



**THE COMMUNITY**

Charles Batchelor assesses the recession's effect on company priorities

# Resources battle gets tougher

SUPPORT for enterprise and, more specifically, backing for small businesses have become essential elements of the community involvement programmes of many large companies over the past decade.

Enterprise support has not escaped the rigorous reappraisal which big business has given to its charitable giving but there are no signs that large companies are making any fundamental shift away from this area of activity.

The recession has undoubtedly put pressure on community support budgets but it has also emphasised the importance of backing local, small scale economic activity if the large businesses themselves are to prosper. At the same time enterprise support, which emerged as a legitimate part of community involvement in the late 1970s and early 1980s, is increasingly being fought for its share of companies' community budgets alongside education and the environment.

For many companies education and enterprise are closely linked themes. They frequently seek to inject an element of enterprise into the formal education system which, in the view of many observers, has been hostile to the business ethic. At the same time fostering enterprise or self-reliance was seen as being of benefit to the pupil regardless of whether he or she was destined for self-employment or employment.

Enterprise support has traditionally taken a number of forms:

- Seconding staff to help organisations such as the enterprise agencies advise entrepreneurs setting up in business. This process also benefited the staff who gained a broader experience.
- Providing funds to support advice organisations and run training programmes.
- Turning over redundant factory or office space to provide workshops for small businesses. The latter would often subsidise or provide centralised facilities such as a switchboard, receptionist and secu-

- Providing finance for small venture capital and loan funds.

Shell UK, for one, is maintaining its five-year commitment to its two main enterprise programmes aimed at young people, says Mr Asif Abdulla, enterprise manager. Its Livewire programme provides advice and awards in cash and "kind" to 16-25 year olds who submit an acceptable business plan while the Shell Technology Enterprise Programme (STEP) places 400 polytechnic and university students with small businesses during their summer vacation.

Shell is continuing its backing for start-ups at a time when much of the emphasis of small firms support is switching to the more established, though still small, business. This shift has been prompted by the realisation that established companies have already survived the most difficult early days and are more likely to create jobs in the short term than start-ups.

But Shell remains convinced of the need, and the value to its public image, of backing young people with business ideas. As part of the more pragmatic approach that businesses have been taking to their community programmes in recent years Shell has been keen to obtain "leverage" for its own investment in enterprise programmes by bringing in co-sponsors.

British Steel (Industry) and British Coal Enterprise helped sponsor the 1991 STEP programme. Every £1 that Shell puts into STEP generates a total investment of £8, says Mr Abdulla. The Prince's Youth Business Trust (PYBT), which helps young entrepreneurs, has noticed a far more commercial approach by sponsors.

In the past many sponsors provided money from their charitable funds with no strings attached and with little expectation of any acknowledgment of their contribution. But increasingly, the PYBT reports, companies have begun backing enterprise from their marketing budgets. This means

organisations seeking corporate backing must be aware of their sponsors' marketing needs and be willing to accept more overt promotional links.

The PYBT's most recent fund-raising, to mark the Prince of Wales's 40th birthday, "sought deliberately to raise money from small and medium-sized businesses to compensate for cut-backs among its traditional blue-chip sponsors. The most recent instance of a large company recasting its community involvement policy came with the announcement last month by National Westminster Bank that community activities would reflect its business priorities more closely.

The bank gave £13.7m to community support last year. NatWest said it had adopted the promotion of a more financially informed society and the encouragement of enterprise skills as its central objective. Previously the bank had tended to support good ideas rather than focus on aims.

By focusing on activities it understands best the bank hopes to make greater use of staff skills as well as providing money for the causes it backs. The NatWest approach is expected to be adopted more widely by large companies.

BP, the petroleum company, has also focused its community activities more closely - it has recently devoted considerable effort to backing innovation -

the arts, sport, charitable support and community projects. This last category includes backing enterprise and developing small businesses, particularly among the economically and socially disadvantaged.

As part of enterprise support British Gas backs Young Enterprise, a project which helps 15-19 year olds set up and run businesses. It is also helping set up the Felix Road Enterprise Centre in Bristol to provide 21,000 sq. ft of light industrial space, offices and studio workshops.

This is part of a policy intended to reach many audiences: customers and their communities, employees, shareholders, the business community and local and national government. "More than ever we must speak to these audiences directly by achieving a positive public profile from the projects we support," the company says.

BAT Industries' community involvement programme in the UK has two main goals, the company says. These are "to provide support to small businesses and to enable young

people to receive high quality, productive education." The reason for this involvement is because it "believes that no successful company can exist in isolation from the community in which it does business".

BAT has concentrated its efforts on backing enterprise agencies in Southampton and South London and on financing the creation of business centres providing accommodation for small companies in Liverpool and Brixton. The approach of big business to community involvement is becoming more tightly focused within a broader range of overall objectives. There are no signs, though, that large companies are any less committed to community programmes in general or to the theme of enterprise in particular.

**There is a switch from charitable funds to marketing budgets**

while BAT Industries, the tobacco and financial services group, is concentrating on a smaller number of big projects.

Large companies are increasingly likely to draw up formal policy statements for their community involvement. These frequently reveal a broad spread of activities. British Gas, for example, lists six main categories under its "social policy." These cover education, the environment,

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