

Entrepreneurial activity provides a critical route to absorb unemployment and, more importantly create employment opportunities. The current changes in employment law and proposals in the forthcoming budget create challenges for smaller businesses that are not insurmountable but do require careful preparation.

We have identified the following areas requiring serious attention:

1. Paternity leave
2. Relocalisation of business rates
3. Extended rights for agency staff
4. Tax incentives

Flexible working requires immense planning on part of business owners as a larger proportion of the work force requires flexible working patterns. Significant implications for SMEs mean they need seamless flows of communication and a streamlined customer service model.

As a significant proportion of female owned businesses are located in the professional services sector the business to customer interface is critical, particularly when multiple staff are dealing with one customer. These factors alter the way in which business owners need to manage their organisation, providing clear communication channels and creating a strong entrepreneurial culture in cases where there isn't a permanent body of staff.

Flexibility working and extended rights or agency staff have a greater impact on growth prospects for businesses. Employing staff with additional costs and greater regulations are detrimental to businesses considering the jump to growth. Research shows SMEs call on informal support from family and even friends to help manage surges in demand, this source of support is substantially cheaper for the business but does little to support improving Labour Market statistics.

A further challenge emerges from the proposals to relocalise business rates, research shows 63% of all UK businesses are home-based¹. Our research on female-run home-based businesses identified 70% of respondents ran their business from dedicated and separate rooms within their home². Currently local councils have a great deal of flexibility in allowing domestic space to be used for working without charging business rates. However, as local councils are forced to use these rates to make up their short falls there is a greater likelihood the flexibility will diminish to provide greater revenue streams.

Taken in isolation each of these points seems relatively insignificant however the challenges facing female entrepreneurship are well documented and the government needs to level out the playing field as much as possible to encourage growth potential female enterprises. Lord Davies' report on female representation on boards recommended

¹ Enterprise Nation, 2009

²² Making your homebased business work for you – Bennett & Scott, ICE 2011.

female entrepreneurs as an invaluable resource for boards providing diversity in skills and experience. To achieve this it is necessary to create an even more empowering environment enabling women to create 'gazelles'.

Cuts to Higher Education in the field of Entrepreneurship Education and training , require greater links with industry to provide students with the opportunity to develop business skills. Mentoring students is a clear way forward however, it requires time and the best mentors are busy entrepreneurs. Furthermore, despite the proliferation of female business awards, there is still need a create a stronger body of female mentors, Tax incentives for businesses that engage with students, through mentoring schemes provide a route forward. In the same vein we would endorse support for extending the Graduate Internship Scheme.

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