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15 JUL 2008

BY: ATSLA

Submission No.....	3
Date Received.....	

Good afternoon

I am pleased to submit the attached for consideration by the Standing Committee.

I have been Manager of Blak Business Smart Business in Brisbane for the past 3 years. Because of a shift in Queensland state government funding structures the service is closing down on 08.08.08. I am submitting this on my own behalf and hope that the successes we have assisted by means of the structure detailed in the attachments may be useful as a model for developing Indigenous enterprises.

Thanks you

John

JM John Armstrong

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STEP 1

BUSINESS READINESS ASSESSMENT

This is the first contact meeting and follows a referral from a third party or an approach from the potential client.

- Establish a Cultural link (Where are you from? Who's your Family?) – discuss the need for a Confirmation of Indigenous Descent which entails a letter from an Indigenous Community Organisation (necessary for securing any government support in the future – this sometimes can take a long time so best to get the process started at the beginning of the engagement with client) – **EXIT POINT** = *if client has ethical objections to securing Confirmation of Indigenous Descent then they will not have access to government support. NB: can proceed if client has access to other funds for business development.*
- Client's financial and tax situation – if bankrupt or in serious debt then we need to know now – if client has outstanding tax returns (more than 2 years) then these need to be resolved before proceeding – this would be a good point to encourage client to seek out an accountant and solicitor – **EXIT POINT** = *if bankrupt then client will not have access to government support. NB: can proceed if client has access to other funds for business development. Tax - client fixes up tax situation and returns when all OK.*
- Business Assessment - BBSB will talk with the client about their personal goals, why they want to start a business, how committed they are and what resources they have – **EXIT POINT** = *if client is assessed as not ready for whatever reason – facilitate access to job network or link with other clients at this stage.*
- Client Agreement Form - BBSB staff will discuss with the client our services to ensure that both client and BBSB are clear about who is responsible for what and that all client information stays confidential.
- NB: following this the client is entered onto our reporting database
- Develop a business idea - This is about clarifying and identifying the

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client's business concepts or about assisting the client to identify the most suitable business to match their strengths. **EXIT POINT** = *if client's idea is unviable - facilitate access to job network or link with other clients at this stage.*

- Research Plan - BBSB will provide the client with resources to start planning their business.
- Action Plan – work with the client to allocate tasks and timelines – NB: these to be included in reporting database.
- **EXIT POINT** = *some clients may only require Research Plan and Action Plan to manage their own business development and/or expansion. Other clients may benefit from linkage to ICV.*

The following matters should have been discussed with the client by the completion of Step 1 NB: DTRDI 7 Steps to Business Success have templates and checklists to facilitate below:

- ✓ Consider Your Suitability: Start a business where you already have industry or management experience. Those starting a completely new venture have a higher risk of failure (50-80% of new businesses fail in their first 3 years). If starting a new venture ensure you are continually learning new skills and researching the industry.
- ✓ Consider Your Idea: assess the merit of your business idea and whether people will be willing to buy BEFORE commencing start up.
- ✓ Consider Your Market: Develop a way of consistently reaching your customers, because you need customers to survive and you will probably have to do a lot of marketing until you establish a name for yourself.
- ✓ Consider Your Competition: Check out what the competition is doing. You need to establish a competitive advantage to survive.
- ✓ Consider The Environment: Keep in touch with what is happening in your industry, the general trends and the overall economic situation so you can take into account factors that might affect your success.

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- ✓ Consider Your Finances: Keep accurate and up to date financial records and manage your cash flow. This means you can address problems immediately rather than leaving it too late.
- ✓ Consider Your Start Up: Make sure you have enough money to cover your start up. Do not budget optimistically as banks will not lend money with high risk attached.

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STEP 2

SKILLS AUDIT

This is the hard work phase of the process and a rigorous approach with the client is necessary – in addition to the points below the 7 Steps to Business Success should be completed by the client in full detail (the discussions in Step 1 above should provide guidance to the client).

- Training Plan identified - BBSB will assist the client to identify what skills they have when it comes to owning and operating their own business.
- Education options - BBSB will assist the client to identify the most appropriate way to further develop their business skills. **EXIT POINT =** *if significant skill gaps are identified the client may need to enrol in further study or seek work in the industry or give up the idea completely.*
- Workshops - The client will be able to attend sessions that include networking, business readiness and business sustainability. Online training modules may be applicable as a self paced solution.

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STEP 3

PRACTICAL MATTERS

These matters can be dealt with now but stress should be placed on the necessity of engaging a good accountant and solicitor.

- ABN and Business Name Registration - BBSB will assist the client to register their business name and secure an Australian Business Number (ABN) as well as GST Registration if appropriate (annual turnover above \$75K).
- Credit Check - BBSB can facilitate a credit history check which is necessary if the client intends to seek business capital through loans or grants for establishing their business.
- Ensure client has Confirmation of Aboriginal or Torres Strait Islander Descent Form - This is also necessary if the client intends to seek business capital through loans or grants for establishing their business. Client cannot approach IBA without this.
- Ensure client has appropriate partnership agreements in place if not a sole trader.
- Introduce client to relevant stakeholders and networks (SEQICC, Blak Pages etc).
- Insist client be able to utilise appropriate business terminology and has access to computer.
- **EXIT POINT** = *client may partner with more experienced business person*

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STEP 4

PLANNING

- Preparing applications for business support - BBSB will work with the client to complete and lodge business support applications for a Feasibility Study, Business Plan and Marketing Plan. (IBA, DEEWR, DTRDI).
- Marketing support can be offered by BBSB.
- Access to mainstream financial institutions can be brokered.
- Access to Venture Capital can be brokered.
- Linkage to other business support agencies and corporates can be brokered.

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STEP 5

IMPLEMENTATION

- Mentoring - BBSB will link the client to a relevant Mentor who can assist with sustaining the client's business when it is operational.
- Capital Assistance - BBSB will help the client apply for grants or loans for the establishment or progression of their business.
- Marketing collateral is developed
- Access to microfinance can be arranged
- Business starts up and everyone celebrates!

NB: after start up the client and BBSB renegotiate their terms of engagement (ongoing mentoring, networking, etc).

BLAK BUSINESS SMART BUSINESS HUB

SNAPSHOT @ END 2007

**BLAK BUSINESS SMART BUSINESS
SNAPSHOT @ END 2007**

INTRODUCTION:

The **Blak Business Smart Business Hub (BBSB Hub)** is an initiative undertaken by the Brisbane City Council (BCC) with funding from the Department of State Development, Trade and Innovation (DSDTI – now Department of Tourism, Regional Development and Industry - DTRDI) in response to issues raised by the Brisbane Indigenous Communities through an extensive community consultation process conducted throughout 2003 and 2004.

Additional funding has also been secured from the Department of Employment and Workplace Relations (DEWR - now DEEWR).

The Hub brings together a range of business information, support and resources in one place in a simplified way that is readily available to assist Indigenous business development, business owners and community organisations.

The Hub offices are located in Brisbane but the Hub operates across South Queensland (see below: LOCATION).

The Hub commenced operations in September 2005 with the contracting of John Armstrong as Manager and Suzanne Thompson as Business Readiness Officer. In May 2006 Jodi Sampson commenced as Business Readiness Officer. In October 2006 Naomi Stanley joined the team as Administration Officer. In January 2008 Deb Bennet joined the team as Marketing and Communications Officer (see below: STAFF).

THE HUB AIMS:

- To increase the number of Indigenous people establishing and managing their own businesses and generating Indigenous employment opportunities.
- To increase the capacity of Indigenous community organisations to identify and operate sustainable business models and to act as role models for business development in Brisbane and South East Queensland.

THE METHOD:

- Proactively seeking, networking with and supporting Indigenous clients at any stage from business start-up to expansion – see attached: The 5 Steps.

THE FOLLOWING PROCESSES ARE IMPLEMENTED IN THE BBSB HUB:

1. SUPPORT:

- a) Facilitate access to appropriate government services across agencies, particularly those involved in the transfer of enterprise skills.
- b) Provide access to small business advice.
- c) Facilitate the sourcing of State and Federal grants and assist with submissions.
- d) Coordinate the preparation of business plans with business entrepreneurs and aspirants.
- e) Enable clients to document, critique, develop and refine business concepts.
- f) Refer clients to consultants who can prepare financial projections and modelling.
- g) Refer clients to consultants who can provide corporate structural advice.
- h) Refer business and organisation clients to consultants who can develop action plans that create the support framework to progress their vision.
- i) Stimulate, mentor and otherwise support the establishment of a number of small scale indigenous businesses within South East Queensland.
- j) Most recently, to provide clients with marketing advice as well as assisting with the development of marketing and communications plans and strategies.

2. WORKSHOPS:

- a) Coordinate the delivery of business skills development programs and services, including workshops and seminars.

**BLAK BUSINESS SMART BUSINESS
SNAPSHOT @ END 2007**

- b) Develop tools for the effective analysis of business and organisational needs that reflect both the business development cycle and the cultural needs of clients.
- c) Broker a range of practical business development, mentoring and support services.
- d) Coordinate the conduct of workshops and forums that move clients from survival to sustainability.

3. BROKERAGE:

- a) Establish and maintain partnering relationships within Council, as well as networks and strategic alliances outside of Council, including those with key regional Indigenous organisations and business industry groups, to influence the program arena.
- b) Develop tangible links between community organisations and potential business entrepreneurs.

4. RESEARCH:

- a) Coordinate research activities to enhance the development of effective and appropriate services with potential clients.
- b) Develop market research activities.
- c) Provide information and advice to government agencies and business groups on small business within SEQ to facilitate the development of policy and programs to further assist economic development and the indigenous private sector.
- d) Provide high level advice to the Lord Mayor, Civic Cabinet and Council program managers on Indigenous business development.
- e) Develop relevant project and training package proposals, negotiate for resources and facilitate project outcomes.

5. SECTOR DEVELOPMENT:

- a) Develop special project proposals, negotiate for resources and facilitate project outcomes.
- b) Develop processes for the development of support frameworks for Indigenous Community Organisations.
- c) Develop small business and community organisation support networks or clusters.
- d) Develop communication strategies to inform stakeholders about Council's initiatives.
- e) Work with and involve stakeholders to incorporate organisational, business, government and community input into Indigenous economic development strategies.

6. MARKETING AND PROMOTION:

During 2008 the BBSB Hub aims to:

- a) Develop a Marketing and Communications Plan for the BBSB Hub.
- b) Develop and implement Marketing and Communications Plans for clients.
- c) Obtain private sector investment in the BBSB Hub.
- d) Obtain other government funding for the BBSB Hub.

STAFF:

JM John Armstrong is the inaugural Manager of the Hub. Previous to this he worked at Arts Queensland on the Visual Arts and Craft Strategy implementation with emphasis on the Indigenous Arts Centres of Queensland. Before that he was the Director of artSynC, a regionally based arts business incubator working towards developing arts enterprise activity in and around the Sunshine Coast. Armstrong is a member of the Board of the Queensland Indigenous Arts Marketing and Export Agency, an initiative of the Queensland Department of Premier and Cabinet.

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In his recent positions Armstrong has been responsible for major initiatives in policy and industry development and export as well as major projects with an emphasis on business, sustainability and community accountability and participation.

Suzanne Thompson is a Business Readiness Officer of the Hub. In her previous positions she worked as the Northside Indigenous Community Development Officer for Brisbane City Council under the Place Management Program. Her job was to consult, understand, develop and implement appropriate programs and services for the Indigenous community. Suzanne has strong working relations with both the Aboriginal and Torres Strait Islander communities which have afforded her the opportunity to identify new ways of community capacity building and innovative practices for engaging with government at all levels, which have assisted with the delivery of strategic community outcomes. In her role she established the 'Yarning Circles' for the Northside communities. These 'Yarning Circles' have provided the community with the opportunity to come together to heal the barriers to communication and allowed them to identify new ways of working together.

Jodi Sampson is a Business Readiness Officer of the Hub and he took up his position in mid-May 2006 following a successful bid for funding support to the Department of Employment and Workplace Relations.

Jodi previously held the position of Brisbane City Council's Indigenous Employment Programs Coordinator where he assisted Indigenous applicants in accessing and securing employment and training opportunities within BCC.

Other positions Jodi held prior to coming to the Hub include: working for a peak organisation bringing together stakeholders to address Indigenous issues including employment, training and enterprise development; working closely with Traditional Owner Groups and Elders regarding regional community development; working closely with a range of community organisations and individuals regarding "planning for the future"; facilitating and leading a Regional Economic Development Team to deliver a coordinated approach to enterprise development for the Indigenous Community.

Naomi Stanley is the Hub's Administration Officer and previously worked in BCC as a Personal Assistant to the Manager of City Life. Naomi entered Council as an Indigenous Trainee after a number of cleaning and hospitality positions. Naomi brings with her a wealth of BCC knowledge and her family and Community connections.

Debra Bennet joined the team as Marketing and Communications Officer in early 2008. Deb has extensive experience over 25 years working with Indigenous clients and organisations - her most recent position was with Queensland Community Arts Network where she was responsible for the state-wide programs of support and service for Indigenous Communities. Deb brings very high level networks and contacts - she is the Chair of Queensland State Government's Queensland Indigenous Arts Marketing and Export Agency.

LOCATION:

The Hub had offices in the BCC Brisbane Administration Centre, 69 Ann Street up to March 2006. The Hub relocated to South Bank in March 2006 with a peppercorn rent of \$1 per year and an initial lease to February 2007 that was extended to May 2007. This partnership between South Bank Corporation and the Hub worked effectively and is evidence of the recognition of the importance of the Hub's activities.

In May 2007 the Hub relocated to BCC premises at 399 Montague Road, West End. The location is excellent with ease of access and a good business-like atmosphere conducive to the discussions and yarning that is such an important part of working with clients. It should be noted that this current location positions the Hub in a BCC shared facility with a consequent upgrading of communications and computer networking.

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SNAPSHOT @ END 2007**

**Aggregated data for the 28 months from September 2005
to December 2007**

BUSINESS SUPPORT ENQUIRIES:

475 enquiries translating to 30 current clients

CLIENTS:

Individuals:

A total of 103 individual clients were actively serviced during the 28 months.

Community Organisations:

A total of 8 Organisation clients were actively serviced during the 28 months.

34 clients not continuing - business proposition not viable

27 clients not continuing - business proposition viable but client does not wish to proceed

54 clients not continuing – client withdrew prior to determining viability of business proposition

37 new businesses operating

17 new businesses in pre-start-up phase

33 operating businesses receiving ongoing support

Total of clients not continuing = 115

Jobs generated in the 37 new businesses = 102

SKILL DEVELOPMENT:

- ✓ 15 workshops held in-house
- ✓ 47 workshops held by other provider
- ✓ 424 clients participated in in-house workshops
- ✓ 173 clients participated in other provider workshops
- ✓ 257 clients provided with one-on-one skills development

BUSINESS PLANNING:

79 completed business plans/feasibility studies

29 business plans resulting in business start-up

MARKETING:

64 clients assisted with marketing/sales advice/strategies

CLIENT FUNDING:

34 clients assisted with Commonwealth funding application

7 clients assisted with State funding application

9 clients assisted with other funding application

SUCCESS RATES:

34 Commonwealth funding applications = 27 approved

7 State funding applications = 4 approved

9 other funding applications = 8 approved

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SNAPSHOT @ END 2007**

THE SITUATION NOW (JULY 2008)

The Department of Tourism, Regional Development and Industry has ceased operational funding arrangements with the Indigenous Hubs in Brisbane, Bundaberg, Thursday Island and Cairns and are considering shifting to a project by project base. This makes it impossible to retain the highly skilled and networked team of 5 staff that have been the means to achieve significant advances in Indigenous business development in SEQ.

Therefore the BBSB Hub will cease operations at end July 2008. DTRDI are planning to extend their current Indigenous Enterprise Development Officers program to Brisbane south-side which will provide some service to aspiring entrepreneurs but will not be able to engage in the ongoing continuum of case management and mentoring that BBSB provided so successfully for 3 years.

A dedicated and independent (from government) support service such as BBSB is vital for Indigenous Community acceptance and up-take – the cutting through red tape and the personalised, culturally based engagement with clients cannot be achieved within a government department program.

The BBSB was an economical and cost effective way of developing Indigenous enterprise.

Indicative Budget required for BBSB for 1 year operations.

Wages:

Manager = \$100,000

Business Readiness Officers x 2 = \$85,000 x 2 = \$170,000

Marketing & Communication Officer = \$80,000

Administration Officer = \$65,000

Total Wages = \$415,000

Operational:

Rent = \$20,000

Phones = \$5,000

Office expenses = \$25,000

Car = \$20,000

Computers = \$20,000

Total Operational = \$90,000

Workshops & Projects:

Projects = \$50,000

Workshops = \$30,000

Publications = \$15,000

Total Workshops & Projects = \$95,000

Grand Total = \$600,000

Please note that BBSB will not exist after July 2008 therefore this submission is being lodged on my own behalf.

JM John Armstrong
Manager
Blak Business Smart Business Hub
Brisbane
11.07.08