

Cyhoeddir y papur hwn yn yr iaith y'i derbyniwyd gan Gynulliad Cenedlaethol Cymru.

## **BUSINESS CONNECT WALES MANAGEMENT BOARD**

### **Response to request for evidence from the Agriculture and Rural Development Committee of the National Assembly**

Business Connect is pleased to be able to have been invited by the committee to assist in its vital review of Rural Economic Diversification. Business Connect notes with appreciation that many of its key partners have also been involved in this process over recent weeks.

#### **Business Connect**

Business Connect is the primary first stop shop for business support in Wales. It aims to provide a straightforward entry point into the business support network for any business in Wales from whatever sector or whatever geographical area. It also seeks to improve co-ordination and to reduce duplication in the provision of services to business. At all levels, Business Connect exists as a partnership between the private and public sectors, including key players at local, regional and national levels.

The Board of Business Connect Wales was established in 1999 to provide a strategic framework for the work of the local and regional Business Connect services. Its membership includes nominees from Welsh Development Agency, Welsh Local Government Association, TECs, Wales Enterprise, CBI Wales, FSB, Chamber Wales, Wales Tourist Board, Regional Consortia of Business Connect, Banking Sector, Further and Higher Education Sector, and the private sector.

#### **Business Connect's role in Rural Wales**

Business Connect is committed to providing a consistent and clear entry system to business support in Wales. It is therefore opposed to any diversification of entry points or systems in Wales to reflect sectorial or geographical need. The way into support services should be essentially the same for all business in Wales. We expect that this will remain a key goal of the Assembly following the review of business support currently underway by the Economic Development Committee.

Business Connect Wales has worked with the Assembly in the implementation of an enhanced support service for Farmers – entered through the Business Connect centres but utilising an expanded and dedicated team of advisers from the Assembly. This model provides both the targeting of advice to those identified in need, but also retains the consistency of approach across Wales.

However, Business Connect recognises the differences in need associated with different parts of Wales. As an organisation that has developed firstly at the locally, then regionally, then nationally Business Connect has maintained a strong focus on meeting local needs. We recognise that local solutions are the optimum way to tackle local concerns. This variety of solutions is seen in the flexibility of local services to package funds, schemes and programmes to reflect the particular requirements of their locality.

Business Connect services are primarily delivered through its partners on a regional and local level. To facilitate these services a network of centres has been established with partners to provide access to all businesses in Wales to advice and support.

As a partnership Business Connect helps to co-ordinate the spectrum of business support services available to businesses. The Business Connect Directory, recently published through the national website, details the vast majority of schemes and grants available in Wales through the public sector. This information is now available to both providers and businesses through the Internet.

It is not proposed to detail all of the various schemes offered by Business Connect partners available to rural communities (although this information could be collated if so desired).

## **Farmers Connect**

Business Connect Wales is committed to provide as clear a mechanism for businesses in Wales to access and utilise support. To this end it has sought to consolidate and promote its brand throughout all parts of Wales and to all sectors. It is anticipated that this will be strengthened through the EDC review of business support.

The announcement of a 'Farming Connect' initiative has caused concern within the business support network as it re-ignited fears over a separation of agencies responsible for different sectors within Wales. The Board of Business Connect Wales is concerned that:-

- Farming Connect implies that farming and business are separate activities
- Farmers may feel that Business Connect does not have anything to offer them
- Farmers may be confused as to whom to contact.
- No consultation has taken place with Business Connect Wales prior to the formulation of proposals

The Board would wish to work with the Assembly with some urgency to ensure that these concerns can be tackled as soon as possible.

## **Responses to specific questions raised by the Committee**

### **i The current Quality of support for rural businesses regarding access to capital and business support and advice**

Business Connect believes that issues of quality are fundamental to successful support for businesses. It strongly endorses comments from the Council of Welsh TECs regarding the importance of people as opposed to processes in the promotion of quality.

In terms of quality, Business Connect operates three independent assessments of quality for its own advice role –Mystery Shopper, Customer Satisfaction, and Quality Audit. The most recent results of these are detailed in the attached annexes.

The Quality Manual of Business Connect promotes (and where necessary enforces) minimum standards of competence for advisers and centres.

The quality of specialist advice provided by partners is not measured in the same mechanisms. It is primarily co-ordinated through local and regional teams where partnership agreements have been set up to ensure minimum levels of quality.

## **ii The Barriers affecting rural business development and diversification**

Business Connect Wales recognises some of the key socio-economic and geographical issues that are particularly relevant to the rural community and the development of a successful business community. Amongst the issues are:-

- Low population density
- Geography
- Lack of strength in depth of support from private sector, particularly in intermediaries such as banks and accountants
- Cultural attitudes to growth and expansion – entrepreneurship
- Infrastructural weaknesses (transport, communications)
- Lack of significant sized businesses

## **iii Specific improvements relating to business support and capital which would encourage young business in rural areas.**

The development of any proposals to improve the rural business support structure must be part of a co-ordinated policy. Business Connect is committed to ensuring that as far as possible new initiatives are built into existing best practice and do not duplicate already operating programmes and projects.

This is particularly true as the Economic Development Committee is currently reviewing all business support services. We are pleased that the Agriculture and Rural Development Committee will progress its own review in this context.

However as the Committee considers the broad issues, Business Connect Wales would identify some

areas of potential improvement that could assist rural areas:-

**Co-ordinated approach** – co-ordination needs to be improved in the areas of policy, and all new initiatives should reflect both current and planned programmes and strategy.

**Information and Communication Technology** – ICT offers a great potential for all business support, but has particular relevance to those working in rural areas. Business Connect Wales offers information through its website on all schemes and grants for business in Wales as well as over 200 advice notes on business matters. The potential for e-mail and intertrading electronically offer significant opportunities for rural communities. However all these opportunities are not inevitable – support must be proactive to encourage greater uptake. Through the network of Business Connect IT Centres, new opportunities from initiatives such as SME Business, UK Online and BetterBusinessWales must be co-ordinated and delivered.

**Intermediaries, Local Networks and Supply Chains** - the importance of supporting local networks of business, intermediaries and support organisations cannot be overstated. From the very local CWYSI scheme of Menter a Busnes to the development of regional supplier lists through the Contract Shop scheme, businesses can gain significantly from schemes that seek to draw local businesses together. In Mid-Wales, Business Connect has worked hard to bring together intermediaries such as banks, insurers and accountants to offer a more co-ordinated service. Business support should seek to build on existing networks such as local farming co-operatives or supply chains rather than recreate artificial ways of working.

**Flexible Learning Tools** – The encouragement of entrepreneurship and skill development is an issue for Wales as a whole. The Board is supportive of the work being undertaken through the Entrepreneurship Action Plan. A key issue for rural communities however is the support of flexible learning materials to facilitate development. This includes electronic and outreach mechanisms.

**Customer Focus and local delivery** – Business Connect is strongly committed to a locally flexible support structure led by the needs of the client within the context of nationally agreed minimum standards. Where possible as much use of outreach should be funded and encouraged – not only utilising public centres but also the offices and locations most frequently visited by the clients themselves.