

SMALL BUSINESS SERVICE – WORKING TO SUPPORT THE FORESTRY INDUSTRY

The Small Business Service and Business Links

1. The Small Business Service (SBS) is an agency of the Department of Trade and Industry (DTI). It was created two years ago to provide a focal point within Government for small business issues, and works to improve business support, reduce regulation and create a culture and environment which encourage enterprise.
2. The SBS covers the whole of England and contracts with a network of 43 Business Link Operators (BLOs), who operate in 45 Business Link areas. BLOs were set up to reflect the needs of these areas. They deliver independent and impartial business advice, information and a range of other services to existing small firms and to those trying to start up a business. Because each BLO contracts separately with SBS, the services offered and the way in which they are delivered may vary from one area to another. Their plans, however, do need to reflect the guidance issued by the SBS and the recommendations of their Regional Development Agency. They need to broker in the services and expertise that meet the needs of their customers. BLOs work with other organisations e.g. Local Authorities, Chambers of Commerce, Trade Associations, and Enterprise Agencies to deliver services to various client groups.
3. BLOs organise themselves to meet the particular needs and priorities of the area they serve. BLOs have a large degree of freedom on how they deliver services e.g. some will use a majority of employed Business Advisers, whilst others will subcontract the work.
4. It is largely for these reasons that service across the country can appear to be inconsistent. What should be remembered is that a basic level of service is available across the country, but a higher level of service may be available in some circumstances in some areas. The inconsistency is a feature of attempts to reflect the needs of local businesses.
5. SBS itself does not provide business advice services to individual businesses.

Support to individual businesses

6. The SBS has no specific programmes aimed at the forestry industry. In most cases a comparable service is available to all Small and Medium Sized Enterprises (SMEs) regardless of the sector to which they belong, the service available will depend upon need and complexity of the issues raised, in many cases individual clients will be passed on to other organisations or individuals who can furnish more technical advice. In other cases a Personal Business Adviser will meet the client and help them develop solutions to particular issues.



7. There are exceptions to this particular rule. The Farm Business Advice Service (FBAS) is a service delivered by BLOs but funded by the Department of the Environment Food and Rural Affairs (DEFRA). This service offers farmers an average of three days dedicated business advice (five days for farmers culled out as a result of Foot and Mouth), leading to the production of a farm action plan. The cost of this service is approximately £7.5m in 2002/03. This service is currently under review, but is due to run for a least one further operational year.

Specific support for rural and forestry businesses

8. SBS and BLOs have been involved in a number of projects aimed at improving the support available to rural businesses:
 - Mapping rural business support organisations.
 - Making personal visits to such organisations (including forestry organisations).
 - Improving links between rural business support organisations.
 - Developing a 'rural hub' on the existing businesslink.org website.
 - Producing guidance for BLOs to help them address the needs of rural businesses.
 - Acting on earlier research into how the rural economy is serviced by BLOs.
 - Together with DEFRA and the Countryside Agency hosting a Rural Business Support Conference in 2003.
 - Individual BLOs are engaging and supporting local initiatives to boost the performance of rural businesses, including forestry.
9. We are working towards a more strategic approach to service delivery in rural areas and are looking to make closer links with other organisations which can offer expertise and/or work with us to offer business support in certain areas or to certain business sectors. To this end we have undertaken a mapping exercise to identify all those organisations that support rural business, including those that support forestry businesses. We are also undertaking visits to these organisations in order to seek a better understanding of what they do and to try and match up common interests and areas for co-operation. Visits have included such organisations as the Forestry Contractors Association (FCA) and the Forestry and Timber Association (FTA). Visits have lead to offers from such organisations to publicise the services of BLOs to members. We have also agreed to place articles in trade magazines.
10. The SBS's Rural Issues Team in concert with other colleagues is also working on the development of a "rural hub" which will be available on the existing businesslink.org website. This facility which already offers a large range of advice to new and existing business (and intermediaries) will be enhanced to offer specific advice to rural businesses and provide hyperlinks to other support organisations.



11. We will also be producing a good practice guide for BLOs working with rural SMEs, which will encourage BLOs to consider a more pro-active approach to service delivery, working in partnership with other rural stakeholders wherever possible. This will help us take forward recommendations made by Prof. David Smallbone in his report 'Encouraging and Supporting Enterprise in Rural Areas'.
12. In pursuit of better co-ordination of support to rural businesses, SBS in partnership with DEFRA and the Countryside Agency is organising a rural business support conference in June 2003, to which we will be inviting all organisations with an interest in rural business support. We hope that this will result in increased co-operation and co-ordination between organisations and so to better services for rural SMEs.
13. Individual BLOs will be involved with forestry businesses and organisations within there area, but at this time it is not possible to say how many forestry businesses have used or are currently using the services of BLOs, although this information may be available at the end of the year.
14. Up and down the country there are a number of examples of BLO involvement with the forestry industry and various levels of participation with such initiatives as the Heartwood Project in the West Midlands. This particular project will provide what amounts to outreach work to the forestry and associated sectors, providing specific support to individual businesses and bringing them in contact with more general e.g. BLO support services. Assuming the success of the project, it may well provide a model for what might be achieved in other parts of the country.

The Future

15. SBS and BLOs look forward to increasing their penetration of all forms of small and new business, including forestry. To this end we would welcome anything members of the Forum can do to bring the services of BLOs to the attention of forestry businesses. At the same time we would also be happy to discuss other methods of targeting and branding services to appeal to the industry.
16. SBS and BLOs do not have sufficient resources to operate a business support service dedicated to the needs of the forestry industry. However, if the Forum and the Commission felt this desirable and resources could be made available a service could be developed analogous to the Farm Business Advice Service. There would seem to be support amongst industry bodies for such a service. Any activity of this nature would probably in the first instance be better run as a pilot in a limited area or sub-sector of the industry e.g. micro-businesses or small sawmills.
17. An alternate may be to persuade DEFRA that an expansion of the existing advisory service for farmers to a broader rural advisory service is desirable. Forestry would seem to be the first logical step in any such process. Plans to bring future Commission funding within DEFRA would make such a step more attractive.



18. There is clearly a need for the industry itself to spell out coherently the kind of support it needs and how those support needs vary from the generic needs of the generality of small businesses e.g. business planning and cash flow management. It would also be helpful to have a view on and how the industry feels that support should be provided and resourced. Some of the issues are likely to affect both the real and perceived isolation of forestry businesses from other parts of the business community and sources of support. One of the challenges for BLOs is to gain the confidence of forestry business people and to offer tailored support as well as bringing them into mainstream support activity e.g. training in marketing. SBS stands ready to help facilitate any kind of co-ordinated approach to business support.

**Small Business Service
October 2002**