



BIRMINGHAM

ENTREPRENEURS FOR THE FUTURE

Giving Birmingham's young entrepreneurs a hand in setting up

Young people in Birmingham aged 18-24 are being severely affected by the economic downturn. Youth unemployment has increased sharply, with 12 600 young people (20.4% of the young population) currently without a job.

The weak economic climate also impacts on entrepreneurial activity. Business start-ups in 2011 were down by 6.8% on the pre-recession peak of 3 945 in 2007. In 2006, 79% of new businesses survived for two years but the two year survival rate for business starting in 2009 has fallen to 68%. Restrictive credit conditions are making it difficult for new businesses to access start-up finance and maintain working capital.

The digital and tech sectors are key growth drivers in the Birmingham economy. They are central to the city authorities' attempts to move away from an over-reliance on the public sector.

Employment in the digital and creative industries sector has grown despite the economic crisis, yet business support tailored to tech start-ups is limited. This is a contributing factor to the high failure rate (approximately 75%) of new tech companies.

More could be done in the city to support tech start-ups. Entrepreneurs for the Future (e4f) addresses this.

ENTREPRENEURS FOR THE FUTURE

Entrepreneurs for the Future provides incubator space for tech start-ups. It helps create new businesses by offering integrated business support and providing favourable conditions for business growth, including fit-for-purpose premises and access to a complete business support package. This package helps early-stage businesses become investment-ready propositions thereby diversifying the city's economy, creating new jobs in high-growth sectors and retaining more of the city's graduate population.

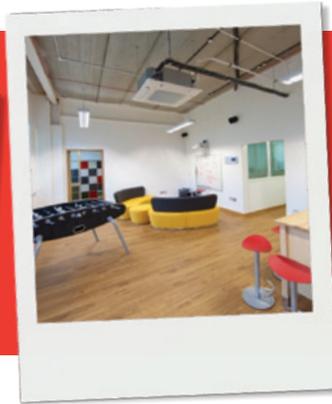
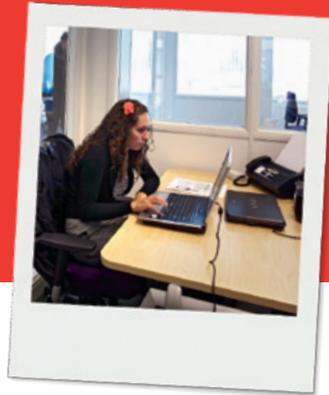
Start-ups are given six months free access to a multi-occupancy incubation unit with full ICT support and free access to the Ideas and Communication Suite on the Innovation Birmingham Campus. This suite includes CISCO's video conferencing system that allows start-ups to connect with a global directory of investors and mentors.

Mentors visit e4f to share their expertise in finance, tax, patents and intellectual property, marketing, legislation, technology and public relations.

“This is a fantastic opportunity for me - being able to develop a new business and a product that I'm passionate about in this environment is really exciting! Being based at the Entrepreneurs for the Future Centre means I can share the same space as loads of other tech start-ups. We're all working in similar markets, have similar skills sets, and comparable challenges to overcome to create a profitable and sustainable business. Birmingham is a great place to develop a gaming business.”

James Biddulph,
Founder of Jamo Games





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SUCSESSES

During its first four years, e4f helped establish over 68 businesses, creating over 100 jobs, and supported hundreds of entrepreneurs. e4f start-ups received £2 million in equity investment since the programme began.

The programme works with more than 50 experienced mentors and has secured sponsorship from three local professional services firms.

CHALLENGES

- 1 It is important to strike the right balance. e4f found an approach that gives enough structure to allow entrepreneurs to progress and achieve results, whilst allowing them the necessary flexibility.
- 2 The incubator space with other entrepreneurs encourages team spirit, collaboration and a culture of open innovation. Shared facilities such as a kitchen and leisure space contribute to the success of the project.
- 3 To attract start-ups with the best growth potential, e4f relies heavily on word of mouth. This requires e4f visibility in the Birmingham tech community. Allowing groups to meet in the facilities, organising events and 'speaking their language' significantly helps find new start-ups.

HOW WILL THIS PROJECT DEVELOP?

e4f's programme will be further developed and strengthened:

- Birmingham city council and Innovation Birmingham Ltd are developing an innovative new business facility with collaborative space for growth start-ups
- e4f will appoint two 'entrepreneurs in residence' to support the start-ups by providing hands-on advice based on their own experience
- e4f will expand and diversify their pool of 50 mentors and coaches
- e4f will link into Birmingham city council's Smart City strategy to ensure the input from the tech start-ups helps Birmingham fulfil its digital and smart potential
- the success of the e4f approach is being shared with other local authorities in the UK through the UK Science Park Association, and internationally through the INTERREG IVC 'District+' programme.

FUNDING

Birmingham city council funded the establishment of e4f through the UK national government's Working Neighbourhood Fund (50% for 2009-11). European Regional Development Funding was secured in 2011 (50%) to continue the programme and add two new units to the incubator centre, including a specialist gaming incubator allowing for significant expansion of the e4f offering.

The other half of the funding from 2009 until now comes from Innovation Birmingham Ltd which also manages the centre.

After their time in the e4f project, start-ups can remain in the e4f incubator to benefit from the interaction and support. Office packages start at £35 per month.