

STARTER FOR SUCCESS

The Impact of the Starter for 6 Programme

Starter for 6 (S46) is a highly successful programme for supporting creative businesses in Scotland. It **stimulates and supports enterprise** and is building the long-term capacity of support for innovation across the country.

Since its launch in 2007, **S46 has helped over 116 businesses to be established, increasing their business turnover by £2m and contributing £1.5m additional GVA to the Scottish economy**¹. The S46 programme offers creative businesses training and coaching, peer mentoring, aftercare support, and the opportunity to pitch for investment up to £10,000.

S46 is **helping create a synergetic network within the creative sector**. The pilot programme alone (2007-2009) supported 210 individuals and 183 business ideas during its initial period.

The programme was originally designed by Nesta, in response to Scottish Government acknowledging the importance of innovation-led creative businesses to the country's economy, but recognising they need customised support to face specific challenges that could limit their potential².

Following the successful 3 year Nesta run pilot, S46 was mainstreamed through Scottish Government via Creative Scotland's Innovation Fund and is now run by the Cultural Enterprise Office, for Creative Scotland, who have extended both the programme and the opportunities available for S46 businesses.

Practical support and development for creative individuals

S46 participants respond enthusiastically to the pragmatic combination of hands-on **industry-focused advice** with the opportunity for targeted development investment. The **'one-stop-shop' approach** has been particularly well received, providing a focus for existing support initiatives and signposting to specialist support where needed.

S46 provides a **structured framework for assessing opportunities and markets** - participants find it encourages the time to reflect on business ideas and make an informed decision about whether or not to proceed with them.

Businesses say S46 provides a more tailored and specialised support from the main stream business support services because of its **focus on innovative creative businesses**. Consequently, participants particularly enjoy the peer networking elements of the programme.

Meeting the needs of the creative industries

S46 is a proven success, actively serving the needs of participants and funding partners by: building **confidence**; developing **skills**; strengthening **networks**; and improving **performance for business sustainability**.

One of S46's great strengths is that it is rooted in the real world **providing bespoke, practical solutions and support** – and the best testament to its success comes from the participants' experience, which is provided in their own words throughout this summary.

¹ The contents of this paper are based on 'Starter for 6 Longitudinal Evaluation', SQW, 2011

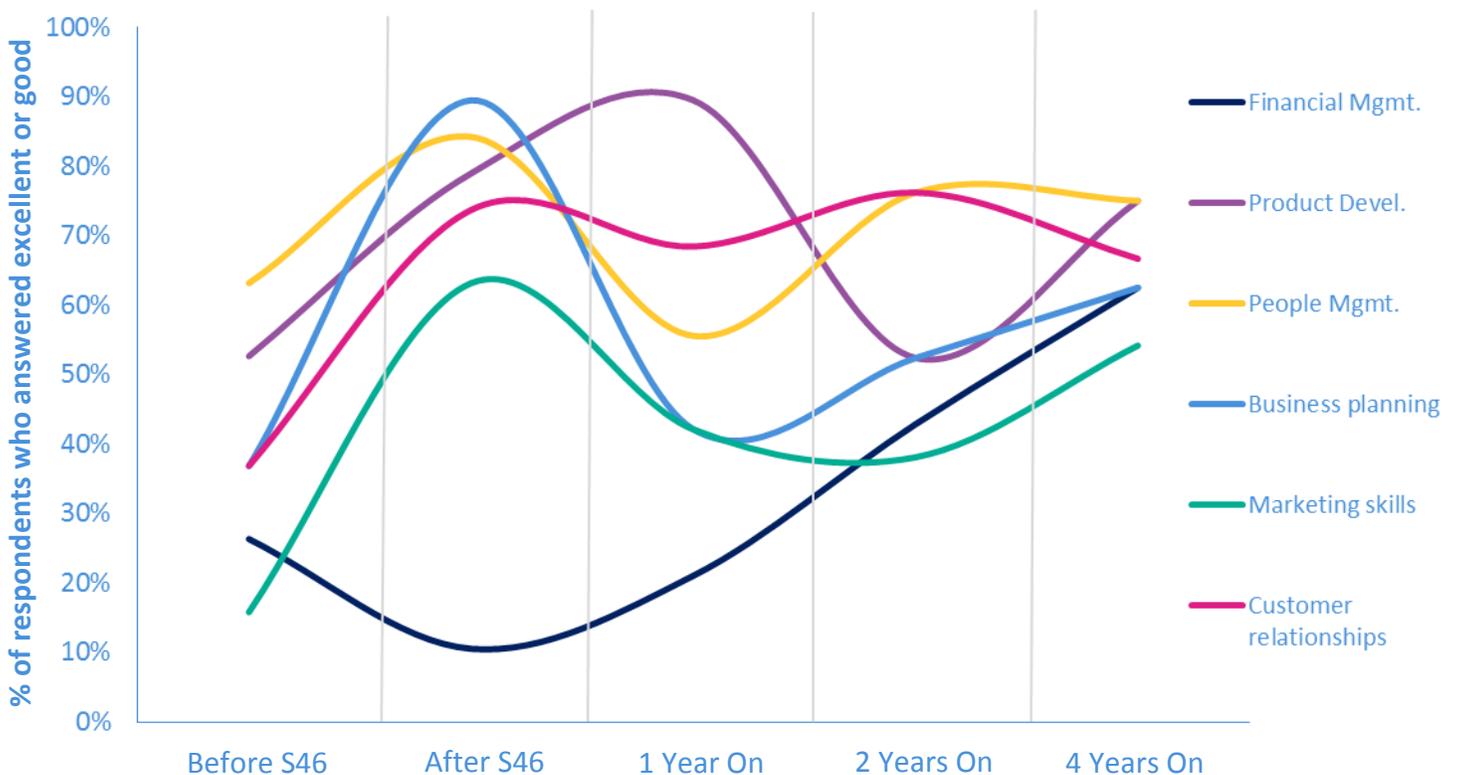
² The SG's 2007 economic strategy identified the creative industries as one of six key sectors which could expand Scotland's comparative advantage internationally, recognising, "...there are a number of market failures and associated barriers to growth that prevent small businesses maximising their potential."

CONFIDENCE

"Starter for 6 has had a massive positive impact on my self-esteem, outlook and confidence."

The impact of the programme on the confidence of participants is extremely positive, and **confidence levels continue to increase gradually across most areas following the programme** (see Table 1) after an initial brief dip as they encounter the challenges associated with the realities of establishing a new business.

Table 1: Confidence mapping – 2007 cohort



Bluebellgray

www.bluebellgray.com

Bluebellgray is a Scottish textile design company that specialises in home interiors, established in 2009 by Fiona Douglas. She valued the approach the training took, finding it well structured and accessible to somebody from the creative industries, providing her with **practical information** such as how to price products and handle trade shows.

The networking element of the programme allowed her to meet people in the same situation to share experiences and bounce ideas off. This created a **supportive environment** that helped focus her business ideas as well as stimulating new ones.

Fiona feels S46 made a big difference to her business by giving her the **confidence to take the company forward**. Bluebellgray is on track with its business plan and over the next few years, hopes to increase its turnover by more than 20% and develop its product range to expand into new markets.

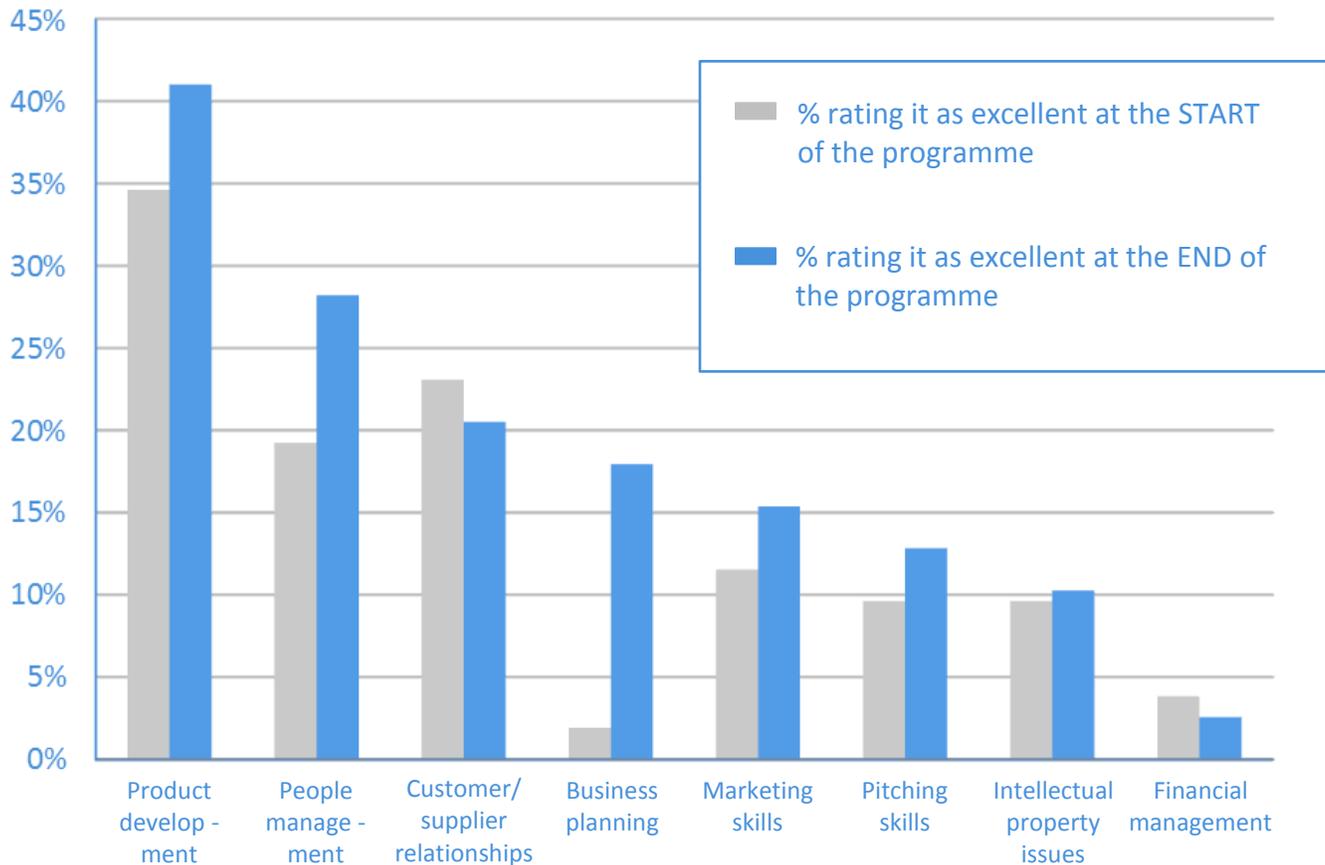


KNOWLEDGE AND SKILLS

“My current activities as a self-employed designer have been improved by all aspects of the business training from Starter for 6”

77% of S46 participants developed new skills or knowledge on the programme. Table 2 illustrates the improvement in core skills participants acquire during S46, with Business Planning and People Management being particularly noteworthy.

Table 2: How would you rate your skills in the following areas with relation to the needs of your business?



Johanna Basford

www.johannabasford.com

Johanna Basford creates intricate, hand drawn illustrations and was motivated to join the programme to develop her business knowledge. S46 gave her **skills in areas her university education hadn't covered**, such as financial planning, organising, problem solving and marketing.

The training offered by the programme was **very specific and suited her creative background**. Since completing it Johanna has changed focus using the skills gained on S46 to help her restructure her business plan and adjust it to the new market conditions of the recession.

She found the networking hugely valuable allowing her to make contacts in different industry sectors that **would never have happened otherwise**. Johanna's business is now making a profit and all its structures are successfully in place. Over the next five years the growth prospects are strong, averaging 20%+ per year. Her advice? *“Just do it”*.

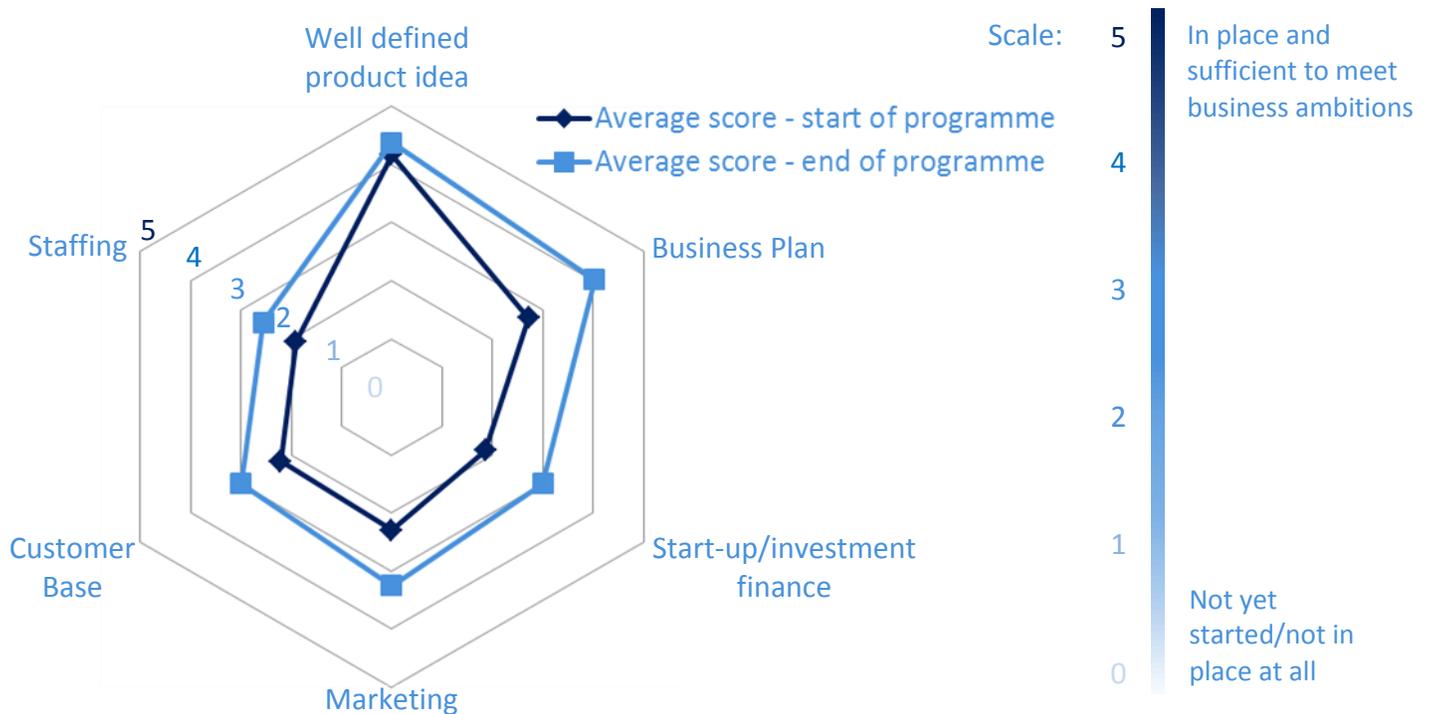


PERFORMANCE

“The 10k investment I secured helped me to prove my product, realise a prototype and begin proper IP protection in a fraction of the time that it would have taken me on my own.”

Operating turnover of S46 businesses grew in total by around 30% a year following participation, with **61% of them attributing a positive impact on their sales to the S46 programme**. On average S46 businesses attribute £11,000 of their gross turnover growth to the programme.

Diagram 3: On a rate of 1-5, where would you rate your business in terms of the following?



S46 has been attributed with generating a **total impact on business turnover of £2m**, which in turn provides an estimated £1.5m net additional GVA to the Scottish economy³ with relatively little displacement given the nature of the businesses that are supported (90% in Scotland). Diagram 3 shows **measurable improvements** experienced by S46 participants in six key business performance areas.

Safehinge

www.safehinge.com

Safehinge had three motivations for joining the programme – skills, contacts and funding. They were **successful in pitching for £10,000** for product development and getting the product to market, and this had the greatest impact on the company.

S46 gave them **access to a strong PR network** and helped them generate a lot of good publicity through media coverage. The coaching element helped support the business partnership allowing them to chat through issues and *“let off steam”*.

In 2009, they were nominated as Entrepreneurs of the Year by the Youth Business Initiative. The company are **forecasting strong growth over the next five years** as they plan to introduce new product lines and expand into new national and international markets.



³ These results are based on an assumption that the impact for each group lasts for three years and extrapolates from the evidence of past performance. It is possible that a number of cases may go on to much greater success, which would produce higher impact results.

CONNECTING

“There was a very good vibe to the Starter for 6 group... it never felt competitive”

Networking and peer support are essential elements of S46 and 64% of participants have had continuing contact with other participants after completing the programme, sometimes resulting in joint projects or customer/supplier relationships being established.

Participants improved their understanding of where to access future support, and **many remain in touch to discuss business ideas** and challenges or continue to meet on a social basis.

Table 4: Participant end of programme responses to question “What would you need from a Starter for 6 Alumni Network?”

	% of respondents
An online community	75%
A route to collaboration	40%
Support for dealing with manufacturers	48%
Support working internationally	40%
Introduction to investors	70%
Motivational speakers	48%
Other	8%

A heartening aspect of the programme is the significant proportion (35%) of ‘S46 graduates’ that continue to voluntarily assist with the programme as mentor, assessor on pitching panels, or speaker at S46 events. An **Alumni Network started in 2011** (see Table 4) to inspire, network and inform previous S46 participants.

Tree Green

Brian O’Reilly of **Tree Green** participated in S46 in 2008 attracted by the **opportunity to meet like-minded people** and to gain strategies and insights into business planning. The programme gave him a stable platform to develop ideas and a stronger business plan.

Brian has kept in touch with a number of others from the programme and found them to be a good sounding board as his ideas have progressed. Also, he has been a **mentor for participants on later S46 programmes**, helping other potential entrepreneurs develop their business ideas.

Brian’s participation in Starter for 6 allowed him to then go on and access Enterprise Fellowship **funding to help commercialise the idea** and secured further angel investment to launch his product. Tree Green started trading in 2011 and the company now employs two people on a full time basis.



GROWTH

“It inspired me to have a go at developing my idea, and to setup a limited company, so it had an extremely positive effect on my idea!”

The programme **helped overcome barriers in accessing finance**. Thirty-four operating businesses raised finance additional to S46 investment and 35% of those felt that participating in S46 helped them to raise the investment.

Over 82% of participants indicated a positive impact that helped to develop and refine their ideas as well as **identify clear routes to market**. Most of those that received funding felt it was key to developing their business idea (e.g. investing in product development; protection of IP).

Table 5: Participant end of programme responses to question “What are your growth prospects for the next five years?”

	% of respondents
No growth	4%
Low growth (average of 0-9% each year)	9%
Medium growth (average of 10-19% growth each year)	42%
Strong growth (average of 20%+ growth each year)	44%

Respondents surveyed November 2011

The table shows the **tremendous confidence** companies have in their prospects for annual growth for the future as a result of S46; with **86% predicting between 10-20% growth over the next 5 years**.

Hubdub

www.hubdub.com

At a S46 networking event Tom Griffiths and Rob Jones met Nigel Eccles, who they partnered with to create a new venture called **Hubdub**. They succeeded in raising over £800,000 of investment and the company launched in 2008. The **business grew quickly** and now employs fifteen full time staff. They continue to successfully raise investment to allow further growth.

Having had a mentor from S46, Hubdub is **convinced of the value of one-to-one specialist support**. They found their own business developed a lot faster when somebody who had experience of setting up a similar type of business was there to support them.

Since completing the programme, Tom has continued to be involved with S46, acting as a mentor for participants. His advice? *“Talk to your customers - it’s important you find a market for your product and speaking to potential customers is the only way to do that”*.



“The programme exceeded my expectations. I have been to a lot of business workshops but ... the Starter for 6 content was a lot more relevant and therefore very engaging”

As a result of S46 **116 businesses were established** from the initial 183 business ideas, with 102 continuing to operate (88% success rate) at time of publication. Almost three-quarters of respondents felt their business had performed better or been set up quicker as a result of S46 (see table below).

Table 6: Participant end of programme responses to question “If you had not participated in the Starter for 6 programme, which of the following do you think would now apply?”

	% of respondents
I would have done the same thing anyway	25%
I would have set up a business but it would have taken longer	38%
I would have set up a business but it would not have performed as well	33%
I would not have set up a business	5%
All responses	100%

There is no doubt that S46 continues to have a tremendous impact on its participants across a range of areas, with the most commonly reported being an **increase in confidence**. This relates closely to what many feel is the most useful part of S46 - **improved networks and collaboration** – working with people in a similar situation in a supportive environment.

In practical terms the programme helps **develop business ideas** by providing a structure to think through ideas further, undertake market research and construct a business plan. This leads to impressive improved business and economic performance - with many participants still noting the difference that the programme has made a number of years on. After five years of operation S46 has proved itself to be **a starter for success**.

More information on the current Starter for 6 programme can be found at <http://www.culturalenterpriseoffice.co.uk/Starterfor6>.

If you would like to discuss any of the findings from this evaluation report, please contact Scotland@nesta.org.uk.