

15th Annual Ethnic Minority Business Conference

'Making Diversity and Enterprise Everyone's Business'

12 October 2011
Holiday Inn Hotel, Leicester

Event Report

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Welcome and Opening Address

The Centre for Research in Ethnic Minority Entrepreneurship (CREME), based in the Leicester Business School at De Montfort University hosted its 15th Annual Ethnic Minority Business Conference at the Holiday Inn in Leicester on 12 October, 2011.

In welcoming participants and speakers, Professor Monder Ram spoke of the need to focus on the central theme of the conference - 'Making Diversity and Enterprise Everyone's Business'- and to consider both the challenges and the opportunities confronting ethnic minority enterprises in a changing market and policy environment. The aim of the conference was not only to chart the journey since the first annual event had taken place, but to look ahead and consider ways in which ethnic minority businesses (EMBs) could be supported against a background of state disengagement and a faltering economy.



Professor Monder Ram



Professor Dominic Shellard

In his opening address and welcome to the delegates, De Montfort University's Vice-Chancellor, Dominic Shellard, reiterated the theme of a changing environment which was also impacting on the educational as well as the business sector. Dominic stressed how issues of diversity and entrepreneurship were central to the university and CREME's mission emphasised the significance of EMBs to the local, regional and national economy.

CREME, he suggested, had been at the forefront of the diversity and enterprise agenda and was highly thought of in government circles. Like the university, it believed in 'doing' as well as 'thinking' and was determined to make a measurable impact through its activities.

Setting the Scene: the Enterprise & Diversity Alliance

In the first session of the conference, Professor Ram began his talk with three questions:

Where do we now turn to for guidance on the connection between diversity and enterprise?
Where is the good practice?

Who are the stakeholders we need to approach, given the government's retreat from big policy commitments on diversity and enterprise?

Monder argued that CREME's response had been the Enterprise & Diversity Alliance (EDA), a collection of committed organisations determined to try to make a difference, through a combination of practical work and academic enquiry. He made the point that the alliance was committed to challenging the idea of diversity and determined to achieve its aims through the application of engaged scholarship.



What was required was persuasion, a willingness to listen to policy makers and practitioners and a capacity to challenge existing orthodoxies. Monder drew on Aristotelian notions of passion, logic and morality to emphasise the need to establish a compelling narrative on the question of diversity and enterprise: a need to see the big picture, to set out the business case and to link the argument to issues of ethics and values.



In his opinion, turbulence was a source of opportunity, and the EDA was well placed to respond positively. He urged delegates to get involved in trying to make diversity everyone's business and agreed that more needed to be done to get the message through to the media, to communities and to the government (e.g. by linking diversity to the growth agenda).

*“Diversity is not just an economic issue, it is also a question of morality.
What kind of society do we want to live in?”*

Professor Monder Ram, CREME, De Montfort University

Business Growth: the Role of Mentoring

The second session of the morning was led by David Darlaston of Business in the Community (BITC) who spoke of the origins of the BITC, its focus on responsible business practices and its work with the EDA. In an amusing and informative presentation, David called for the need for change in the business community, a focus on ‘business unusual’, involving a willingness to adopt new business models, new ideas and new and challenging relationships. Business needs to be profitable but it also needs to act responsibly in pursuit of its goals: a fusion of ethics and economics.



In the second part of his presentation, David drew on the knowledge and experiences of a number of conference participants who have been involved in mentoring. Professor Kiran Trehan outlined the work of the 12/8 Group and how its peer-to-peer mentoring model was beginning to attract the attention of a number of larger organisations. She suggested that it was necessary to build on past successes and to marshal evidence of these to underpin its work with a more diverse range of interests.

Lee Blake and Joel Graham-Blake gave an interesting and, at times, moving insight into their transitions into the world of work and their gradual involvement in mentoring. Both speakers spoke passionately of how their experiences had convinced them of the need to pass on their learning to others and to help younger and disadvantaged individuals get started in business.



“We have to recognize the value in helping others, learning from our experiences and passing it on.”

Lee Blake, Made By Young People

Business Growth: the Role of Mentoring

A practical example of how business-to-business mentoring could occur was then provided by Rob Davis and Mark Titley of A.F.Blakemore and Son Ltd. Mark and Rob explained how they worked with the 12/8 group and became involved in helping to mentor smaller firms as part of Blakemore's community involvement programme. This involvement, they suggested, benefitted both parties: large firms had a better appreciation of the problems faced by smaller businesses with whom they were involved (e.g. in the procurement process) and hence could tailor their help and advice in ways which would deliver value for both the giver and the receiver.



Speakers from the
Role of Mentoring
session

Building Productive Bank-Small Firm Relationships



Professor Richard Roberts

The after lunch session began with a presentation by Professor Richard Roberts, SME Market Analysis Director at Barclays Bank. Richard outlined how a change had occurred in recent years, with the debate now less about 'access' and more about 'conditions and price'. He argued that recent evidence indicated that the funding problem was a lack of demand for loans/ overdrafts rather than one of supply, a manifestation of a slowing economy. Despite funding being available, many smaller businesses were reluctant to borrow and the need for negotiations with the banks over terms and conditions was possibly not always as straightforward as it had appeared in the past.

“EMBs may be hit harder by changes to business advice and the support network.”

Professor Richard Roberts, Barclays Bank

Building Productive Bank-Small Firm Relationships

The question of what the banks had been doing in this area was then taken up by Stephen Pegge, Director of SME Markets for the Lloyds Banking Group. Stephen emphasised the importance of the small business community to the banks (e.g. as a source of deposits) and outlined how a Business Finance Task Force set up by 6 big institutions had been working on ways of improving customer relationships, ensuring better access to finance and providing better information and promoting understanding.



Stephen Pegge

Key developments aimed at achieving these objectives included building a support network of business mentors; publishing lending principles for larger borrowers; introducing a transparent appeals process; signposting alternative sources of finance for small firms; establishing and investing in the Business Growth Fund; holding Regional Outreach events; improving information for customers; funding and publishing an independent survey. Stephen concluded his presentation with a reference to the work currently being undertaken by Lloyds on diversity.

To provide a customer perspective, the session concluded with a discussion with Ian Harris, owner of ID Security Systems Ltd. Ian outlined how he had initially sought advice from Business Link but had had difficulty in finding information on how and where to raise finance and in understanding the rules of the game. As he pointed out, for an SME to put together a robust case for a loan was costly to the firm, particularly if the result was failure. The three speakers agreed that more needed to be done to help smaller enterprises to make a case for funding (e.g. from ‘business angels’) and that there was an information gap which the banks needed to address. For the banks, reaching EMBs- which are often not represented in formal networks- was certainly a challenge. While Ian agreed that the banks were moving in the right direction, there was still a need to get to know EMBs better and to ensure that information on funding opportunities and conditions reached the ethnic small firm sector.

“Reaching small and medium-sized enterprises can be challenging for the banks.”

Stephen Pegge, Lloyds Banking Group

What next for Public Policy? Diversity and Small Firms

The concluding session of the conference was led by Jack Glonek (Assistant Director, Birmingham City Council), Gerard Chick (Head of Research and Knowledge Management, Chartered Institute of Purchasing and Supply) and Karen Surdhar (Project Manager, Selling to the Public Sector).

Like other speakers, Jack emphasised the importance of diversity and small firms and spoke of the contribution small ethnic businesses made to the local economy in Birmingham. He gave an interesting insight into recent initiatives in which the City Council had been involved to support local businesses (e.g. the Business Development Programme; the High Growth Programme; Enterprising Communities; Find it in Birmingham) and which were targeted at different parts of the business community. Often using funds from European sources (e.g. the ERDF) and provided both directly and through outsourcing, these initiatives were in some ways similar to business support programmes that the Council had provided in the past. Though not specifically targeted at the issue of diversity, they invariably began with an initial equalities analysis and all future programmes were required to have diversity at their core.

Referring to the Local Enterprise Partnership (LEP), Jack identified two key areas that were to be targeted: improving access to finance and business support. Echoing a common view, he pointed to the need to reduce bureaucratic demands on businesses wherever possible and to support the growth of social enterprises in the changing business and policy environment.



Jack Glonek

Drawing on his extensive knowledge of procurement, Gerard outlined the core elements of supplier diversity as envisaged by CIPS. He explained how diversifying the supply chain provided for increased competitiveness, greater choice and a more responsible approach to purchasing and supply and argued that business case for supplier diversity (e.g. lower costs, innovation, best value, equity, reputation) was now well-established and likely to prove an important factor in building a sustainable enterprise in the face of challenging trading conditions.

What next for Public Policy? Diversity and Small Firms

In looking forward, Gerard argued that procurement in the future would be typified by, among other developments, innovation from the supply base; a focus on solutions not problems; a blurring of the seller/ buyer interface; collaborative arrangements; a sharing of risks and rewards. Purchasing organisations, he believed, could benefit from working with smaller and ethnic minority businesses since they provided a wider candidate pool, greater flexibility and helped to align the firm with its customer and supplier base.



Gerard Chick

He urged procurers to look beyond the first tier and not simply to award contracts on the basis of price, but to consider other performance indicators. As Gerard noted, the capacity for smaller businesses to bid for such contracts was often constrained, however, by a bureaucratic and complex procurement process, a lack of transparency and a perception among larger firms that purchasing from SMEs presented a greater risk than going through the usual channels.



Karen Surdhar

In drawing the Conference to a close, Karen provided a fascinating insight into the Supply to the Public Sector (S2PS) initiative in Leicester which involves the City Council working in partnership with CREME and a number of other bodies. The central aim of the project is to embed supplier diversity into the procurement process. Through the initiative the City Council hopes to provide greater access to the public sector procurement process by smaller and diverse businesses; promote the wider supplier diversity agenda; benefit the local economy and shift the mindset of the public sector towards the idea of supplier diversity. Karen pointed out that a number of other councils and public sector organisations (e.g. the NHS) are also involved with the project and there is a sister initiative at county level.

What next for Public Policy? Diversity and Small Firms

Karen went on to outline some of the project's successes since 2010, including the substantial amount of support that has already been given to SMEs and the growing engagement of EMBs with the initiative, with many of them located in deprived areas of the city. Her expectation that a significant number of contracts to supply will have been won by the end of the initiative, was tempered by the recognition that there were still a number of difficulties to be overcome, not least achieving buy-in from procurers and senior managers in public sector bodies and a lack of purchasing data and information which hindered basic analysis.



On the positive side, Karen noted the setting up of a cross-sector Local Procurement Task Force and support from the city Mayor for engaging more closely with SMEs. She also felt that the S2PS initiative had helped to increase awareness of supplier diversity within the public sector generally and to generate a better flow of information.

As for the future, more emphasis needed to be given to understanding how the structure of a public sector organisation (e.g. a local government department) could impact on the procurement process and how supplier diversity and local economic development are linked. She also felt that more effort needed to be given to building support for supplier diversity initiatives among senior personnel in public sector bodies.

“There is a clear need to shift the mindset of the public sector towards the idea of supplier diversity.”

Karen Surdhar, Selling to the Public Sector

Thank you

The team at CREME would like to thank the conference sponsors: Lloyds TSB commercial, Selling to the Public Sector, Leicester City Council, EMB Ltd, Douglas Wemyss Solicitors, Mustard Plus and Cleone Foods Ltd.

We would also like to thank all the conference speakers with particular thanks to David Darlaston, Prof Kiran Trehan, Prof Richard Roberts and Stephen Pegge for their invaluable input into the programme.

We are grateful to Prof Dominic Shellard for his Opening Address and Prof David Wilson for his welcome words at the Gala Dinner.

And finally, we would like to thank Ranjit Thaliwal and Bobby Dhanjal for their interesting and inspirational speeches at the Gala Dinner.

