BARRIERS AND PATHWAYS TO ENTREPRENEURSHIP AND INNOVATION

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Abstract
The UK is a diverse society made up of many minority groups. Some are very entrepreneurial; others are not engaged in the entrepreneurship innovation agenda. What could be done to unlock the potential of all UK citizens? Three groups were chosen to represent the diverse minorities that exist within the UK: people who become entrepreneurs at 50+; UK citizens of Indian origin and people with a disability.

The study explores issues that are distinctive to the three groups and suggests how the UK can make greater use of their potential contribution. Although the problems they face are distinctive, the value of looking at such different groups is that it can also highlight common issues for UK culture, institutions and policy. The experiences of these three groups suggest ways in which the innovation agenda and entrepreneurship can be advanced in the UK. These include the need to: take diversity seriously; change the image of entrepreneurship; build the entrepreneurial self confidence of the nation; provide a continuum of tailored support and to adopt policies which differentiate between entrepreneurship and self employment.

Introduction
The technology revolution has meant that Britain is moving quickly towards a knowledge based economy. Taking a lead from the US, where entrepreneurship accounts for 80% of new jobs created and is a driving force for innovation, the UK government has funded a variety of initiatives aimed at stimulating entrepreneurship and innovation, particularly in the young. These initiatives will produce a new generation of entrepreneurs. But what of others in the UK who are talented, have ideas and can contribute?

Research goals
This study funded by Microsoft sets out to investigate how all groups in UK society can become more involved in the innovation and entrepreneurship agenda. It looks broadly at the political, economic, sociological and technological conditions that are necessary for innovation and creativity to flourish, and examines the pathways and barriers to innovation that exist for certain of the UK’s minority groups and suggests ways of improving support to enable these groups to thrive.

Defining innovation
We define innovation as “the successful commercial exploitation of new ideas” (Gann and Dodgson 2007:7). New firms are a primary source of such innovation, developing new products and services to
meet unmet needs, and new business models to deliver these in effective, cheaper, more profitable ways. Small-Medium Enterprises (SMEs) are increasingly outperforming their larger competitors (Microsoft 2007). The creation and growth of entrepreneurial new firms is thus of crucial importance to economic dynamism and to innovation in the economy, and for this reason, they are the focus of this study.

Research Sample
Three groups were chosen to represent the many diverse minorities that exist within the UK, these groups all had the potential to be more entrepreneurial, they include:

Entrepreneurs at 50+.
One in six people in the UK are over sixty-five. By 2031, the average age of the population will climb from 39 to 44 (www.statistics.gov.uk 2007). In future people will live longer, be more active for longer, may require increased healthcare, and will need to generate an income if they are to have a reasonable quality of life. In the USA, the over-50s are making a significant contribution to the innovation and entrepreneurship agenda. They could also do so in the UK.

UK citizens of Indian origin.
The UK is a very diverse society, which receives migrants from many nations. Some of these nations, such as India, have a tradition of entrepreneurship. In the US, migrants create more new ventures than any other group and their contribution to the knowledge economy through technology-based start-ups is significant. Whilst migrants are making a valuable contribution to the UK economy, the percentage of start-ups - particularly technology-based start-ups – has until recently lagged behind that of other groups. Furthermore, the level of innovation and entrepreneurship exhibited by different ethnic minority groups is very varied. Indian entrepreneurs have been relatively successful in the UK. By exploring their pathways and barriers to innovation we seek to learn how other ethnic groups can increase their level of entrepreneurship activity.

Entrepreneurs with a disability.
In the UK, as in many cultures, people with disabilities contribute to the economy by starting entrepreneurial ventures. This study examines the contribution to the knowledge economy of those with dyslexia and visual impairment.

The British Dyslexia Association (www.bdadyslexia.org.uk) suggests 10% of the general population suffer from a degree of dyslexia. However, recent studies indicate that about 19% of UK entrepreneurs are dyslexic and that the proportion in the US is almost double this (Logan 2008).

New information technologies have the capability to liberate and empower visually impaired people in the UK, over two-thirds of whom are unable to gain any form of employment. The State does offer generous grants (up to £16,000) to buy computer equipment and special software – but the paradox is that applicants are only eligible if they have a job. Technology has also played a major role in helping many dyslexics overcome their difficulties.

Methodology
A semi-structured questionnaire was designed to be used with entrepreneurs from the three groups Analysis of existing literature on: entrepreneurial triggers (Hisrich and Peters 2002); developing and screening ideas (Muzyka 2000); social networks and new venture creation (de Koning 2000; Dubini and Aldrich 1991); resource maximisation (McGrath 2000) creating value (Roberts et al 2006); organisational innovations for growth (Rothwell 1992) helped shape the research questionnaire.

In-depth interviews were conducted with thirteen entrepreneurs who had all grown their ventures without the benefit of inherited wealth. The ventures were also all scalable with growth prospects rather than just ‘life-style’ businesses. Interview were recorded and transcribed. The resulting cases, (Logan J & Henry C 2008) were followed up with three focus groups with the entrepreneurs themselves, representatives from organisations that work with these groups, and academics who have done significant research over the years. This allowed us to test and develop our findings on the triggers and barriers to entrepreneurship for these three groups, and explore the wider policy issues.

Barriers and Enablers for Hidden Innovators
Hisrich (2002) suggests that entrepreneurial characteristics and innovative ideas can be found among all groups in all societies. But what distinguishes the level of new business creation is the
supportiveness of the social and economic infrastructure, especially the availability of finance. In this section, we consider the barriers and enablers that each group face. Some of these are distinctive to their situation; some are shared problems. The cases reiterate many of these important issues but they also bring together new insights about the start up process and ways of doing business.

People who become entrepreneurs at 50+

The number of businesses created by people aged over 50 is on the increase (Patel et al 2006). Older entrepreneurs now account for approximately 15% of all business start-ups in England and Wales compared with 10% a decade earlier. In part, this is the result of demographic shifts, with more than a third of the UK population due to be over 55 by 2025, compared with a quarter at present.

Redundancy, early retirement, and dissatisfaction with previous jobs are other contributing factors. Other key statistics (Prime 2004) include:

- Nearly a fifth of older entrepreneurial start-ups are founded using redundancy payments, and more than half are in a business area the entrepreneur previously worked in.
- The average turnover for businesses owned by the over 50s is £70,000, compared with a national average of £104,000. But while this suggests a slower growth rate, only 27% of older owner-managers are relying on the business as the family’s sole source of income.
- Older entrepreneurs have extensive levels of industrial and management experience, superior personal networks and a stronger financial base (Weber et al 2004) – in short, they possess more social, human and financial capital - and face fewer business risks at this stage of their lives than younger people. Older people seem to think more clearly about objectives and pitfalls. But they have less education than younger entrepreneurs, may have failing health, and are affected by family life cycles. Conventional wisdom suggests they are risk-averse, but the evidence is incomplete and conflicting (Hart et al 2007). Their approach is better described as prudent.
- Businesses started by the over-50s have higher survival rates than those of younger entrepreneurs - in some cases as much as three times better. But they exhibit slower rates of growth in terms of employment and sales, than businesses established by prime age individuals (Peters et al 1999).
- The majority of older entrepreneurs are male (Weber et al 2004). On the other hand they have lower levels of health, energy and productivity and suffer from an ageist view of their prospects.

On the face of it, these findings are encouraging, but as Smallwood and Obiamiwe (2008) point out: “Impressive though this achievement is, however, it has to be set against the stark fact that there are nevertheless more people over 50 who are economically inactive now than there were in 1999. The population is ageing, and the number of people in the 50+ age group is growing at twice the rate of the population generally. As a result, despite the progress made, the number of economically inactive over-50s is not falling and seems unlikely to over the foreseeable future without fresh initiatives.”

The problem is recognised by government, and being addressed by PRIME (the Prince’s Initiative for Mature Enterprise), a not-for-profit company that aims to improve opportunities for the over-50s. PRIME (2004) argues that more can be done to support the expanding 50+ entrepreneurial society.

So what did how case study and focus group respondents reveal?

Consuming passions and interests.
The business created is frequently a reflection of personal interests or a consuming passion to make a difference:

“...It was a book that was ahead of its time and my research for it had fired me up. My response to this rejection was that if I am going to do something I’m going to do something that I really care about.”

(Sally Walton)

Peter Jenner’s company resulted from a lifetime of scientific research to alleviate the effects of Alzheimer’s and Parkinson’s disease:

“Money was one motivation, but alleviating the symptoms of Parkinson’s was another. I do a lot of work with support groups up and down the country and when you look these people in the eye, you can understand the gulf between our research and their practical needs. We aim to reduce the gap.”

None of the older entrepreneurs were in it just for ‘life-style’ businesses to provide an income. Most wanted to create businesses that become substantial, sustainable revenue generating enterprises. This suggests the extent of true entrepreneurship among the older population may be greatly under-rated.
Accumulated social, human and financial capital. The cases confirm clearly how the older entrepreneur is able to draw on previous experience, know-how, social networks, and personal financial resources. This, and the passion they bring to it, may be why such businesses started by people in their 50s have a greater tendency to survive.

Derek Broomfield and Peter Jenner were both acknowledged technical experts in their very different fields, which gave them access to a range of other skills, especially when the need came to employ others; Tony Howell transferred his knowledge and experience of on-line trading in financial services to his idea for white truffle auctions; Tony Baxter had a thorough insight into his market from having worked in it for years. The late 30s are regarded as the optimum time to start a business for similar reasons, but at 50 this experience is still or even more valid.

Despite the advantages of experience, the ‘new’ older entrepreneur still may need some support. This is likely to be around building confidence to take the initial step, since the fear of failure may increase over the years. PRIME have found that around a quarter of would-be older entrepreneurs just need a little encouragement and reassurance, and then are ready to go. Our entrepreneurs, however, were all strong-minded, independent types.

Their greater need is for coaching, mentoring and advice on specific problems, often after the business has been going for a while. PRIME recognises this as a critical issue and puts considerable effort into designing appropriate mentoring schemes. A key role of a mentor is to provide emotional support when the initial glow may have faded, the going gets tough, and the informal management procedures that contributed to the early excitement and success may no longer be sufficient: “This was my biggest mistake. Turnover doubled but costs escalated and profit went down. We never got out of this cycle, costs were almost impossible to control. I did not have the determination from any of the people that I employed, who were psychologically tuned to be employees rather than consultants and for two years it was very rocky. So I shrunk the business down to a virtual business again and bought in consultants whenever I needed to use them.” (Tony Baxter)

Derek Broomfield also had to overcome growth problems in the second year of the business, when his company was growing quickly and he was losing control of his cash flow.

The older entrepreneur is assumed to have some advantage because of years of experience in a large organisation where their management skills have been developed. However, our five entrepreneurs have typically only been on the margins of corporate life, or not had to handle growth or turnaround issues (although neither would most corporate managers). They therefore turn to training, mentoring, and consultants, but often have difficulty getting exactly the help they need.

Age is not an issue. None of our five older entrepreneurs like to be labelled as such. They do not regard age as an issue. They talk about the generic problems and the challenges of being an entrepreneur, and actively resist the idea of being treated as a ‘special needs’ group or classed as ‘over-50s’. Research studies and the support environment help to pigeon-hole this group by referring to them as ‘grey entrepreneurs’, ‘third age entrepreneurs’, and so forth. ‘Mid-Career Entrepreneurs’ has the advantage of being unrelated to age – and certainly loses the associations with ‘retirement’. If the characteristic of the older entrepreneur is not to think of themselves as ‘old’, there is a ‘Catch-22’ here – how to signal help and advice is available while down-playing age.

**Recommendations for government and agencies – for the over 50s:**

1. **Start-up support needs to be tailored to suit individual circumstances.** Older entrepreneurs are highly individualistic and are often impatient with conventional support services.
2. **In the early start-up stage, a few sessions with a ‘counsellor’ to build self-confidence and overcome teething issues may be all that is required.** At later stages the entrepreneur will need professional ‘business advice’ and possibly very specific strategic consultancy.
3. **Although entrepreneurs often find their own mentors through personal contacts some including older woman do not have the networks.** Business Clubs are a potential source, but they may need to broaden their reach and role. Organisations like PRIME are regarded as
effective and helpful. More could be done to encourage the exchange of views between PRIME and similar organisations (such as the Indian networking organisation, TIE).

4. Older entrepreneurs seek contact with emerging trends in industry, and to belong to sector-specific networks and clubs, not to meet other older people.

5. Small changes to regulations and the benefits system (for example, to the ‘six months on benefits rule’ and waiving tuition fees and charges on some longer training courses) can make a significant impact while starting up a business.

UK citizens of Indian origin.

Among minority ethnic groups, those of Indian origin have a reputation for being successful entrepreneurs, which is confirmed by figures for Indian-owned businesses in the UK. As a relatively successful group, Indian entrepreneurs thus reflect not so much the problems faced, as lessons for success.

Studies of the broader community of Black and Minority Ethnic (BME) businesses emphasize the need to distinguish between the different groups that make up this large and diverse category. The report on ‘Enterprising People Enterprising Places’ by the National Employment Panel and Ethnic Minority Business Forum (2005) provides an authoritative summary of statistics and issues relating to BME businesses and BME entrepreneurs:

- There are an estimated 100,000 BME owned or managed businesses in the UK (10% of all UK businesses), of which 60,000 are based in London. This reflects the concentration of ethnic minorities in a few urban centres – London, Birmingham, Leicester, Manchester and Leeds/Bradford.
- BME businesses have traditionally been concentrated in just a few sectors – primarily service-based in retailing, catering, and transport. There is a massive generational shift in the motivation for new start-ups of BME businesses – from economic necessity to the more typical motivation for SMEs generally, to take advantage of a market opportunity. This is broadening the sectoral character of the new businesses created, to include IT, business services, and the creative industries.
- BME businesses make less use of support and advice, whether provided by government agencies or professional advisors such as accountants and lawyers. Instead, they rely more on family and friends for advice.
- However, among the newer kind of businesses run by a younger, better-educated age group, conventional sources of professional advice and funding are preferred.
- Ethnic minority new entrepreneurial activity is higher than in the White population (7.4% compared with 4.7%), and particularly marked among the younger, 18-34 age group.
- Extrapolation from the relative size of this age group suggests the number of new BME businesses could rise by 50% over the next few years (up by 51,000).

These findings are rather positive for entrepreneurship among BMEs. However, certain problems persist:

- BME owner/managers remain frustrated by the lack of effective advice to help with actual business problems. The small business support services remain out of touch with the needs of this group, this has been often noted (Ram M & Small Bone D, 2003), but continues despite various initiatives. Business Links has been under the management of the Regional Development Agencies since 2005, so this may now be changing. Problems include the confusing proliferation of services (leading to unproductive competition to meet government targets), lack of relevant expertise, services not tailored to BME needs, and simply unawareness among BME businesses as to what is available. Proposed solutions have therefore centred on improving awareness, culturally sensitive delivery methods, and credible providers (Ram M & Small Bone D. 2003), - including delivery based on better engagement and interaction with BME communities. On the other hand, research shows that even ethnic business associations and community-based organisations are not a major source of start-up advice for BME entrepreneurs ( Ram M & Jones T 2002).
- There continues to be a widespread perception that raising finance for BME firms is a serious problem. However, this is more complex than may appear. Ethnicity is only one factor, with location, sector, firm size, and age being other issues. For example, BME businesses in traditional sectors tend to need money primarily for new or expanded premises in order to grow. As such businesses tend to be concentrated in deprived urban areas, banks are less willing to lend. The
Against this background, what do our cases of UK Indian entrepreneurs reveal? How do they fit this ‘mould’? What characteristics do they exhibit that may be distinctive to Indian entrepreneurs? How do their problems compare? What issues are raised that may require a policy response? Again, we draw on our case studies and the insights of our focus group.

Networking and international business.

UK Indian entrepreneurs are particularly strong in certain characteristics that are important for entrepreneurship. They emphasise personal networking and show strong networking skills; they have an international focus; and their view of selling, deal making, and marketing is based in a personalised view of the customer relationship. As Pinky Liliani said: “Don’t just talk to those who you think may be able to help you. Take an interest in everyone you meet.”

There is obviously a danger in attributing special cultural qualities to one group. Sociability and networks may be a central part of Indian life, but this is true also for many other communities. Thus, while relevant for networking and the habit of personalising the customer relationship, it is not unique. It is the internationalising of networks that is particularly interesting, and perhaps rather special.

For example, Neelesh Marik’s team of Indian colleagues started up Value Chain International while scattered round the world in their different Infosys offices. All five came from the same elite higher education institutions in India and had remained friends through out 15 years of top management experience.

The international character of Indian networks rests on something broader and deeper, however. As the members of our Indian focus group pointed out, Indians in the UK come primarily from just two areas and communities – Gujarat and Punjab:

‘The Sindhi community go all over the world and maintain their links. This ‘diaspora’ is an important part of explaining the relative entrepreneurial success of the Indian community. If there’s an element of distinctiveness, it’s here. You have to look at the patterns of migration. You’re really just looking at people from these two States. A lot of people from Kerala are in the Middle East, but they are drawn solely by the oil industry. The Gujarati community [which came to England when expelled from Uganda by Idi Amin and formed the cornerstone of the new-wave small business Indian entrepreneurs in the UK in the 1970s] were in Africa for 150 years, so they had already had to acquire their survival skills’

This internationalism is likely to play an increasingly important part in the creation of viable growth-oriented, new high technology businesses, which need to operate in international markets. It is fostered by such organisations as TIE (The Indus Entrepreneurs), an international networking organisation that mentors and links Indian entrepreneurs around the world.

Networks for micro-finance.

Strong community networks also underpin habits of raising finance, especially the need for micro-finance in the very earliest stages of setting up a business. There is a marked tendency for Indian entrepreneurs to rely on informal finance from friends and family. However, this is a not a ‘gift culture’, but one that encourages entrepreneurial business standards. It is ‘structured informal system’, with strict terms of borrowing and repayment enforced by group norms, reflecting a community structure itself governed by strong norms of behaviour and honour. Other national cultures and sub-cultures have similar practices and export them as members emigrate and gather in new surroundings.

Mentors, role models and advice.

The role of personal networks is evident also in the way the four entrepreneurs have set up and grown their businesses. They have relied little, if at all, on the kind of support much talked about now and promoted by Business Support Services, especially in relation to BME businesses - advice, coaching and mentoring.

However, they all have a strong attitude of wanting to put something back into the Indian and wider Asian community, by giving their own services as mentors. Neelesh Marik, for example, is a member
of TIE (The Indus Entrepreneurs network); and Pinky Liliani mentors for the Prince of Wales trust and serves a number of other charities. This begins to address the problem that when entrepreneurs seek advice and support, they will often look for someone successful to whom they can relate to – whether role model, advisor, coach or mentor.

The wider problem is, then, the existence of sufficient ready role models from that particular group, which creates a ‘chicken and egg’ problem in encouraging minority group entrepreneurship. The Indian community has made strong progress in this respect: others have some way to go. Ethnic minority groups need sufficient entrepreneurial role models who are perceived as ‘authentic’ and can provide relevant mentoring and advice.

Recommendations for government and agencies – for the BME group:

1. The UK is regarded as favourable to entrepreneurship, but attitudes to risk remain conservative. Institutionally, this is reflected in the bankruptcy process and laws, and at a personal and business level in the attitude to failure generally. The latter is reflected in attitudes to lending and investment. In the US, venture capitalists want to hear about failure in order to know what the person did about it – which is, after all, a better test of how they will deal with inevitable business problems, and will achieve an effective return on investment. In the UK, lenders are said to be only interested in perceived success. There are issues here for government and the investment community.

2. There is a continuing need to reflect the diversity within the BME community, and the distinctive problems of different groups. This includes especially the way institutions (banks, government agencies) discount and fail to recognise the distinctive problems of BME groups vis-à-vis established White businesses. This can lead to the inadvertent racism of such practices as ‘redlining’ in bank lending. The UK – unlike the USA and the Nordic countries – invariably relies on voluntarism to solve such problems, rather than collect data and publicly audit private practices. The longstanding failure of Business Links to collect comprehensive data on BME businesses is indicative of this shortcoming.

3. On the other hand, treating BME businesses as a special case may itself not be helpful. Like the over-50s, our Indian entrepreneurs see themselves as entrepreneurs, facing characteristic entrepreneurial challenges with entrepreneurial qualities. Our cases are, indeed, not typical of BME businesses in inner city areas, where the focus of small business policy is quite reasonably with entrepreneurship as a way out of unemployment and combating social exclusion. Alleviating unemployment, however, is not necessarily the same as creating entrepreneurial businesses, and may tend to perpetuate the marginalisation of some groups. Entrepreneurship and SMEs involve objectives that are potentially at odds. A change in mind-set might help both to reflect the real problems of inner city BMEs and encourage growth-oriented entrepreneurs.

Entrepreneurs with a disability.

In an effort to channel appropriate assistance, social services in their various policy guises categorise disabled clients as having either physical disability or learning disability. The reality is often more complex. The loss of a limb may be obvious to an observer, but effective coping strategies may be concerned as much with an attitude of mind. A learning disability can stem from a brain injury, but the spectrum of causes can extend to perceptual problems and personality traits. Some of the more recently documented learning disabilities may have physical or behavioural roots, or both. For example, dyslexia can be a function of pathways between brain lobes; but, equally, it can be concerned with learning styles that differ from those of the mainstream for whom today’s education system was designed.

Action for Blind People (www.actionforblindpeople.org.uk) is a UK national charity set up 150 years ago to improve employment opportunities for blind and partially sighted people. ‘Visage’ is a £3 million UK and European employment project sponsored by the London Development Agency which has invested in a series of projects over the last two years (www.visage-equal.org.uk). Barbara Morton, as director of both, with colleagues has carried out research into employment and entrepreneurship among the blind and partially sighted:

- 66% of visually-impaired people of working age are unemployed
- Most are unemployed for a considerable time before attempting self employment

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• Most have low expectations of income and look to replace their benefits and have the dignity of work or control over their work environment
• In a survey Visage carried out with clients, only 1/3rd had accessed mainstream business support
• 15-20% of visually impaired people investigating a business start up actually start their business (in line with the norm for other groups)
• But they achieve a 95% sustainability rate after 3 years (well above the norm).

Research by Boylan and Burchardt (2002) on barriers to self-employment for disabled people similarly found that:
“Self-employment is an important source of paid work for disabled people, especially part-time self-employment. Among women, self-employment represents a significantly higher proportion of paid work for disabled women than for non-disabled women, even after controlling for differences in age and educational qualifications. Moreover, for both men and women, disabled people currently out of work appear to be more open to the idea of self-employment than their non-disabled counterparts.”
However, the self-employed disabled earn only half the income of able-bodied people.

The traditional solution for blind people deemed amenable to training was to become a telephonist or a self-employed piano tuner. Over the last nine years, ‘Visage’ has acted as an incubator and fostered businesses run by and employing visually impaired people who are now engaged in such diverse lines as digital archiving, catering, logistics management and office supplies.

In a report in 2007, Visage’ describes favorably a model used in France, Belgium and Sweden – the Business & Employment Cooperative (BEC) – for fostering entrepreneurial start-ups (Morton et al 2007). This allows the budding entrepreneur to remain on state benefits while developing a marketable offering. Once the fledgling business is ready to be spun off it repays 10% of sales to the BEC. In 2005 BECs were developing 90 firms with a combined turnover of €16.5 million.

The situation concerning dyslexia and entrepreneurship is subtly different. Perhaps because the condition is not obvious to the casual observer, stereotypical or prejudiced reactions are less likely to be provoked. In fact, dyslexic entrepreneurs are often viewed as charismatic figures. Sir Richard Branson is a case in point.

McClelland (1961) coined the term ‘nAch’ to describe the propensity among entrepreneurs to have a high need to achieve. Successive studies substantiate the finding that, by the same token, dyslexics tend to fare poorly at school and this can leave them driven to prove they are not inferior (Nicholson R & Fawcett A, 1999: Reid G & Kirk J, 2001).

The compensatory coping strategies they develop often include increased creativity and better than average skills in oral communication, delegation and problem-solving. As these are all ideal attributes for an entrepreneur it would suggest that dyslexics (about 10% of the UK adult population) will exhibit an increased propensity to emerge as entrepreneurs. In fact, research in the UK has found that 19% of UK entrepreneurs claim to be dyslexic, while in the USA, where business failure is less of an anathema and more a rite of passage, research shows that 35% of entrepreneurs claim to have some dyslexic traits and 23% are highly dyslexic (Logan 2008). The same research shows that dyslexic managers tend to stay with their firms for a shorter time than non-dyslexics and often had more than one successful venture.

So what can we learn from our respondents?

Determination to succeed to overcome difficulties at school and work.
Both entrepreneurs with dyslexia encountered difficulties at school and dropped out early without significant qualifications. On the other hand, both blind entrepreneurs succeeded in pursuing tertiary education, but only after being firmly discouraged on the grounds that it would be pointless. Again, later, when both were highly qualified, they had great difficulty persuading anyone to employ them.

As a result, they attribute the root of their success to a determination to prove they were not stupid or useless. As John Cavill put it:
“I felt a high need for achievement. I had to demonstrate that I was not as dumb as people thought”.

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The standard curriculum is clearly unsuited to people with a disability. Janette Beetham had left school as soon as she could “…feeling that I wasn’t good at anything academic”.

As a young, visually impaired graduate, David Murdock was stunned by the response he received from civil servants at job centres: “Stick on your benefits, you won’t get a job; it’s not worth your time.”

However, all four entrepreneurs had happy childhoods in families that provided strong social support, but limited experience of entrepreneurship. Their role models upheld family values and self-confidence, rather than business acumen. Without this to help them overcome rejection elsewhere, they might not have succeeded at all.

‘Difficult’ people.
Experiences at school and work like these will either destroy confidence or provoke a fight-back. It made two of our case subjects into disruptive and aggressive youths and troublemakers who later had to learn to change themselves.

David Murdock recalls that at school “I got no help at all. I was flippant, bolshie and outspoken.”

After graduating Roger Wilson-Hinds became a door-to-door salesman (“To do this well you have to like people and not mind rejection”), and later, as Head Teacher of a special school for blind children, was made redundant “for being too radical”. Both eventually mastered people skills, but still refuse to suffer fools gladly.

Achieve control and self-esteem.
This background of struggle and learning to fight rejection acted as a driving force to their becoming entrepreneurs - through a need to survive, to control their working environment, to build self-esteem, and fulfil a dream.

Most saw themselves as unemployable in a corporate environment. Two found that self-employment was the only way to satisfy the need for an income; while the other two were sacked by their employers – one on several occasions. Paradoxically, this experience was liberating and enabled them to focus on a long-held objective to be their own boss (the ‘trigger’). As Janette Beetham said, ‘I became ‘me’ at forty-three!’

Coping strategies.
Dyslexics and the visually impaired who overcome their disabilities tend to manage in different ways. Dyslexics develop coping strategies as children that serve them well in business, learning to delegate to others who don’t have their problems with the written language and becoming team workers: “I began to see that success is achieved through people, not just through technologies and processes; and not by lone entrepreneurs but by entrepreneurial teams.”

On the other hand, blind children can easily become over-dependent on their parents or carers. To avoid this, they can become fiercely self-dependent: “I prefer to do things for myself … but I now see that I have to be more reasonable. A few years ago I was fine as long as everybody agreed with me!”

Needs for training, advice, coaching, mentoring.
The difficulties they have to overcome create strong needs for training, advice, coaching and mentoring - not only to acquire interpersonal or business skills, but also because they have to work harder to influence and educate funders, distributors and customers to appreciate what they offer. At some point, advice, mentoring and counselling has become critical for all four, but to get help of the right kind has not been easy.

The background of advisors in small business agencies and sector advisory bodies (typically, as managers in large companies or banks) tends to be inappropriate for understanding such clients, or the ICT-mediated business models they have created, or even the problems they face in the immediate 18 months after starting a business.

A mission to put something back.
Having succeeded themselves, (like the Indian entrepreneurs) they are committed to creating advisory support systems to help others in the same position. Janette Beetham recalls “receiving lots of advice...”
and a small grant, but what I needed was mentoring and business counselling”, which prompted her to qualify as an enterprise advisor and business counsellor. Roger Wilson-Hinds laments going to frequent “business breakfasts” looking for advice, and wasting a lot of time “when we should have just got on with it”. Today he is a trustee of the Blind Business Association Charitable Trust (www.actionforblind.org.uk), helping blind people get into work. John Cavill has trodden a similar path. He now serves as an advisor to the British Dyslexia Association’s (www.bdadyslexia.org.uk) Board of Trustees to help others with dyslexia, and runs a offer consultancy, coaching and teaching to budding entrepreneurs. After a long search David Murdock did find a mentor, who has now become a valued business partner.

Life-time learners.
After their early difficulties, entrepreneurs with a disability tend to become ‘lifetime learners’ as mature adults and regularly undertake further studies. Recognising the value of learning, it makes them also willing to advise and counsel others.

The liberating effect of ICT.
For those with a disability, new forms of ICT are an increasingly vital enabler. In daily life, ICT allows the disabled to do more of the things that non-disabled people take for granted. At work, ICT can compensate for disadvantages by helping to level the playing field and even allow particular acuities to deliver a competitive advantage. As David Murdock’s Clarifeye.com website says: “Testing by a group of disabled people who are directly affected by badly designed websites, will mean the advice you receive will guarantee your website will become accessible.”

Like all new enterprises today, which make extensive use of office automation tools and the internet, Janette Beetham’s business website enables her to reach her customers and for them to interact with her ‘virtual shopfront’; while her order processing systems means she can manage and run her businesses from anywhere in the world.

But others have gone further. For John Cavill, Roger Wilson-Hinds and David Murdock, ICT forms the very essence of the novel offerings upon which their enterprises are founded. Each employs ICT in innovative ways in combination with design, consultancy and installation services to create new markets.

In fact, without ICT, their offerings and their contributions to society and the economy simply could not exist.

Recommendations for government and agencies – for people with disabilities:

1. Networking groups that allow potential entrepreneurs with a disability to meet successful entrepreneurs (‘role models’) like themselves are inspirational and informative in giving relevant advice. Promote initiatives that provide such role models and networks.
2. Training initiatives that encourage those with disabilities to gain new venture creation skills are essential. Organisations like the School for Social Entrepreneurs and projects such as ‘Visage’ do this well.
3. However, since many from these groups will feel that the standard curriculum has already failed them, innovative teaching approaches are required. Such approaches will highlight inter-personal and communication skills delivered by means of mentoring, counselling and coaching. The reality that these are expensive and scarce teaching skills is a barrier that must be broken down.
4. Ensure that advisors for SMEs and start-ups are equipped to evaluate ICT-mediated business models.
5. Work towards creating a trained cadre of mentors and counsellors to carry an enterprise through the start-up phase.
6. Liberate the latent reservoir of talent emerging among disability entrepreneurs. Many wish to ‘put something back’ and share their experiences to help others. This can be informal and unpaid, or involve a paid non-executive role, or an equity stake in an embryonic business.
7. Making money is important to these groups, but ‘making a difference’ is an equal, if not stronger motivation. They did not start their ventures to become wealthy – although some have done so – and they have needed to earn a living which was denied them in conventional ways. But their main motivation was to achieve an ambition and change the status quo facing
such people as themselves – usually by means of an innovative product or service that fulfilled an unmet need. The way entrepreneurship is talked about should recognise this motivation.

8. The liberating effect of new information and communications technologies (ICT) offers a way forward that is immediately available. Every day this is easier to use and less expensive. Technology does not have to be ultra high-tech; the benefit flows from the appropriate combination and application of current capabilities. A modest grant for IT tools and internet connectivity plus relevant training can dramatically accelerate new enterprise by people with a disability.

Discussion and recommendations

The featured cases illustrate many essential lessons for potential entrepreneurs. This includes the need for passion and determination in the face of difficulty; the requirement to create value around an opportunity. They also highlight aspects that may not always be fully understood: for example, the way entrepreneurs ‘personalise’ the customer relationship and the way they bring innovation into their processes and business models.

Above all, the cases illustrate the barriers that are distinctive to the groups featured in this study and suggest how the UK can make greater use of the potential contribution that such groups and other similar unheralded ‘hidden innovators’ can make. We now turn our attention to general recommendations that may have cognisance for many groups within UK.

There is a need to take diversity seriously

This study of ‘hidden innovators’ points to the essential requirement to ‘take diversity seriously’; we must recognise differences and the distinct needs of groups that may be marginalised. This is a particular refrain in research that highlights the diversity of black and minority ethnic groups but older entrepreneurs and those with a disability likewise have distinct needs.

These cases illustrate how they also have particular strengths and talents for entrepreneurship, and can furnish novel insights into products and services. This is particularly true of our visually impaired entrepreneurs, with their appreciation of the needs of better-adapted products for people with visual impairments.

Just as the dyslexics have developed compensating abilities, our visually impaired entrepreneurs have found in ICT the opportunity to excel and discover latent talents and ideas for new products. While the use of ICT across the sample mirrors that in new businesses generally – from being simply a necessary support to the business, to providing new ways of doing business through the web and creating a business round this – our visually impaired entrepreneurs have latched onto ICT as a liberating tool to enhance people’s lives.

There is a need to change the language and image of entrepreneurship

Many of the entrepreneurs in this study did not think of themselves as entrepreneurs, and some do not like the label. The cases clearly illustrate that in most cases the desire to make money was not the primary reason for starting a company. Along with the need to make a living, it is notable that entrepreneurs are often motivated by an altruistic goal – the desire to make a difference, to do something that produces social benefits - or just to realize a personal dream of some kind. We need to change the lexicon of entrepreneurship to include some of these terms.

There is also a need to make entrepreneurship sound less male; we are constantly told that entrepreneurs work 24/7 which prevents many groups from considering entrepreneurship as an option. Carers, older people and the disabled can create successful ventures even if they are part time, and new technology provides a platform.

Encourage improvement as well as innovation.

During the focus groups it became apparent that the language of innovation can be both stimulating and a turn-off. As a rallying cry or remedy for the UK’s ‘problems’ it may discourage people who think their ideas are insufficiently ‘innovative’, when they may have much to contribute to the vitality of the UK economy. A successful idea is often a simple solution that fills a gap, or is an incremental improvement. A number of our entrepreneurs recognised their ideas were like this, but yet there were strong businesses and money to be made from them.
The need to increase the entrepreneurial self confidence (self-efficacy) of the nation and of minority groups in particular.

Our focus groups suggested people in the UK do not feel confident in their ability to become entrepreneurs. This is combined with a fear of failure, which may be why more people do not create new ventures. This insight is confirmed by research from Gem (2006) which suggests that up to sixty percent of the population do not believe they could create a successful new venture. The combination of role models, mentoring, coaching and training would help to overcome this by increasing ‘entrepreneurial self efficacy’.

‘Entrepreneurial self-efficacy’ can be defined as the strength of an individual’s belief that he or she can successfully perform the varied tasks that make up the entrepreneurial role (Chen et al, 1998). It is a multidimensional construct linked with task groups such as marketing, innovation, management, risk-taking, and financial control.

The literature, including the work of McCelland (1961), clearly supports the need for role models as a way to increase the entrepreneurial self-efficacy of a nation; while the growing body of research based on the work of Albert Bandura (1977) and Lucas and Cooper (2004) suggests that an individual’s entrepreneurial self efficacy can be increased by a combination of role models to inspire, mentoring and coaching, training opportunities to practice enterprise skills, and experiential learning.

The need for tailored encouragement and support.

Most people – and certainly those in this study – need encouragement and support to take the first set towards entrepreneurship. There is widespread recognition of this need and the different ways of providing it:

- The need for role models - Many entrepreneurs will describe how they have been inspired by particular role models. The problem for disadvantaged and minority groups is that they may lack relevant role models. Role models need to be similar in background. If you have a disability, meeting a successful entrepreneur with a disability is far more inspirational than meeting a high profile entrepreneur whose achievements seem unattainable.

- The need for tailored support - Practical support also needs to be tailored to specific requirements. For example, older entrepreneurs often need particular encouragement and positive reinforcement that their business idea will work. The organisation known as PRIME (the Prince’s Initiative for Mature Enterprise) fulfils a valuable role here through its understanding of their needs and motivations; while entrepreneurship training for mature adults requires a ‘contextual’, discovery-based approach (Jones A & Hendry, C 1994: Rae D, 2005). The visually impaired and dyslexic similarly have very specific issues and problems to do with their disability – innovative training helped both with the interpersonal and communication skills they lacked because of their education and disability.

- The need for appropriate coaching and improved training for advisors - Most new businesses need some form of support to get started. The classic UK support system is typically geared to developing business plans to flesh out the business proposition. But this may not be suitable for these groups, certainly it is insufficient, and is not how most of our entrepreneurs got started.

One of the strongest messages coming from the cases and focus groups was how inadequate and inappropriate the advice system is. Small business advisors are seen as invariably lacking experience in new venture creation, and are therefore unable to respond usefully to the particular and immediate problems new entrepreneurs want help with. The nature of their role is also inappropriate – being geared to ‘giving advice’, whereas what is often needed is coaching. This implies better training for business advisors and a different pattern of recruitment by encouraging more serial entrepreneurs to get involved in coaching.

- Increasing the number of mentors - From early on having a mentor is invaluable – especially when the new entrepreneur starts to encounter new problems and challenges. While organisations such as PRIME and TIE (The Indus Entrepreneurs) highlight this, they cannot themselves be mentors, but must rely on volunteers to give their time. Mutual help organisations, such as the UK’s Academy of Entrepreneurs (www.chiefexecutive.com), dedicated to supporting established businesses, can also help through one-to-one coaching.
In practice, many of our entrepreneurs found mentors in all sorts of places through their own networks, and networks are indeed a vital resource. Indian entrepreneurs seem to have particular skills and resources in networking. Older entrepreneurs, who have a history of employment to draw on, may also have an advantage, through accumulating networks of business contacts over the years. Others without this employment history, including older women entrepreneurs, are less fortunate. There are increasing numbers of networking groups, locally and nationally provide extended “sites of interaction”. Nevertheless, finding a mentor who can be both friend and critical ally remains a personal and unpredictable process.

- The need for business growth mentoring - The entrepreneurs in this study suggested there is a need for ongoing mentoring. Older entrepreneurs may have useful social capital that helps them to start-up but they are still just as vulnerable, as all new SMEs are, to typical growth problems, such as managing cash flow, broadening their skill base, and recruiting the right people. All therefore need access to continuing sources of support, particularly mentors. ICT could play an important role; on-line mentoring may provide a solution, offering access to experienced mentors on a needs basis. But mentoring itself is not a single panacea, and good mentors are liable to remain in short supply.

There is a need to differentiate between self-employment and entrepreneurship and tailor policy to meet the particular needs of each group.

Finally, we need to emphasise: self-employment is not entrepreneurship. Small business policy in the UK has for many decades used the creation of small businesses as a way of alleviating unemployment. Government small grant schemes for start-up (in their various guises) are likely to do little more than enable one-person businesses.

This is laudable, self-employment makes a valuable contribution and can also lead to growing businesses. But it is based in a misconception and contradiction. The social objective to alleviate unemployment and increase social inclusion through self-employment is different from the economic objective of facilitating entrepreneurship and creating growth-oriented businesses. The support measures required and the skills necessary in the agencies delivering them are consequently very different.

This problem affects not only those in deprived urban areas with high unemployment, and hence those concentrations of black and minority ethnic groups in these areas, but also older and disability groups, where the focus of policy is to get them out of unemployment. This is a limiting perspective on what they can achieve, and on what those who are entrepreneurially minded seek.

Elements of the benefits system (such as those involving grants for equipment and training, and the ‘6-month rule’) create obstacles for older and disability entrepreneurs, and are not about supporting entrepreneurship effectively, but guarding against abuse of the benefits system. They are thus rooted in the ‘unemployment’ agenda, not in the ‘entrepreneurship’ agenda.

The policy focus is therefore actually part of the problem, as far as ‘hidden innovators’ are concerned. Since it is tied into a model of entrepreneurship as a way out of unemployment, it tends to perpetuate the marginalisation of certain social groups.

Limits of the study
The sample size for each group was small so these cases may not be representative of the larger group. The aim of this research is to draw parallels between the groups who have already been studied in detail. The lack of numbers is compensated for by making use of a robust body of research on each of the individual groups and including individuals from the groups plus their support organisations and other experts (including those researching in this area) in the focus group studies.

Conclusions
There are improvements that can be made so that we can unlock the innovative and entrepreneurial potential of all groups within UK society. Building ‘entrepreneurial self-efficacy’ will help the UK to grow more innovative start-up companies. In order for this to happen there is a need for tailored support and advice, a continuum of support, from signposting and information, through to coaching and mentoring. What this indicates, above all, is that different forms of so-called ‘advice’ involve...
quite different roles, and have different salience as a new business develops. Our business advisory services need to respond to this agenda.

We also need new initiatives that encourage more serial entrepreneurs to become involved in mentoring and coaching. Experiential training should be open to all. The training initiatives for the young which have included: meeting guest entrepreneurs, preparing business plans and running a business for a short time have worked well. Could some of this training be replicated for others in the UK?

There is also a requirement for more organisations such as PRIME who can meet the specific needs of minority groups. PRIME is very successful and this model could be replicated.

The entrepreneurial spark is present in many individuals it must be nurtured rather than quashed by lack of understanding of their particular needs. Training must be made available to business advisors and other civil servants so they do not place additional barriers in front of potential entrepreneurs. Initiate a campaign to make entrepreneurship inclusive. Profile a wider range of role models in the media and change the terminology used. Encourage more use of technology platforms to facilitate entrepreneurship for those who may need to work mainly at home. A change in mind-set and policy is required so that both the self employed and growth oriented entrepreneurs receive the tailored support that is specific to their needs, this might help both to meet the real problems of marginalised groups and encourage growth-oriented entrepreneurs.

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