Enterprise facilitation

Two case studies of the Sirolli approach
This section provides background on the Sirolli Institute approach to Enterprise Facilitation which has been utilised internationally to promote business incubation in some of the most disadvantaged urban and rural communities.
Introduction

Both examples explored in this case study have adopted the principles of the Sirolli Institute, an economic development group based in the USA, and led by international economic development specialist Dr Ernesto Sirolli. The underlying ethos of the Sirolli principles is that:

“the future of every community lies in capturing the talent, energy and imagination of its people hence we specialize in responsive approaches to Local Development that grow the community from within, transforming passionate people into successful entrepreneurs.”

(http://www.sirolli.com/About/SirolliCredo/tabid/91/Default.aspx)

The Sirolli Institute promotes a people-centred, bottom-up and localised approach which stimulates people to become more enterprising and pursue entrepreneurship as a career path. Sirolli’s belief is that a successful business requires three main competencies: technical ability to produce a product or service, ability to market the product or service, and ability to manage the finances of the venture, and that few individual entrepreneurs have ever possessed all three competencies. This is known as the ‘Trinity of Management®’. Sirolli argues that successful entrepreneurs simply make up for their lack of a certain competency by finding a partner who possesses the skills which they lack. Consequently, the model aims to aid local entrepreneurs in becoming successful, by building teams of competence around them.

In practice, Enterprise Facilitation® consists of two main components; an Enterprise Facilitator and a Community Panel. The Enterprise Facilitator becomes the initial point of contact for business owners and aspiring entrepreneurs, and helps them understand their business idea. The service is free, informal and confidential, and if the client requires any help or direction with their ideas, then the facilitator can take their case to the panel. The second element is a Community Panel, composed of anywhere between 20 to 60 local stakeholders, who support the facilitator by providing introductions to community leaders, business owners and other useful contacts. The panel seeks to address the specific needs or problems of each case, and where possible attempt to provide useful local contacts and advice which may benefit the client. The Enterprise Facilitator is not an expert but someone who is a good listener, supportive, well-networked, and able to evaluate the skills and needs of entrepreneurs. The Community Panel includes local business and civic leaders, economic development practitioners, and private sector professionals. In the majority of cases there is also a smaller Management board who provide direct support and guidance to the Facilitator. Both the Enterprise Facilitator and board members receive training from the Sirolli institute in the principles of Enterprise Facilitation® and the Trinity of Management.
Potential benefits of the Sirolli Approach

This approach, whilst not totally unique in its conception, differs quite significantly from traditional business and enterprise services. Traditionally, business support has been provided by a specialist advisor, who meets with clients formally and seeks to share parts of his/her experience with the client. This process is usually governed by a set of rules or procedures and set stages which the client must complete in order to access support, and eventually reach the goal of establishing their company. The Sirolli method offers a more flexible, informal and arguably more user-friendly approach, which is able to cater for clients outside of normal working hours when perhaps traditional service providers could not be accessed. Additionally, the Enterprise Facilitation® model places no time constraint on an Enterprise Facilitator’s time or length of support available to each client, meaning that clients always have access to support as and when issues arise. The Sirolli method allows for increased engagement and proliferation, by being less intimidating and more in line with the mind-set and attitudes of many entrepreneurs. Moreover, current business support cannot deliver on its targets for business start-ups unless there are individuals coming forward with business ideas. The Enterprise Facilitation® model, through its encouragement of potential entrepreneurs and its building of a resource panel drawn from local businesses and members with links into the community, is clearly about a means of delivering this requirement for growing the ‘enterprise culture’. Dr Ernesto Sirolli has an excellent reputation and an impressive track record of previous success.

The role of the facilitator is to provide an informal, people-orientated enterprise development function. The facilitator achieves this by assisting potential entrepreneurs in identifying their needs and establishing a network of local contacts, who may already be known to the client. The facilitator also acts as a friendly mentor who is able to identify with the client and understand their goals and ambitions, and help the client understand how best to reach those goals. Not all business ideas are good business ideas, but the role of the facilitator is not to discourage entrepreneurs; instead the facilitator should help the client properly formulate his ideas and understand what is good about the idea, and what aspects of the idea may need to be improved, or suggest the introduction of a partner with a different skill set. Additionally, the Enterprise Facilitation® model places no time constraint on an Enterprise Facilitator’s time or length of support available to each client, meaning that clients always have access to support as and when issues arise.

The Volunteer Panel, or simply The Panel, is the second major resource adopted by the Sirolli method, and is a major component of the Sirolli method’s success. Enterprise Facilitation® is an equal partnership between the Facilitator and the Panel, with the latter being a key factor in the success of any programme.
The Panel is comprised of a group of volunteers drawn from the local community, who come together to establish a credible, reliable and trusted community resource. The Panel usually meets once per month or as and when the Enterprise Facilitator identifies a need, and is made up of individuals from a range of different backgrounds and interests, including local businesses, business support agencies, housing associations, development trusts, community activists and the civil service. The role of the panel is to make introductions for the facilitator, to both boost his contacts and increase the profile of the project. The theory is that by increasing the profile of the project and its services, more people in the community will be motivated to seek the advice of the facilitator. Also, once the facilitator has met with a client and established what support they require, he is able to approach the panel to collectively discuss the case and generate ideas, leads and contacts in order to help the entrepreneur.

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It is worth noting that the success of the BG Effect project rests largely on the role of the facilitator, and as such it is very important to ensure that the correct appointment is made on beginning the project. The interview process should be very intensive in order to ensure that the current person, with the necessarily qualities is found. To help with this, the Sirolli institute provides guidance and support throughout the interview process.
This section explores the experience of enterprise facilitation during the first year of the programme.
Blaenau Gwent Effect was operationally established on March 14th, 2011 to provide Enterprise Facilitation® services through the borough of Blaenau Gwent, based on the principles of the Sirolli Institute. Effect stands for Enterprise Facilitation for Effective Community Transformation. The increasing financial hardships, lack of employment opportunities and anti-enterprising culture in the Blaenau Gwent area made it an ideal candidate for an Enterprise Facilitation® approach. The Blaenau Gwent Regeneration Strategy (2009) was an ambitious document that outlined the current situation in the Blaenau Gwent area and proposed an exciting vision for the future. According to this strategy:

“The closure of the Corus works at Ebbw Vale brought fundamental changes to the structure of the Blaenau Gwent economy. It took away a source of well-paid, secure employment and created massive challenges for the public authorities throughout South East Wales. However it also provided a major catalyst in forging exciting new public and private partnerships, devising ambitious and transformational regeneration strategies and accessing substantial WAG and EU funding to make the delivery of these strategies a reality… However, despite considerable activity and undoubted successes since 2002, Blaenau Gwent still suffers across a wide range of socio-economic factors.” (BG Regeneration Strategy, p. 9)

Whilst it is not uncommon for significant regenerative changes to take well over a decade, it is clear that Blaenau Gwent still needs significant regenerative support if it is to become a thriving, self-sustaining region of the future. In particular Blaenau Gwent struggles in terms of financial poverty, low rates of economic activity and a high unemployment rate. The latest Department for Work and Pensions data regarding the percentage of people claiming Job Seekers Allowance (JSA), clearly shows that the out of work benefit claimant rate of Blaenau Gwent is almost double that of the Welsh national average (info-basecymru, April 2012). With an economic inactivity rate (excluding students) of 28.5% for the year ending 31st March 2011, again well above the Welsh average, it is clear that a new approach to creating jobs and employment is necessary in the area; and with only 4.9% of the population classified as being self-employed, compared to 8.1% for Wales as a whole, Enterprise Facilitation® would appear to provide a good fit with the prevailing socio-economic conditions of the Blaenau Gwent area. The BG Effect was established with these prevailing conditions in mind.

The BG Effect aims to create an enterprise culture within the local community and provide local people with an opportunity to consider self-employment as a career path. In doing so BG Ef-
fect hopes to both maintain current job opportunities, and create new employment in the local area which will aid in its future economic sustainability, and bring about a positive regenerative change. This approach is intended to sit alongside, and complement, the traditional business and enterprise support services, such as Venture Wales.

**Management and Funding**
The BG Effect project was formed out of a partnership between the public, private and community/voluntary sectors, in the form of Blaenau Gwent County Council, the Heads of the Valleys Programme and a consortium of Communities First partnerships. Funding from the Heads of the Valleys and Communities First programmes, Waterloo Foundation and Blaenau Gwent County Borough Council was obtained to get the pilot project started.

The Management Board has the overall responsibility for running the BG Effect project, securing funding and overseeing the projects delivery. The Board has 12 members with a wide range of skills and a strong team culture. The facilitator is directly accountable to the Board and its members and also meets with them monthly. This is a good working practice as it ensures that everyone is continually kept informed of the projects aims, objectives and results. However, going beyond this the facilitator is in daily contact with Mark Langshaw, Chair of the Board. This allows the Board and the facilitator to work efficiently together and ensures the smooth running of the BG Effect. The project should ideally be run over a long lifespan of at least 10 years, but has thus far been unable to secure a commitment of long-term funding from the local or regional government, and is beginning to look at other opportunities at gaining income through providing training and mentoring to other similar projects.

**Identification of key successes**
Both the Management Board and Mark Langshaw (Chair of the Board) have been praised for adopting a strong private sector approach. This approach has been described are a refreshing approach that limits the negativities associated with bureaucracy. The facilitator, Moe Forouzan, commented on the approach of the Management Board,

>“It just blasts through the barriers and gets on with it. It is a very solution focused approach.”

One of the key factors which determine the success of the Sirolli model is the success of the facilitator. In interviews with clients, panel members and the Facilitator himself it has become clear that his passion and commitment make him perfectly suited to the role. What people seem to really value about the facilitator is his role in making introductions, introducing new
contacts and knowing exactly where to turn for the right support and information:

“If he doesn’t know someone who can help you…… actually, he always knows someone who can help you, which always gives you hope.”

Other particular features the clients felt the facilitator was able to help with included:

- Networking and generating new contacts in the local area
- Decreasing the costs of doing business
- Impartial and unbiased information, guidance and advice
- Assistance with distributing a product or service
- Marketing support
- Assistance with finding premises and work space
- Funding, loans and grants
- More general advice on what it takes to be an entrepreneur and run your own business

The image below shows exactly what the BG Effect achieved in only its first 10 months of operations.

The recent independent evaluation of the BG Effect highlighted some of its key successes as:

- The role of the facilitator is working well and is valued by local entrepreneurs.
- The informal nature of the support is valued by local entrepreneurs, and encourages more people to engage with BG Effect process.
- Awareness of the BG Effect is being increased by word of mouth, as past clients have no hesitation in recommending the process to peers, meaning more local people are being encouraged to think entrepreneurially.
- Facilitator’s role improved by not having strict targets that must be met, allowing for honest and impartial advice to be given.
- The lack of rigid structure allows the Facilitator to view, and deal with, every case on its individual merits, and isn’t forced to following set criteria which may not be suitable to every client.
- The Community Panel has an impressive membership of 58, giving it the potential to be very effective; and is committed to increasing its scale in terms of numbers and increasing its skills base and the diversity of expertise offered by members.
- The BG Effect team has displayed an impressive commitment to monitoring and evaluating their progress thus far. There has been a serious organisational buy-in to the cause of monitoring and evaluation, and not a superficial
“tick box” form of monitoring. The BG Effect team are committed to understanding their impact.

The BG Effect team has begun to adapt the Sirolli process to best suit their aims, objectives and context. One of the core principles of any localised intervention is that you must listen, and adapt your working practices to the needs and wants of the population that you are serving, and the BG Effect team has taken this on board.

The involvement of the Sirolli institute has represented value for money for the BG Effect. The BG Effect team have gained significant knowledge, training and confidence from the involvement of the Sirolli Institute. Having the Sirolli branding has increased the profile of the BG Effect and generated interest in the project.

Current barriers

Despite the clear private sector leadership and orientation of the programme, there is currently an over representation of the public and third sectors at the expense of the private sector. However, there is a certain degree of inevitability about this given that the project is still in its early stages. Over time the management board hope to attract more individuals from different backgrounds, to get involved with the project.

Further reading/resources.
More information regarding the BG Effect can be found on their website: http://www.bgeffect.com/
CREW has completed an independent interim evaluation of the BG Effect which can be made available by requesting a copy from enquiries@regenwales.org
More information on the Sirolli institute, its principles and the support it offers can be found at http://www.sirolli.com/
More information on STARTTS can be found at http://www.startts.org.au/
This case study explores the delivery of the Sirolli approach in a multi-ethnic environment.
Felix Ryan, the Enterprise facilitator, is employed by the Service for Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS), a New South Wales organisation supporting refugees and asylum seekers primarily through the provision of counselling, community development and training services. However, in recognition of the major employment problems experienced by their client group, STARTTS is also concerned to assist economic development and employment opportunities for client groups. Felix Ryan is employed in a capacity as community development worker but has taken on the Enterprise Facilitation role following completion of the Sirolli, Trinity of Management Training Programme.

The primary target population is Sydney’s Afghani Hazara population currently numbering 5,000 but expanding rapidly as initial refugees are joined by families as their status is legitimised. In anticipation of increasing and potentially overwhelming demand for service, STARTTS has initiated a Strategic Planning Strategy to build a sustainable economic community providing employment and training opportunities. Employing Asset Based Community Development principles, the programme is targeting federal training funds to ensure that refugee arrivals are recognised for their prior skills and assisted to gain employment. A primary objective is the establishment of a Hazara Chamber of Commerce to foster business development and access training budgets.

The project has adopted the Sirolli methodology but with some reflection of local circumstances. In similar vein to the Blaenau Gwent Effect, project adaptation to local issues has ensured that the model has delivered effectively in Auburn. Notably, following initial deployment the Resources Board has been disbanded. Although it was able to recruit an effective membership, connections to the target community were weak and the personal connections of the Enterprise Facilitator proved more effective. The development of the Hazara Chamber of Commerce is anticipated to address this issue and perform the role of the Resources Board. This is in sharp contrast to the value of the Resources board identified in the interim evaluation of the BG Effect project. There, the Resources Board has proved an invaluable source of support for the Enterprise Facilitator and in many ways is contributing to the business culture of the area by acting as an informal ‘business club’ in the absence of active Chambers of Trade and Commerce. In this way the Sirolli project is also invigorating the existing business community.
Funding

Initial funding for the Siroli fees was achieved from a Local Government administered grant programme funded by a levy on the gambling industry in NSW. Background support is provided by STARTTS in terms of office space and support for the Enterprise Facilitator. This has funded Siroli fees alongside a reduction in those fees by sharing training provision with another Siroli project in the region. Specific projects within the scheme seek further funding from a range of government sources. For example, the proposed Azara Chamber of Commerce will seek grants from mainstream training budgets.

Specific Project example

The Enterprise Facilitation programme has supported the development of the Amazing Family Daycare consortium. Initiated by a Somali woman who wanted to achieve economic independence, the Siroli programme supported her with guidance and mentoring and connection to the wider processes of qualifying and registering child care provision in NSW. It brings together 200 registered child-minders providing multi-culturally focused child day-care. Although a for-profit business it retains a strong social ethic of employing women from refugee and asylum seeker populations. It is now extending across Australia and currently scoping developing provision in Kenya. This represents the kind of scaling-up of projects of this kind which has remained elusive in the Welsh context. Whilst in simple terms this successful business start shows the simple economic value of the Siroli approach, in this instance it is also possible to see additional social benefits as refugee groups access good quality child care and women providers become empowered to challenge traditional gender relationships.

One difference between the Auburn community and the South Wales context is that the largely immigrant community of Auburn has high aspirational values in which new arrivals immediately seek higher economic status. This ensures a vibrant informal economy but also the transfer of activity and individuals into the mainstream economy. In contrast the primary problem that the Blaenau Gwent project has sought to address is that of low aspiration and a general failure to recognise economic opportunity.
This section identifies the implications for Wales and conclusions of relevance to the current review of regeneration.
Implications for Wales
Dr Ernesto Sirolli has shown, with examples of projects from communities around the world, that the Enterprise Facilitation model can be implemented, with great success, in any community and any culture around the world. These claims have been tested in Blaenau Gwent and the evidence from the evaluation of the first year of activity suggested a level of success beyond expectations. Further evidence from the Auburn Sydney project also provides substantiation of this view. Much has been made of the ‘enterprise deficit’ in Wales and particularly in the South Wales Valleys. Enterprise Facilitation appears to provide a means of releasing latent enterprise ambitions in even the most disadvantaged communities. It was also suggested earlier that coupled with a meanwhile uses strategy this could provide a potent combination for business development and high street renewal in Wales.

Conclusion 24
Enterprise Facilitation initiatives in Wales should be actively supported and funded in future regeneration policy.

Conclusion 25
Linking Enterprise Facilitation to a meanwhile uses strategy could significantly improve the outcomes from both approaches.