

# Introduction

## The Micro-Enterprise Start-Up Toolkit

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### About the toolkit

Setting up a micro-enterprise can be an extremely rewarding experience. If you've been thinking about starting a small enterprise this toolkit aims to help you. Perhaps you have a great idea for a private business or want to turn your passion into a way of making a living. Maybe you already deliver community services and want to put them on a sustainable financial footing. Whatever the reason, running a micro-enterprise could be the way forward, so why not take the plunge and give it a go!

Starting a new organisation does not need to be a daunting prospect. This toolkit aims to help you understand the key elements and activities that you will need to undertake to start a new micro-enterprise. It begins with the development of your idea and a good business plan, moving on to choosing your legal structure, starting trading and planning for the future.



### Who is the toolkit for?

This toolkit aims to support people who are interested in creating a new micro-enterprise. You may be starting from scratch, or perhaps you are already part of an existing group that wants to start generating revenue through business activities.

The toolkit is particularly aimed at those who intend to provide support to adults with social care needs (see 'What is Personalisation?' on page 2). However, the principles within the toolkit apply to anyone who wishes to start a micro-enterprise, or other small or medium size enterprise, be that a private business or a not for profit organisation.

### What is a Micro-Enterprise?

Micro, small and medium-sized enterprises are defined according to their staff headcount and turnover or annual balance-sheet total.

In Europe, a micro-enterprise is defined as an enterprise which employs fewer than 10 people and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

Micro-enterprises make up the vast majority of organisations in the UK. In March 2010, 89% of all enterprises registered for VAT and/or PAYE employed less than 10 people.

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### How to use the toolkit?

The toolkit is not intended to be a comprehensive guide to setting up a micro-enterprise. There are many elements to starting a micro-enterprise and each can be a detailed subject in its own right. Instead we hope to provide you with a general introduction to each topic and to signpost you to more detailed sources of information and support.

The document is split into 6 chapters, each comprising of a number of sections that introduce you to specific topics such as Pricing, Sales & Marketing and Commissioning & Procurement. Each section is available to download individually and includes some suggestions for further action or information. In addition, the final section provides a round-up of sources of help, advice and support.

You can either print off the entire toolkit (including front cover and contents page) and keep it as a hard-copy reference manual or alternatively you can just download the specific worksheet(s) you are interested in. All documents include a date and version number, so that you can ensure you always have the most up to date copy available.

**The toolkit can complement your work to set up a new enterprise, but we would recommend that you also seek out expert guidance and support. Free advice and guidance is available for business start-ups from Doncaster Chamber (01302 341000) and for social enterprises from Doncaster CVS (01302 343300).**



### What is Personalisation?

Personalisation is a government policy, introduced in 2007, that aims to give people with social care needs more choice and control over their lives and the support they receive. It starts from the position that everyone has individual circumstances, strengths and preferences and therefore they will require different types of support, delivered in different ways.

Personalisation recognises that a 'one size fits all' service is not an appropriate solution to everyone's social care needs. Personalisation is about starting with the person, not the services available to them.

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### What are Personal Budgets?

Personal budgets are given to people who need support to help meet their social care needs. They are allocated after an assessment is undertaken by the local Social Services department and can be used to purchase relevant products or services. Personal budgets are one mechanism for giving individuals more choice and control over the support they receive. Examples of some things that personal budgets may be able to be used to buy include:

- help with cooking, shopping and cleaning
- leisure activities, e.g. an art class or a walking group
- having driving lessons
- buying some items of specialist equipment to make life easier

Personal Budgets can be spent on many different things, as long as it is safe, legal and approved by the Local Authority.

### What is the link between Personalisation and Micro-Enterprise?

As the system of personal choice and personal budgets continues to develop, it is important that there are a range of suitable services available to meet service users' needs. This marketplace provides potentially significant opportunities for local micro-enterprises that are able to provide the services demanded by local people.

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### About the Voluntary and Community Sector

You may want your new micro-enterprise to be a social enterprise, but what exactly does that mean.

Social Enterprises are Voluntary & Community Sector (VCS) organisations. VCS organisations are non-governmental bodies which are driven by their values and which principally reinvest any financial surpluses into further social, environmental or cultural objectives. Unlike private sector businesses, they are not driven by the objective of maximising profit for their owners, but instead for providing social benefits.

The sector plays a vital role in supporting strong, socially cohesive communities. It is particularly capable of engaging with people from marginalised communities, but supports a wide range of services related to, for example, health, crime reduction, employment and the environment.

Examples of VCS organisations range from tenants groups, neighbourhood watches, lunch clubs and mental health support groups, to large national organisations such as the NSPCC and Age Concern.

A great deal of not-for-profit work is also undertaken by faith groups.

### What is a Social Enterprise?

Social Enterprises are part of the Voluntary and Community Sector (VCS); they are not-for-profit organisations with social aims that reinvest their financial surpluses into the organisation or the community it serves.

The common theme amongst social enterprises is the focus on trading and revenue generation in order to sustain services. The term 'not-for-profit' can be quite misleading as the organisation must make a financial surplus in order to continue trading, developing and making any necessary investments.

### Examples

Examples of Social Enterprises that you have heard of may include:

- 15 (Jamie Oliver)
- The Eden Project
- Yorkshire Building Society
- The Big Issue
- The Co-operative
- Which?
- Café Direct
- Doncaster Refurnish
- Higher Rhythm / Sine FM