovation is booming: entrepreneurs who are thriving by developing new products and services that save time, money and provide cutting edge solutions to their customers' needs.

### Jennifer:

The strap line of Unique IQ is 'Using intelligence at work'. We help to small to medium-sized companies use technology and work smarter.

### Male 3:

We see ourselves as a different kind of business and we wanted to be somewhere where new and emerging businesses were flocking to.

**Colin:**

In this podcast I'm going to take you on a brief trip around modern entrepreneurial Britain. You'll hear from people with fresh ideas and new products they're taking to market; experts who are helping them and managing schemes to support small businesses.

And we'll hear about the concerns for the future if the public sector support for new businesses is withdrawn.

We could choose any number of different regions in the UK but I'm going to focus on England's West Midlands; an area once proudly known as 'The Workshop of the World.' Very little of that industrial heritage exists today. Most of the region's industry withered away in the 1980s and 1990s, but the seeds of enterprise are starting to grow again.

My colleague, Nigel Walton, who tutors our Entrepreneurship course, is also a lecturer in management and innovation at University College, Worcester.

**Nigel:**

Entrepreneurship is now seen as being very sexy and also the whole spirit of entrepreneurship, I think, has definitely developed over the last few years.

It's tremendously exciting, the actual opportunities that are available for entrepreneurs.

These initiatives I refer to as Enterprise Two.

In 1979 Margaret Thatcher was elected into power and one of the key platforms of the Conservative government was to nurture the enterprise culture, which we call Enterprise One. The goal of the Enterprise Culture Two was really to generate interest within the younger generation in becoming entrepreneurs.

So, for example, when you go to school, people asked you what you want to do when you leave school. The whole idea of this is to get people to say "I want to be an entrepreneur."

[Telephone ringing]

**Female 1:**

Good afternoon, Unique IQ. Yes, just bear with me one second. I'll just try his line and put you through.

**Nigel:**

Unique IQ typify the spirit of modern entrepreneurial Britain. It's a modern IT firm offering business development solutions based in Redditch, a new town, redeveloped in the 1960s. Jennifer Henderson is their marketing manager.

**Jennifer:**

The inspiration behind Unique IQ really came from wanting to do a better job for companies and be more cost effective and efficient for them, but deliver the same value to the high level standards.

And so the aim of the company is really that we help small to medium-sized companies use technology to improve their processes and work smarter.

**Male 4:**

How are we doing with IQ Timecards [?? 0:04:01] target is?

**Jennifer:**

Not yet. We've got another demo booked in for next week, which is ...

One of the ways we moved forward was in developing a new product called IQ Timecard.

And this product was developed in response to one of our client's needs.

He was a cleaning company. He had remote workforces and remote work employees and he didn't know when his employees were turning up for work.

And obviously there were multiple sites that he looked after early in the morning and he couldn't be on site all of the time. And it came from a need when one of his cleaners didn't turn up in the morning and his client rang him angry that the work hadn't been done. So he was losing on a customer service issue.

He came to us and approached us and asked us if there was a way that he would be able to monitor this and how we would be able to, using technology, how could we help.

So we did some research. We looked around and we developed ourselves IQ Timecard as a solution.

**Child 1:**

This is really good.

**Female 2:**

How are you getting on?

**Child 1:**

Not that well really but it is very fun this and quite easy...

**Colin:** I've come to Shropshire to meet the burgeoning entrepreneurs behind [Quelica 0:05:04], a newly formed games company who have patented what they believe will become a hot selling puzzle, a Rubik's Cube of the Smartphone era.

**James:**

Quelica Cube is a original sort of gadget. It's a toy. And the idea is it can be single player or multi player. You hold it in your hand and you can manipulate it in such ways that you can play different games on the cube.

We believe it's a product that nobody's seen the like of it before and we believe that it's simple enough that everybody will immediately get it, but it's complicated enough that everybody will still be inventing new games with it and playing our games on it for years and years to come. And we're extremely excited that we believe we've got something that will form the basis of a revolution in the toy industry.

**Child 1:**

This is very fun, isn't it? Look.

**Colin:** And James Eden of Quelica explains, having ideas is one thing. Getting bags of finances to back the business venture is quite another.

**James:**

We basically have had a terrible time getting any funding whatsoever. We've tried pretty hard. We've applied to official bodies for grants and so forth and so on, but what we've found is that there are grants for certain trendy areas. For example, if you're into genetics and biotech you can get a grant but doing what we're doing, the grant money has pretty much dried up.

**Dawn:**

Hello. It's Dawn from the Innovation Voucher Centre. How are you? Good, very well, thank you. Just really calling to see how the meeting went with Staffordshire University.

**Colin:**

Quelica has benefited from a support business support programme called the Innovation Voucher Scheme which allows businesses to use vouchers to buy expert help at universities.

**Andrew:**

I'm Andrew Wilson. I'm the Innovation Voucher project manager here based at Aston University.

The Innovation Voucher Scheme was set up four years ago in response to some SME consultation; SMEs are small and medium-sized businesses. So we set up the scheme to award a £3,000 voucher for them to spend in any of the universities in the West Midlands. The focus is really on innovation because we believe it's those companies that innovate that are going to be the ones that are going to be most successful in the current economic climate really.

The majority of the vouchers we've done have been for really small SMEs, one to ten employees, and a lot of those have been start-up companies. They've had a new product idea and new development that they need some help in getting off the ground.

**Colin:**

James Eden of Quelica Limited.

**James:**

We were able to invest that money in a marketing exercise because my business partner and myself felt that we really lacked the marketing expertise to understand how we're going to sell the toy; who we're going to sell the toy to, how big the markets are and what price point to go in at. How do we position the toy in the markets? Do we sell it as a brain-type game or a fun toy? Do we sell it to young people or old people? Is it an intellectual game?

Essentially marketing research gave us the answers to this and the answers to the marketing research in turn led into our business model and our business model tells us what we have to do in order to turn our idea into a profit.

**Colin:**

Nigel Walton of University College Worcester.

**Nigel:**

In terms of Quelica Limited I've not only completed the Innovation Voucher for Quelica but also I'm now working with the company to actually commercialise the concept.

It's at quite an advanced stage. We're discussing the potential for licensing and the production of the product which will hopefully be launched in the New Year 2011.

**Colin:**

Birmingham is synonymous with the motor industry and I'm in the south of the city at Longbridge Innovation Centre.

Now, at first sight this could be seen as just another modern office block but it is actually on a small part of the site that once housed Europe's largest car factory.

At its peak 25,000 people worked at Longbridge. But the sounds of heavy industry have long gone, replaced by a massive building project that will see a new technology park, college campus and housing development revitalise the area and make it a home of innovation and enterprise.

**Male 5:**

We provide a broad range of business consultancy services to companies who want to achieve something different.

**Colin:**

The smart move is to get here quick. That's why The Team That Can, a small project management firm, has already relocated here. Chris Hutchinson is one of The Team's directors.

**Chris:**

The Innovation Centre is an incubator set of offices that's been set up on the site to help new businesses and growing businesses establish themselves in the area.

The Innovation Centre's the first real new building on the site. Across the road now there's a lot of building work going on building New Bournville College and there are huge plans for housing, leisure and more commerce and industry in the area.

We really wanted to be here because there are going to be a lot of new businesses coming into the area, a lot of established businesses who are looking to move on, facing particular challenges that we can help them with.

I think also we see ourselves as a different kind of business and we wanted to be somewhere where new and emerging businesses were flocking to.

**Colin:**

I find it sad seeing a huge plant like that just completely flattened, but inspired by what is being put in its place.

30 miles south of Birmingham is the prosperous Worcestershire town of Malvern. I've come to visit AuraQ, a software business solutions firm, set up in the 1990s.

Managing Director, Mike Clarke, paints a somewhat less optimistic view of his company's future in the current business climate.

**Mike:**

The business started not out of inspiration but more out of desperation.

Basically we were working for another company that went into liquidation and the managing director at the time was a really good friend of mine and he said "Why don't you approach our customers who you've been working with and offer to continue providing the same service as you always have done, but obviously with a different company name?"

And that got us started.

I certainly wasn't a willing and budding entrepreneur and not really somebody who had ever entertained running my own business.

Over the 15 years that we've been going, we've always had periods where things have got pretty tight financially.

Last year was the first time that we ever had an overdraft. We'd managed to trade for 14 years without owing anybody any money at all.

I've had to think about whether to keep the company going, not just how to weather a little bit of financial problems, cash flow problems.

**Colin:**

The problem AuraQ faces is a familiar business problem: converting sales leads into solid orders. In particular, they're finding it difficult to persuade their public sector customers to commit to the future as uncertainty grows.

**Mike:**

People are still delaying when they're actually making a decision to place an order. And the work hasn't gone away, but - our prospect list actually is very good - but some of our prospects have been there for nine months. We know they're going to do the work. We haven't had those orders placed.

Nowadays because of the economic climate we're in we're seeing that actually these things are going to happen because people want to do it; they've got a good business case to do what they're doing and the only reason they're not doing it is because they're worried. These are actually promises that you're just waiting for someone to fulfil. And the difficulty is keeping the business going until some of these very lucrative promises happen.

**Colin:** Among the region's universities there is plenty of inspiration and support for budding entrepreneurs.

Nigel Walton explained the type of schemes University College Worcester is involved in.

**Nigel:**

The most successful programme to date has been a programme which is called the SPEED Programme. SPEED stands for Student Placements for Entrepreneurs in Education.

And what SPEED consists of is a student who has a business idea, will complete an application. As part of their application they'll be interviewed, they'll do an elevator pitch.

If they're successful they'll then enter the SPEED Programme which consists of a range of something like 20 training workshops. They also receive a grant of £4,000 which they must use to invest in the development of their business.

And what we effectively do over the space of a year is incubate their business idea so that they can leave university and go into the commercial world environment.

**Colin:**

At a local business breakfast networking meeting I caught up with students Peter Marezana and Chris [Wallet 0:13:49].

**Christopher:** My name's Christopher Wallet and I'm from Worcester Print which is basically a local design and print company that I set up in the University of Worcester originally. I'm a member of the SPEED Programme.

**Peter:**

I'm Peter Marezana. I'm responsible for Excelsior Events. It's a wedding management and supply company.

**Christopher:**

It's basically to get students thinking and participating and trying to do their own business idea.

**Peter:**

It's really interesting to actually sit down and get to pick the brains of people who actually are in business. At university we get the theory as well as some of the practical elements. But over here we're actually immersed within the business environment. It's quite interesting.

**Christopher:**

This is the first time I've ever been here but you see the gleam in their eyes and these guys are pretty successful, some of them. And you just learn from them.

**Peter:**

It's just the case of in business you've got to sometimes put that aside and just be yourself really. Just do it.

**Colin:**

Attending events like this is absolutely essential to finding out more about businesses and making valuable contacts.

**Mike:**

I'm Mike Ashton, Chief Executive of Herefordshire and Worcestershire Chamber of Commerce.

UK Limited, Herefordshire and Worcestershire as an example of that, has always survived because of this entrepreneurial spirit that exists in the country.

I've seen it firsthand working in a university and now I'm seeing it second hand in Herefordshire and Worcestershire. Lots and lots of people with lots and lots of ideas, whether it be high tech or low tech. Those are the people that are surviving best during this recession.

**Colin:**

Britain's new coalition government has made it implicitly clear that it aims to support the private sector and back Britain's small businesses. But there's an irony. They are also earmarking huge public sector cutbacks which could see the scrapping of schemes like these.



It's also signalled the end of regional development agencies like Advantage West Midlands, which has been a major financial backer of Longbridge Innovation Centre and many similar programmes.

**Male 6:**

Our generation is the hardest hit by the recession. If you notice between 18 to 24 year olds unemployment rate, it's ridiculous. And most people want to start their own company but they're not in a position to so.

Programmes like the SPEED Programme and help from Advantage West Midlands is what enabled me to be standing here today. And it's quite disheartening to know that the same things may not exist and may not be as accessible to generations coming up after me and those who are in a similar situation and want to rise above it.

**Mike:**

Some of the work that Advantage West Midlands and Business Link West Midlands have done has been great, actually, and we've seen some great results of their work.

The decision has been made. We now think there's an opportunity for the private sector to take a greater role and hopefully to create jobs for the future using these great entrepreneurs and enterprises that are being developed by people we've seen here today.

**Colin:**

This has been a snapshot of modern entrepreneurial Britain.

Innovation, as we've heard, is alive and kicking in the UK but it needs to be fostered and supported. What the nation really needs is for those small businesses to become major employers.

Large businesses can offer jobs and stimulate further innovation. Then Britain really will have found an enterprise legacy.