



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Menter a Busnes **The Enterprise and Business Committee**

Dydd Mercher, 12 Mehefin 2013
Wednesday, 12 June 2013

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Byron Davies	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
Yr Arglwydd/Lord Dafydd Elis-Thomas	Plaid Cymru The Party of Wales
Julie James	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
David Rees	Llafur Labour
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Karl Belizaire	Rheolwr Polisi, UnLtd Policy Manager, UnLtd
Dan Butler	Cyfarwyddwr, A Leap Director, A Leap
Amanda Everson	Rheolwr Datblygu, Live UnLtd yng Nghymru Development Manager, Live UnLtd in Wales
Dale Williams	Cyfarwyddwr, York Recruitment Director, York Recruitment

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Ffion Emyr Bourton	Dirprwy Glerc Deputy Clerk
Michael Dauncey	Y Gwasanaeth Ymchwil Research Service
Kevin Davies	Y Gwasanaeth Allgymorth The Outreach Service
Siân Phipps	Clerc Clerk

Dechreuodd y cyfarfod am 10 a.m.
The meeting began at 10 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Nick Ramsay:** Good morning, everyone. I welcome Members, witnesses and members of the public to this morning's meeting of the Enterprise and Business Committee. The meeting is bilingual and headphones can be used for simultaneous translation from Welsh to English on channel 1 or for amplification on channel 0. The meeting is being broadcast and a transcript will be published. I ask Members to turn off their mobile phones. There is no need to touch the microphones, as they should operate automatically. In the event of a fire alarm, please follow the ushers. We have no apologies today and no substitutions; we have a full complement.

10.01 a.m.

Ymchwiliad i Entrepreneuriaeth ymysg Pobl Ifanc—Cyflwyniad Fideo Inquiry into Youth Entrepreneurship—Video Presentation

[2] **Nick Ramsay:** We will continue with our inquiry into youth entrepreneurship. Under this item, we have a video presentation that has been compiled by the outreach team. We thank Kevin Davies, the Assembly's outreach and liaison manager for south Wales, for being with us today. I know that you have been working hard on this video, Kevin, and we look forward to seeing the results. Would you like to update the committee on the video and what has happened since we last saw you?

[3] **Mr Davies:** We produced a video package for the committee that comprises a total of 35 video interviews that we have conducted primarily with young people across Wales. We have worked with young people who are pre-start-up, people who have started up businesses, and the staff and advisers who have been supporting them and guiding them through the process as well.

[4] The video package that you are going to see today is an edited version that has been split into five different categories, which include enterprise and education, signposting and mentoring, funding and support, the economic and regional context, and the entrepreneurial spirit. In producing these videos, we have conducted interviews with people across Wales. We have conducted interviews with 21 people in north Wales, two in mid and west Wales and 12 in south Wales.

[5] **Byron Davies:** May I just ask how you identified and located these people?

[6] **Mr Davies:** We went through a number of organisations, such as Young Enterprise Wales, the Prince's Trust, the Federation of Small Businesses, and a number of different representative bodies, as well as some of the universities, to put us in contact with people.

Dangoswyd DVD. Mae'r trawsgrifiad mewn llythrennau italig isod yn drawsgrifiad o'r cyfraniadau llafar ar y DVD.

A DVD was shown. The transcription in italics below is a transcription of the oral contributions on the DVD.

[7] **Kylie Hearne:** *When you're in school, they tell you, 'No, you're going here; you're doing your GCSEs, you're going to college, you're doing your A-levels, then you're going to university'. That's what I was taught in school. It's the curriculum, it's—you know—lessons. There was nothing about enterprise whatsoever. So, business, to me, was never an option.*

[8] **Head of the sixth form and head of business studies, Prestatyn High School:** *It's very well embedded in our school—mainly in the sixth form. What I'd like to see is it actually embedded in other years, really. That's where, I suppose, we struggle.*

[9] **Target: St. Joseph's Catholic & Anglican High School:** *Starting it younger, our age, is a really good thing as well, because most people won't get that opportunity until they are in university or college as well. It encourages us to think about the other options that are available as well, not just going into other companies, working, you know, in supermarkets. We can think about starting our own businesses now that we have developed those skills together to learn about those sorts of things and we can actually achieve that now.*

[10] **The team from Eirias High School:** *We had a lot of help in school, because we had our teachers and we also had an entrepreneur, Rob, and he was really helpful in terms of, like, what we needed to do, how we could market our things to make them sell, like, a lot better.*

[11] **Carwyn Williams:** *It would have been a good idea if the Welsh Assembly Government would have got in touch with me before I graduated, because I was a business graduate, you know, you come out of university and you're going to look to start up your own business. But it was just, you did your degree, you passed and, bang, you're out of there.*

[12] **Siân Jones:** *Nid ydym wedi gweithio lot efo addysg uwch na phellach. Pan wnaethon ni ddechrau'r cynllun, ddaru ni drio'n galed iawn i wneud cysylltiadau o fewn addysg uwch a thrio cael rhyw fath o 'referral system', ond dydy e ddim wedi gweithio. Rydym hefyd, yn y gorffennol, wedi trio cysylltu gyda'r 'entrepreneurship champions' sydd yn y colegau, ond doedd dim lot o lwyddiant.* **Siân Jones:** *We haven't worked much with higher or further education. When we started the scheme, we tried very hard to establish connections within higher education and have some sort of referral system, but it didn't work. In the past, we also tried to have contact with the entrepreneurship champions in the colleges, but we didn't have much success.*

[13] **Kylie Hearne:** *The experience I had learning about enterprise and business was in Swansea University. I got an e-mail—you know, we get those student e-mails—and one came through saying that there was something like a 'Dragons' Den' pitch competition—win a laptop. I was like, 'Oh, a laptop; I need a laptop', because I didn't have a laptop. So, I thought, 'I'll go for that; what can I make up?' I made it up and I came second in the overall university competition. That was the only sort of business—. That was when I actually thought, 'Oh, I might be good at business'.*

[14] **Rob Lo Bue:** *Our university was very much concentrating on us getting a job in one of the big multinational firms, one of the big companies. They didn't really mention entrepreneurship as an alternative form of employment.*

[15] **Huw Williams:** *No-one ever came up to me and said, 'You're doing film studies, do you know about any of the business side of film studies?'*

[16] **Kieran Owens:** *There's loads of help and encouragement. Dynamo Role Models, which I am one of—apparently the youngest—is amazing. We go to schools and inspire young people.*

[17] **Rob Lo Bue:** *I think mentoring is really important. I think everyone should give back what they've learned. I am not an expert in many things, but there are definitely things that I know a lot about, so why not share that with younger people who are just starting out?*

- [18] **Siân Jones:** *Mae lot o arian yn mynd at lot o brosiectau unigol. Dwi'n meddwl bod lot yn mynd ymlaen, ond mae'n anodd i bobl ifanc ffeindio allan lle i fynd, pwy ddynlen nhw siarad efo. Does yna ddim un 'port of call'.* **Siân Jones:** *Lots of money goes to lots of individual projects. I think that a lot is going on, but it is difficult for young people to find out where to go and who they should speak to.*
- [19] **Rob Lo Bue:** *I also didn't know about this youth entrepreneurship programme.*
- [20] **Dan Fitzgerald:** *Like, even now, I am still self-employed, obviously, and I need to do my tax return. I don't know what I'm doing—absolutely no idea.*
- [21] **David, Llandrillo Menai College:** *One thing we did notice was that it was a time-consuming process—lots of paperwork and things like that—in order to achieve the benefit.*
- [22] **Carwyn Williams:** *It was well over-complicated. There were so many different, kind of, branches there.*
- [23] **Francesca James:** *It is like a treasure hunt online to try to find out what you've got to do and when you've got to do it. I recently found out that I just missed out on a grant that I would have been eligible for had I found out about it about six weeks before.*
- [24] **Kylie Hearne:** *There is help out there, but they don't know where to get it. It took me months and months and months to find that money, for example, and it was just there. It's the Welsh Assembly graduate bursary; it was there for me.*
- [25] **Neil Cocker:** *I get a sense that there is a big disconnect a lot of the time between the Welsh Government and proper ground-level entrepreneurs—you know, where you're going to meet guys with green hair who are making the stuff, the websites and apps that are going to change the way we all live and work in the future.*
- [26] **Rob Lo Bue:** *There isn't so much help, such as hand-holding or that ear to listen to you when you have an issue. The Welsh Government and policy makers feel quite separate from what we do on the ground. Often, you feel a little bit like you are on your own and you would just like a phone number to call to ask for advice on X, Y or Z.*
- [27] **Neil Cocker:** *Actually, all our experience of successful entrepreneurs here are from manufacturing, financial services and legal services—it is just the nature of the economic make-up of the history of Wales.*
- [28] **Dale Johnson:** *They all seem to come from a structure in which, if I said to them, 'How can we improve our Twitter strategy?', they would just look at me.*
- [29] **Siân Jones:** *Trio gwneud yn siŵr bod pawb yn gweithio gyda'i gilydd, a phan mae cynlluniau newydd yn dod, fod y bobl sy'n gweithredu'r cynlluniau ar y pryd yn ymwybodol ac yn rhannu gwybodaeth a thrio gwneud yn siŵr bod pobl yn gweithio efo'i gilydd.* **Siân Jones:** *Try to make sure that everyone works together. When there are new schemes, ensure that the people who implement them at the time are aware. Share information and try to ensure that people work together.*
- [30] **Rob Lo Bue:** *The Welsh Government could send out mailings. They have information about every company started in a certain area; everyone has that information. They could literally just send out an information pack by default.*
- [31] **Carwyn Williams:** *Everybody suggests for them to merge everything into one, single*

organisation, so people know in Wales where exactly to go to for money, support, funding, advice.

[32] **Kylie Hearne:** *The finance was the big, big, major issue, to be honest. I didn't want to take a loan because I was already in so much debt.*

[33] **Kieran Owens:** *The Prince's Trust, which might not be connected with you, but it was really good. I got a £3,000 loan—I just paid that off, actually—which was really helpful in terms of equipment and capital purchases. The Bilingual in Business grant, which I've just gone through, which is Wrexham-based; they were really helpful, and I have been through Launch funding, which was Northern Marches Cymru.*

[34] **Francesca James:** *Jobs Growth Wales helped me to take on two people to help work on projects. As a result, one of them has joined us as a full-time member of staff.*

[35] **Dale Johnson:** *A lot of the criteria, we couldn't meet. There were grants that we could have applied for, but our turnover would be nowhere near the target amount.*

[36] **Carwyn Williams:** *Three months into that process—so, all the paperwork and what have you—we were told that we would not have that money to start up; we would have to start trading before we saw any money. We were left stranded, really. So, then we had to go desperately trying to find—. Well, we had to take on private loans, which I'm still paying off now—two old debts, and all of that. Then, a few months down the line, the money finally came through, but it was too late by then.*

[37] **Jack Cooper:** *We have had to wait quite a long time for the funds to come in and our initial overheads have been quite high—the website, petrol costs and whatnot.*

[38] **Siân Jones:** *Mae gennym ni £2,000 ar gael iddyn nhw i ddechrau eu busnes, i brynu offer, neu beth bynnag maen nhw ei hangen—dim hyfforddiant, ond y rhan fwyaf o bethau eraill fedrwn ni dalu. Weithiau, dyw'r £2,000 ddim yn ddigon i ddechrau'r busnes ac mae hynny'n 'barrier' iddyn nhw.* **Siân Jones:** *We have £2,000 for them to start their businesses, to buy equipment, or whatever is needed—that doesn't include training, but we can pay for most other things. Sometimes, the £2,000 isn't enough to start the business, which can be a barrier for them.*

[39] **Carwyn Williams:** *Potential young entrepreneurs have come up to me and I've, kind of, led them away from public sector funding and said, 'Just bypass them and go straight to the banks'.*

[40] **Neil Cocker:** *Basically, you need nerds to build the stuff and you need rich guys to invest in it. We've got the nerds, but we've got the wrong type of rich guys. That is pretty much, bluntly, it. So, if there are not the right types of rich guys, we either need to bring more of them here—that is, a PR exercise—or the Government needs to find ways of releasing funding.*

[41] **Francesca James:** *I think it is really easy to start up a business, but for it to fulfil its potential I think that that is where we need more help.*

[42] **Rob Lo Bue:** *If you can say, 'Hey, start your own business, register as a limited company or register as a company and we will give you nine months of jobseeker's allowance or some kind of benefit just to tide your costs over', I really, really believe that lots of people would start a business.*

[43] **Neil Cocker:** *If there is ever a time for you in your life—you are living with three*

other people, your rent is, like, £7 a week, you can live on baked beans; go and make mistakes, go and learn.

[44] **Dan Fitzgerald:** *When you go to the job centre and you are signing on, they are saying, 'Apply for a job in Tesco or go to Asda', and that kind of thing. From that low level, no-one is saying, 'Oh, you can start your own business'. I think that is really bad.*

[45] **Gareth Jones:** *He came in here, he looked around the building, we told him the plans for it and he said, 'Do you know what, this building would make a great contact centre'. I looked at him and thought, 'Right, we can either create these jobs—these, perhaps, unsustainable jobs for people, of which there are plenty out there—or, we can create businesses which are creating employment'. We have already seen, in the nine or 10 months since we've opened, 45 businesses now, which are employing, on average, two people per business.*

[46] **Kylie Hearne:** *No business rates for two years—absolutely fantastic. I wouldn't have been able to open this shop if I had had the business rates on top. There is no way.*

[47] **Rob Lo Bue:** *Wales is a perfect place to start up, not only because of the legal side of it, but also because rent here is quite cheap.*

[48] **Neil Cocker:** *When I was tweeting with a tech start-up journalist in France, she tweeted me back saying, 'There are start-ups in Cardiff!' The internet as a whole is worth more to the British economy than construction, education—some very serious sectors that are given huge amount of air time, because if you wanted to get the most bang for your buck on pretty much any project, you would probably spend almost all of it below the M4—Newport, Cardiff, Swansea.*

[49] **Gwion Jones:** *Does yna ddim llawer o swyddi yn lleol a dwi eisiau aros yn lleol. Ond, petawn i'n mynd i'r brifysgol, mae'n debyg y buaswn i'n gorfod symud i ffwrdd i ffeindio swydd. Mae dechrau fy musnes fy hun yn gadael i fi gael yr opsiwn o aros yn lleol.* **Gwion Jones:** *There aren't many local jobs, and I want to stay in my local area. But if I did go to university, it's likely that I'd have to move away to find a job. By starting my own business, it enables me to have the option to stay in my local area.*

[50] **Siân Jones:** *Achos ei fod o dan y cynllun datblygu gwledig, rydym yn ei gadw o fewn yr ardal wledig o sir y Fflint. Mae'n anodd oherwydd bod darnau buasech chi'n meddwl sy'n 'industrial', ond am fod y boblogaeth yn isel, maent yn cael eu cynnwys o dan yr ardal wledig. Felly, mae'n anodd i bobl. Mae'n andros o anodd ceisio esbonio i rywun ifanc sy'n byw ar gyrion Fflint, dywedwch, sydd â ffrind sydd wedi cael gwasanaeth gennym ni, gan ei fod yn byw i lawr y ffordd, ond dydyn nhw ddim yn medru.* **Siân Jones:** *Because it is part of the rural development plan, we keep it within the rural area of Flintshire, which is difficult. There are areas that you'd think are industrial, but because the population is low, they are included within the rural area. So, it is difficult for people. It is extremely difficult to try to explain to a young person who lives on the outskirts of Flint that their friend, who lives down the road, has had a bursary from us, but they can't.*

[51] **The team from Prestatyn High School:** *As long as you've got the information that's there for you, I don't think it matters wherever you live, even if it's in a rural area.*

[52] **Gareth Jones:** *I don't think it necessarily has to be where you are, it just has to be openness to the people around you. I think you need to have those positive influences.*

[53] **Francesca James:** *A new business can sound and seem pretty daunting, and I think that a lot of people don't know that it might be an option for them and that they might not need to have as much start-up capital as they might think.*

[54] **Jonathan Fry:** *Being an entrepreneur is down to the individual. Ultimately, if you have enough drive, you will eventually become successful.*

[55] **Gareth Jones:** *That energy, when you are starting up as a youngster—you get patronised and are told, 'You don't have the experience', but sometimes it is good to have that inexperience, because you are a lot more open to new ideas and you're willing to take those risks.*

10.15 a.m.

[56] **Kieran Owens:** *I lost a lot of friends, actually, in setting up a business, especially the ones my age. Some of them don't quite understand the way I work.*

[57] **Gareth Jones:** *I've got a lot of friends who look at me and my position now and almost resent me, because I don't have a degree, but they have a degree and they're struggling to find any kind of worthwhile employment.*

[58] **Kieran Owens:** *My family, at first, kept asking questions, and we always used to argue about it, because they didn't understand. My mum just doesn't ask any questions now, which is great.*

[59] **Rob Lo Bue:** *In starting a business, I was lucky enough to have the support of my parents, who said, 'If you can't pay rent for a few months, that's no problem—you can live with us.' Also, my father started his own business when he was very young. It was in a totally different industry and a totally different type of business, but I always had that energy from him to be my own boss and to do my own thing.*

[60] **Francesca James:** *I think that instilling the belief in young people that they can set up a business is one of the most important things.*

[61] **Nick Ramsay:** Thank you, Kevin, for putting that together. It was interesting to see the range of views, and I know that you worked hard on that. It has informed the inquiry, helpfully.

10.16 a.m.

Ymchwiliad i Entrepreneuriaeth Ymysg Pobl Ifanc—Sesiwn Dystiolaeth Inquiry into Youth Entrepreneurship—Evidence Session

[62] **Nick Ramsay:** This is the first formal evidence session of the committee's inquiry into youth entrepreneurship, and we have three witnesses with us. Many thanks for joining us today to help us with our inquiry. Would you like to give your name and position in your organisation for the Record of Proceedings? Who wants to start?

[63] **Mr Butler:** My name is Dan Butler and I am director of A Leap.

[64] **Mr Belizaire:** My name is Karl Belizaire. I am policy manager for UnLtd, the foundation for social entrepreneurs.

[65] **Ms Everson:** Good morning. I am Amanda Everson, awards manager for UnLtd in Wales.

[66] **Nick Ramsay:** Thank you for being with us; we do appreciate it. We have a number of questions for you. Thank you for your written papers, which help us with our lines of questioning. I propose that we do not have any opening statements but start with questions, and the first is from Byron Davies.

[67] **Byron Davies:** Good morning. It is often said that we do not like taking risks in Wales. It is not within the culture of Wales to have people who are prepared to become entrepreneurs. What would you say to that?

[68] **Ms Everson:** From my experience of working in the youth sector for the last six years under social entrepreneurship, a lot of the issues might be that the environment that they are involved in or influenced by comes from a generation that is about employment, not enterprise. So, that has a huge impact on their belief about or attitude towards self-starting. However, there is an agenda for entrepreneurial activity; it just needs to be enhanced, encouraged and supported more in order to give them that sense of belief that they are able to make that happen.

[69] **Mr Belizaire:** Culturally or traditionally, there might have been an appetite for employment, but in a climate in which youth unemployment is potentially at an all-time high, encouraging job creators rather than just job takers is not only an important but a crucial task. There is absolutely a cultural shift towards embedding the belief and confidence in young people, often by utilising examples of other young people who have taken that risk and showing them that the support is available, so perhaps it is not quite as risky as they might have initially thought versus going to university and coming out without necessarily getting meaningful employment. I would say that entrepreneurship is probably a safer option at this stage than putting yourself through the cost burden of an university education with no guarantee of employment at the end of it. It certainly depends on the perspective.

[70] **Mr Butler:** If asking whether people in Wales are risk-averse is a way of saying that perhaps people in Wales are not as enterprising as they might be, I would strongly disagree, from my experience of working in Welsh communities. There are a lot of people who are quick to say that there is a lack of enterprise in certain communities and that there is a lack of ambition in certain communities, whereas I would say that, in a lot of cases, that may be because of the relationship of those people with those communities. If you are aware of what is going on out there, you will know that there is a great deal of enterprise going on. It is not necessarily always money-making enterprise, but if you look at enterprise in the wider sense of people going out there, shaping their communities and being active in their communities, Wales has a very rich heritage and a lot of advantages in that respect. I think the recent encouragement of youth enterprise that has been going on has been tapping into that to some extent, although I think there is a lot more that could be done to tap into that in an even greater way. I would see an important part of going about that as looking at enterprise in terms of the entrepreneurial environment, rather than as entrepreneurial individuals. As for risk taking, there is a way of presenting enterprise, in terms of things such as *The Apprentice* and *Dragons' Den*, that says, 'This is business; this is enterprise', but actually, to a lot of young people, that is very unappealing. There are, however, a lot of young people who are doing very enterprising things, perhaps more in the fields of sport, music, culture and community work, and they should be encouraged as part of an enterprise strategy, but, the moment, they are not being captured under that.

[71] **Byron Davies:** In your paper, you talk about social entrepreneurship. What sort of contribution do you think that can make to increasing enterprise and business start-ups across the board here in Wales?

[72] **Mr Belizaire:** I think that there is a huge appetite and interest among young people

around having a meaningful career that creates more than just a bottom-line contribution to your pocket. Across Wales, there is an increasing appetite for making a difference and contributing positively to your community and environment, as well as purely doing something to make money. So, I think that social entrepreneurship has an increasingly important role to play, not only in the interests of the young people, but, equally, in the contribution to society that it can make beyond the economic contribution. I was just looking at statistics from 1,000 people that we support per year. It could be any 1,000 people—it could be 1,000 people across Wales. An estimated £200 million-worth of volunteering opportunities and £45 million-worth of jobs were created from 1,000 social entrepreneurs supported in one particular area. So, in addition to the economic contribution from social entrepreneurship, there are immense societal benefits to communities. Equally, there is the development of the individuals.

[73] One of the key things for us at UnLtd is a belief and trust in youth-led projects. This is often seen by youth workers as a somewhat radical approach, in putting money directly into the bank accounts of young people and trusting in their belief that they have the solution and can be the change in their communities. I think that placing that trust in, and having that belief in, young people to make positive change is one of the most important things that we can do.

[74] **Ms Everson:** I feel that it is about joining the dots. We talk about enterprise in education, but the focus is more on the private-sector type of environment. We talk about the issues that young people face in society, and how they impact on them, or how they are accused of causing the issues that affect society. A lot of the time, a lot of them say that they do not know what they want to do, but they know how they feel about something, and they know what they have been taught at school. It is about, perhaps, the risk taking and saying, 'Let's do something about this issue that you are aware of and you feel something about, and put something into context from the education that you are developing'. So, it is about developing the risks in a different way, rather than looking at it as a business or financial-type risk.

[75] **Mr Butler:** I think that some really good work is being done under the banner of social enterprise, and UnLtd does some really good work in Wales and elsewhere, as do other organisations. I, myself, have always found the concept of social entrepreneurship to be a bit hazy, in that, for a lot of people who run businesses, when asked what their aims are, they are to provide goods and services to people, and to provide employment and training for their staff. Those are social aims, and a lot of businesses would like to see themselves as social organisations. There are some really good employers out there. If we are going to be looking at entrepreneurship more widely, then, rather than saying that we have social entrepreneurs and business entrepreneurs, we should be encouraging everybody to be more enterprising. I was really glad to see that a lot of the other responses to this inquiry were saying similar things. Actually, I think that we should be looking at enterprise alongside the other rights-based work that the Welsh Government is doing. It is about a rights-based approach and looking at it as a natural extension of that, in terms of, if someone has had their entitlements met, has had a good start in life, are getting an education and living free from poverty, then what are they going to be able to? That should be being engaged in the civic life of their communities, participating in decision making, and they should be able to go out and organise within their communities, whether that is a business, a community project, or whatever. So, I think strengthening that rights-based approach element within the entrepreneurship strategy would be of real benefit.

[76] **Byron Davies:** Even becoming politicians, perhaps. The impression that I get from what you have submitted is that you think that there is a gap in the information that is available to young people. I think that you were heading in that direction with your last answer, Ms Everson. Can you expand on what you think is needed?

[77] **Ms Everson:** In this last year specifically, the strategy has been working in the education sector across secondary, further and higher education. There are lots of enterprising activities and a lot of focus on the business studies sector, or potentially through the Welsh baccalaureate, which has community participation module and an enterprise module, although never the twain shall meet.

[78] Previously, I worked in the youth volunteering sector, and, again, there is this disparate environment. I feel that there is definitely a gap, and I have been speaking to Welsh baccalaureate officials about creating a module that bridges those gaps, and which opens up other opportunities and other ways of seeing the whole picture around where they can do things on a voluntary basis, not volunteering, so leadership skills are developed and so there is awareness of how they can develop business-type skills in terms of planning, teamwork, managing finance, marketing—all those key foundation skills—but doing it for a socially-driven purpose. Those young people are leading that, so they are developing those business-type behaviours, but they are having a wider social impact for other young people, for their communities and for society in general. It gives them a different viewpoint about where their future may lie, and about being able to join the dots and make the connections as to what their potential is.

[79] **Mr Belizaire:** To add to that, there is an awful lot of good practice in Wales around entrepreneurship; I believe that there is entrepreneurship work with children as young as five, which is outstanding. The younger that you can sow the seed about entrepreneurship, the better the chance you have of it later in life. There is an awful lot of existing activity around mainstream entrepreneurship, so there is a real opportunity to broaden that somewhat—if you are asking what I would put in recommendations—to include an understanding of some of the wider social and civic impacts that a business or a social venture can have.

[80] Just for the record, when we are talking about social entrepreneurship, we are talking about businesses, first and foremost, with a primary social purpose. So, the same principles as apply to running a business in a mainstream entrepreneurship apply completely to social entrepreneurship—just for clarity, in case anyone was curious.

[81] The principles around teaching entrepreneurship are very similar, but I suppose that the motivation, the output and the passion and interest of young people in getting involved in working on something that means a lot to them and that is led by their passion and interest, means that there is a huge opportunity to expand upon the good work around entrepreneurship to include some of the social aspirations.

[82] **Mr Butler:** In terms of what is missing, I agree with these guys—there is a lot of really good work out there. There is a huge amount of information out there about all different types of enterprise, in terms of that provided by the Welsh Government and in the wider media, online and all the rest of it. If there is something that is missing, it is that there would be a benefit in the opportunity to access space for incubation, for meeting other businesspeople and that sort of thing. I have not had a chance to read through every submission, but I have seen that come up quite a few times. If you are receiving grant funding, and you spend that on accessing space, it will take up a large proportion of that funding. So, is there scope to look at initiatives around that to see whether that could be expanded?

10.30 a.m.

[83] Another thing that is a gap, or is perhaps something that could be developed further, in the work being done on enterprise, is the greater involvement of children and young people in designing the programmes and the provision around enterprise. Again, I see that as part of extending the rights-based approach. When we are designing and putting these programmes

together, I think it is important that children and young people have a full role in designing these initiatives, and, as far as possible, delivering them as well, and how that could, potentially, feed into other areas. A lot of work has been done around involving children and young people in decision making when there are infrastructure projects or changes in policy. Are there ways in which we could look at opportunities for young people to undertake enterprising activities as an extension of that approach? So, for example, when a new facility is being built, is there potential for young people's businesses to be supported in the course of doing that?

[84] **Nick Ramsay:** That was all very fascinating stuff. I will move things on now, because we have a number of questions for you. Joyce Watson, I think you have the next set of questions.

[85] **Joyce Watson:** Yes. Good morning. I want to explore whether you think young people's attitudes towards entrepreneurship have changed. If so, do you think that there are more people interested and engaged in that arena than there were in the past?

[86] **Mr Belizaire:** In a word, 'yes'. I absolutely think there is an increasing appetite around entrepreneurship. We embarked recently on a collaborative bit of research with the Royal Bank of Scotland. An RBS enterprise tracking survey goes out every year, and there is, statistically, an increasing appetite for enterprise among young people across the UK. This survey, sadly, did not segment it exclusively for Wales, but there is an increasing proportion of young people interested in starting up their own business and in entrepreneurship in general. Whether that is because they have been somewhat influenced by celebrity shows, as Dan suggested, such as *Dragons' Den* and *The Apprentice*, and the impact that those shows have, or whether it is an implication of the lack of employment opportunities, I do not know. I have spoken to quite a few young people who, after having spent a considerable amount of time being unsuccessful in securing employment, are left with very few options available to them, and one of the options for which there is support out there to develop is entrepreneurship and doing it for yourself. So, I definitely think there is an increased appetite and interest among young people, but whether that is incidental or a sign of the challenging times that we live in, I suppose is uncertain.

[87] **Joyce Watson:** Do you agree with that, Dan?

[88] **Mr Butler:** Yes, I would absolutely agree with those points. I am sure that, if there has been an increase and interest in it specifically, then there will be a mixture of positive and reactive factors involved. To speak from my own experience, I started my business partially because I had finished university and was looking for the kind of employment that I wanted, but could only find part-time bits of work. So, it was a pragmatic decision to work with others to have that other means of finding work. Again, in some ways, instead of looking at it in that restricted way in terms of, 'Is there more interest starting a business and that model of entrepreneurship?', we should be thinking of it as almost like a democratic process. If there is going to be more interest in it, it has to be because there are more opportunities.

[89] **Joyce Watson:** Do you think, therefore, moving on to my next question, that there is a mismatch between those who want to start up their business and those who actually end up starting their own business?

[90] **Mr Belizaire:** Do you mind clarifying what you mean by 'mismatch'?

[91] **Joyce Watson:** In terms of the numbers. There are lots of people who want to be entrepreneurs and who think that is the road for them, but do they end up achieving that aim?

[92] **Nick Ramsay:** Do some people have realistic ambitions in that area? I think that is

Joyce's question.

[93] **Mr Belizaire:** Statistically, the number of people who aspire to set up a business versus the number of people who set up a business is not necessarily the same. Again, there are probably a number of factors that contribute towards that, whether that be their circumstances, or the opportunities and environment that are available to them. In terms of the inquiry, looking at all the things we can do to encourage this, the environment that people are in is very important, as was touched upon just a moment ago. Some young people, in particular, might be the second or third generation of unemployment and worklessness. There is a significant challenge in some parts of the country around how you break a chain of several generations of worklessness. Therefore, what drivers, motivators, people that can be looked up to and influencing factors can you put in place to try to encourage a young person who, perhaps, throughout their entire life has seen several generations of people not being in employment and not starting a job? They face a significantly higher challenge in starting up, even if they have the aspiration to do so. I think that you are right: there is not the same level of young people physically starting up. I equally think that there is something about starting up sustainable ventures. It is said that a lot of businesses do not last beyond 18 months. It is important to acknowledge, particularly around young people and social entrepreneurship, the statistics relating to the longevity of sustainable ventures compared with SMEs. More social ventures are managing to sustain beyond the life-cycle of comparable private businesses. Whether that is because they are driven by passion rather than purely by profit is another thing. How we go about addressing this is an important challenge for us to recognise.

[94] **Ms Everson:** My key learning points or observations working with young people in Wales are that young people may not necessarily be good on the education route, but they may have interests and passions. It is about how they can use those to create their future career. That has been one of our key themes in Wales under the youth entrepreneurship programme in Live UnLtd. We set up a programme called Create your Career. It is about focusing on their interests, their skills and passions and identifying where those opportunities might be within their community, ensuring that they have an environment that they are comfortable in and addressing something that they feel that they are good at. It is about providing them with that seed core investment to get something off the ground and providing a network around them that offers particular contract opportunities, places that they can pitch a business opportunity and things like that. So, it is about changing the image of business and enterprise and looking at ways in which they can then have a sustainable real business that is personal to them and not something that they see on the high street or have traditionally recognised.

[95] **Joyce Watson:** Do you believe that your socioeconomic background plays a factor in whether you will be an entrepreneur or not? I ask Dan that question.

[96] **Mr Butler:** The difference between businesses that are successful and young people who are succeeding in an enterprising way and those who are not is that they have to be inspired. There has to be a certain amount of information that you need, but it really comes down to your networks, who you know and who is there to support you. This then crosses over into areas of employability and things like that. It is not just about increasing your confidence and soft skills. It is about having them increased in appropriate environments and being able to go to expand your networks and meet new people. Therefore, if you are looking to start a business in a certain area but you have no social connections and links to those areas, it is going to be much more difficult for you to start and get on in that area than for those who have. Going back to what I was saying before about what is missing, I am referring to networking aspects, encouraging young people to get out to meet other businesspeople, making use of resources that have been developed. The role model networks are a way of helping to overcome that. Is there a relationship between someone's socioeconomic circumstances and how easy or difficult it is to start a business? For me, that link is in social

networks.

[97] **Mr Belizaire:** It is an important point, because, traditionally, where you start often influences where you will end up, in many respects. So, you are right. It is important to try to provide that enabling environment as much as possible. From our own evaluation of statistics relating to our award-giving, we have a diverse representation from different socioeconomic backgrounds. I was just looking at the statistics: we have at least 25% at GCSE level, about 40% at degree level and at least 35% are given to those with no professional qualification whatsoever. So, there is a reasonable spread, I suppose, in terms of the backgrounds of the individuals who have come forward.

[98] There is an important point to make around the experience of social entrepreneurship because it not only increases your opportunity of being a job creator, but it improves your employability, having learnt skills from leading a project and being a community leader, such as the hard skills of negotiation, budgeting and working in a team, and some softer skills such as confidence as an individual and having beliefs in your own right. So, the experience of starting and leading a project or venture, whether it goes on to be incredibly successful and bring in millions of pounds of economic contribution and lots of jobs, or whether it just provides you with the skills needed to be confident out in the workplace, both are quite—

[99] **Joyce Watson:** Have any of you noticed a gender split?

[100] **Mr Belizaire:** I considered having our statistics to hand. In Live UnLtd, it is 50:50, really. I think that we have a good representation; we have a fair gender split—neither gender is dominant.

[101] **Ms Everson:** In the six years that I have been working in youth entrepreneurship in Wales, it has been pretty fair and equal.

[102] **Nick Ramsay:** In other words, there is a diverse range of people from different backgrounds.

[103] **Ms Everson:** Yes. That is represented across the country as well. It is not a south-Wales-dominated scenario.

[104] **Mr Butler:** I have one last point about the socioeconomic aspect. It is important to say that although you might be able to identify that, in certain areas, there are fewer people who start successful businesses, that does not mean that those areas are less enterprising. In many cases, you will find that individuals are a lot more enterprising because they have to be in order to find work, or secure other things that they need. It is important to reinforce that point.

[105] **Byron Davies:** I should have asked this very basic question earlier: I have looked at your submission—‘What we do’ and ‘How we do it’—but I am still not clear how you identify people and what are the mechanics in identifying people. Is it through schools?

[106] **Mr Belizaire:** It is interesting. These past few years, we have worked throughout the UK in the higher and further education sectors and in schools, but traditionally, we have worked in informal education in partnership with youth organisations, youth partners, youth centres et cetera. Historically, the vast majority of our award-giving has been in that informal environment. So, we tend to work in partnership with organisations that have access to young people, first and foremost. So, it is either in physical places where young people congregate, or it is with youth organisations that have regular contact with young people. So, we have a talent-scout-type of model, essentially, for identification. We have a find, fund and support model at Live UnLtd. We work in partnership with organisations that play one or any number

of those roles for us. So, we have organisations that purely identify young people for us and direct them to us to fund and support. However, we work in partnership with organisations, in a variety of models, that help us to find, fund and support young people.

[107] **Ms Everson:** Also, our network of award winners whom we have supported over the 10 years that Live UnLtd has been in operation are role models for young people, so they have been referring them to places and supporting them as part of that introduction. We also use a lot of social media, which is what young people, generally, are comfortable using. They find out information from our marketing resources in that way, as well.

[108] **Alun Ffred Jones:** Gofynnaf fy nghwestiwn yn Gymraeg. A ydych chi'n gweithredu ar draws Cymru, neu a ydych yn targedu ardaloedd neu grwpiau arbennig o bobl ifanc? **Alun Ffred Jones:** I will ask my question in Welsh. Do you operate across Wales, or do you target particular areas or groups of young people?

[109] **Ms Everson:** We target 11 to 21-year-olds in Wales. We look across the education and business sectors as well as the voluntary sector. They come from rural areas, as well as urban areas, and from the Valleys. So, the young people who come to us come from a range of geographical areas, ages and environments.

[110] **Alun Ffred Jones:** Felly, rydych chi'n gweithredu ar draws Cymru ym mhob ardal. Beth amdanoch chi, A Leap? **Alun Ffred Jones:** So, you operate across Wales in every area. What about you, A Leap?

10.45 a.m.

[111] **Mr Butler:** Our community-based work is largely around south-east Wales, just because of the scale of our organisation. However, we were part of delivering the Big Ideas Wales events programme, which was a Wales-wide programme, so when we were working in other parts of Wales, we were obviously working with local networks.

[112] **Alun Ffred Jones:** Er enghraifft? O ran y *local networks*, pa rai? **Alun Ffred Jones:** For example? Which local networks?

[113] **Mr Butler:** We worked with the enterprise champions, who are based in further and higher education. There were also the Welsh Government-appointed advice providers. So, when we were working in north Wales, there was Menter a Busnes based in Llangefni. We also worked with Northern Marches Cymru, which was featured in the programme, which is a collaboration that is part of a regional development fund project in north-east Wales.

[114] **Ms Everson:** In Wales, we have been working with sport leaders, as they have a wide-scale remit. There is also the boys and girls' clubs at a community-based level as well as the education sector. Entrepreneurs help.

[115] **Alun Ffred Jones:** I fynd yn ôl at ystyr entrepreneuriaeth, rydych yn dweud eich bod yn credu y dylid ehangu'r cysyniad o entrepreneuriaeth tu hwnt i'r diffiniadau traddodiadol. Eto i gyd, mae A Leap yn dweud bod tair prif ffordd o hyrwyddo entrepreneuriaeth ac mai'r cyntaf yw helpu pobl ifanc i gael gafael ar gyllid prif ffrwd a gwybodaeth ddiwydiannol, sef rhywbeth eithaf traddodiadol. A oes gwrthdaro rhwng y **Alun Ffred Jones:** To go back to the meaning of entrepreneurship, you say that you believe that the concept of entrepreneurship should be expanded beyond the traditional definitions. However, A Leap says that there are three main ways of promoting entrepreneurship and the first is to help young people to access mainstream finance and industrial knowledge, which is something that is quite traditional. Is there a

ddau gysyniad yna?

conflict between those two concepts?

[116] **Mr Butler:** I would not see a conflict, necessarily. Given that business support is based within the enterprise and business department and given that it is investing public money in supporting businesses, it has a view to promote businesses that will be able to employ people and businesses that have a high growth potential. Prioritising that makes sense because if you are using public money to support business, you will want to secure the maximum benefit to the people of Wales. However, there can be a conflict between the work of an organisation looking to identify the most promising business ideas from among many—going through the process of sifting through individuals and identifying those who are most likely to have high growth business ideas—and the experience of young people going through that. If they do not have the level of confidence that others have, or if they do not have the social networks connections or access to finance, and they go through that process whereby they are sorted out from among a larger group of young people, where someone will say, ‘Yes, this person has a promising idea, but this one does not’, that experience can end up discouraging people from accessing further support and being involved in enterprise. There can be a conflict, therefore. What needs to happen is that the young people who need to be supported through that process are given support. There is a difference between business support and support to encourage a young person to be more enterprising.

[117] **Alun Ffred Jones:** Felly, lle dylai'r pwyslais fod—ar ddatblygu pobl ifanc sydd ag agweddau neu sgiliau *entrepreneurial*, neu chwilio am syniadau a hyrwyddo'r rheini? Ydy'r rheini'n ddau beth ar wahân neu a ydynt rywsut efo'i gilydd?

Alun Ffred Jones: So, where should the emphasis be—on developing young people with entrepreneurial attitudes or skills in that regard, or seeking ideas and promoting those? Are those two different things or do they concur?

[118] **Mr Butler:** The existing emphasis is on identifying promising business ideas. I would not question that because identifying those makes sense in terms of financial support and things like that. If there was going to be an emphasis on encouraging being enterprising, then the focus should be on helping people to expand their social networks and interact with the existing business community and other young people starting projects. An emphasis around that would help young people to get the supportive social networks and access to mentors and things like that, which would help them through the process of accessing business support. Business support might be appropriate for them at that time, or it might not be. However, either way, you will still want to encourage a young person to be enterprising. Encouraging them to be enterprising will help them, whether it is in the workplace or getting on in education, gain the kind of skills and the kind of attitude of thinking, ‘I can do this for myself. If I am going to get on, I need to expand my social networks. I need to be networking.’ You want to be encouraging those kinds of attitudes in young people, whether or not they have a promising business idea at the age of 21 or whenever.

[119] **Mr Belizaire:** I guess, from an UnLtd perspective, I do not think that those two things are mutually exclusive. I think that they are absolutely interlinked. The core of what we do at UnLtd is very much twofold. I do not think that there is any challenge in essentially looking to identify ideas for successful businesses that could have a social benefit as well as a financial benefit. At UnLtd, we are very much about supporting the development of the individual and, in addition, enabling the impact of that project or business. So, just to build on what Dan was saying, the personal development is a core part of granting an award. We do not grant an award based purely on the idea itself. It is all actually based very much on the learning scope of the individual and the journey of the social entrepreneur or individual across that process. It is very much about helping that individual to develop as a successful person and to adapt the right skills, aptitudes and other things required to be a successful entrepreneur. Additionally, there is an awful lot of support around the business and the venture. UnLtd is traditionally a grant provider; however, all of our surveys and evaluations

state quite clearly that the support provided from a dedicated award manager on a one-to-one basis, the signposting, the networking and, essentially, the enabling role that our development managers played were viewed and valued more highly than the money itself. Money can be gained from a variety of places. Having someone that supports, trusts and enables you to achieve your personal and professional aspirations, I think, is a much rarer find, and it is something that is valued far greater by young people.

[120] **Ms Everson:** That also came out in some of the DVDs. I know that, with the Big Ideas Wales role model programme, the idea is that they go in there and that there is a generic approach in terms of what enterprise and entrepreneurship is. I am not sure how much involvement there is on an ongoing basis in terms of mentoring, and I think that that is now being re-launched. We talked about incubation centres as a way of trying to encourage a support environment around young people who want to explore the opportunity and the idea but might need that ongoing support, not just the educational element.

[121] **Nick Ramsay:** We have around 20 minutes left and still a number of questions. David Rees, did you have a quick supplementary question? I will then call on Mick Antoniwi.

[122] **David Rees:** I just have a quick question on this point. You mentioned the individuals' skills development in that process. I am slightly concerned, because part of the development must be about not failing them, in a sense, and not setting them up to fail. Therefore, do you take account of what the proposals are, to ensure that they develop the skills? Are you going to develop them in a process that will end up in failure? That is what I am concerned about.

[123] **Mr Belizaire:** There are a few things there, really. Of course, when we take on board applications, it is partly based on the individual, but it is equally based on a project. It is a matter of asking questions. Do they understand? Is there a need there? Is there a market need? Is there a problem that is being addressed? Have they thought it through? How much do they need? What is required? So, essentially—and just for the record—the scrutiny of the project is still just as important as the individual.

[124] It is important to highlight that the reason why I mention the individual is because of my understanding of the word 'entrepreneurship' versus 'enterprise'. The nature of this inquiry is very much about entrepreneurship, which, in my view, is about the individual. The business enterprise is the entity. The entrepreneurship aspect is very much focused on the individual's role within developing an enterprise. Equally, just on that point, I do not think that failure is always necessarily a bad thing. We should be encouraging people to learn from their mistakes and to make those mistakes at an early age, which gives them a good grounding for their better understanding in the future, and actually failing as a teenager, learning from those mistakes, so that the next time that you have a crack at a new venture, you have overcome all of those pitfalls and you have learned from the lessons that you have had to learn the hard way. I do not necessarily think that it is such a bad thing. That is not to say that we encourage failure at UnLtd. However, at the same time I do not shy away from it, as long as you learn the important lessons to take from there, which you will then incorporate into your next venture. So, yes; the venture and the outcome of the project and the social and economic impact that the projects have are, of course, incredibly important to us, but equally so is enabling the individual. Behind every enterprise there is an entrepreneur, and enabling those skills and developing some confidence is equally important from our perspective as focusing on the business.

[125] **Nick Ramsay:** Thanks, Karl; that is an interesting point, and something that we have considered in committee before. I need to move things on now. Mick Antoniwi, would you like to ask your questions?

[126] **Mick Antoniw:** I would like to start with the issues around the financial support that is available. A mixed message seems to be coming across, both in the evidence that has been given and in what I have been told. There is delay, bureaucracy, it is not there when you need it, it is more trouble than it is worth et cetera. What are the biggest weaknesses and failures of the financial grant support schemes that are available? If you could change things, what would you change? What would work better?

[127] **Mr Butler:** There are two slightly separate points. First, programmes on youth entrepreneurship can be really important, but ultimately they are a drop in the ocean in terms of the issues that young people are facing. If somebody is living in poverty, cannot access a bank account, and are living on a small amount of money a week, you can give them grants until the cows come home, but it will still be very difficult for them to start up a business. A lot of organisations are trying to work with young people who may be disadvantaged in other ways, and trying to get them to set up businesses can be difficult, because you are running up against the barriers that all the other services are running up against in terms of that person's circumstances. There are some very good grant schemes and things like that out there, but again, it relates back to that last point about failure—at the end of the day, if you are a young person who is determined, and you have a good idea, you will be able to get money, but we need to remember that, ultimately, if you are running a business, your money needs to come from customers. There is a message going out there from a lot of well-meaning organisations to young people, saying 'If you have a business idea, you can go and get a grant for it'; that is helpful to a certain extent, but ultimately, you will be much better placed if you can get a successful business off the ground. We need to be encouraging young people to think about the conditions that you need to start a successful business, and a lot of that is about people that you know, and expanding your social networks. What is the experience of failure? If you do not get a grant, it can be positive or negative; the difference is who is around you at the time, and who is there to say, 'Don't worry about it; they didn't get the idea. Go and do it again and get another one.' Then they will be successful. It is fine; they can move on. If all they get in response to, 'Here is my idea', is, 'It's not good enough to get a grant', they will not apply for that again in the future.

[128] **Ms Everson:** You ask what I would change; at the moment, we do not ask for a specific legal status—we are investing in the individual, giving them that belief that they can make something happen. However, the other side of things that I hear is that applicants often have to have some form of legal status to start with, or they have to come from a certain area, or they must have a certain element of experience. Particularly for a young person, there are a lot of hoops to jump through and boxes to fill in order to be eligible for this sort of investment and support. They may well go through the whole journey, being asked 'What is an enterprise?', 'What are the skills needed?', and 'Show me what your capabilities are', but there is no real investment and no demonstration of, 'Yes, we believe in you, and you have been successful in evidencing that', and there is no support for you thereafter. There might be hubs or practical types of support, but no actual investment. So, those are the key things in terms of what I would change. I would look at potential rather than having to fit criteria beforehand.

[129] **Mr Belizaire:** We have a tiered system at UnLtd. I appreciate that it has come up before—the defeatist nature of the grant dependency culture. We only give grants to people who can identify a need and can therefore generate customers and trade, ultimately, because a social enterprise is still a business, as I mentioned. We try to categorise the tiers of funding as 'try it', 'do it', and 'build it'. The money is sometimes as little as a few hundred pounds, and that can be just enough money to get people going. In fact, we have launched a programme called the Tenner Tycoon, giving £10 to young people starting a social venture and creating a profit with £10. So, a lot of the time, it is not necessarily about putting in an awful lot of money at the interim stage to get people interested in this stuff, but, as Amanda mentioned, there has to be some consideration for those who might want to try something, to build in

scale and to have the potential to take that further. Having some kind of tiered system or process would be what I would recommend.

11.00 a.m.

[130] **Mick Antoniw:** That leads me to something that I want to ask about, namely mentoring. We have a lot of people in Wales who have been successful in businesses, some at international level. We have a surprisingly large number of people who have become international entrepreneurs who have come from the shopfloor, so to speak. Do we use them enough? Do we have mechanisms that take people who have been through the system and who have practical experience and use and incorporate that generation to give something back into the development of entrepreneurship and its natural consequence, enterprise?

[131] **Mr Belizaire:** There are mentoring initiatives throughout the country, and one of the things that seems to be lacking is that there are not many young entrepreneurs mentoring other young entrepreneurs. You mentioned that there are some good examples, and I have witnessed previously that they can potentially be a mismatch, whether it is an age gap or a cultural gap between the levels that they are on in their journeys. If you are just starting out on your journey as a young teenager and you are matched with an incredibly successful international multimillionaire, in theory, you would think that that was wonderful, but in practice, they might not be able to relate to you or to understand where you are coming from. Therefore, it is a wonderful opportunity on the surface, but in actuality, having and empowering more young people to be role models for other young people would be the best—it is one of the parts of the strategy that we are developing in our own right. It is certainly something that I would advocate that you consider as well.

[132] **Mick Antoniw:** We have some examples of that, but it seems to be quite limited. So, is that an area that you think that we ought to more seriously develop?

[133] **Mr Belizaire:** One of the things that UnLtd has been exploring as part of its policy activities is the future of support for social entrepreneurs. We had an awful lot of young people as part of our design camp and part of the process, and one of the things that came through strongly from that was the importance of peer-to-peer activity: the importance of peer-to-peer learning from young people who are sharing their skills with other people, but equally having that recognition that another young person has come from a similar background, perhaps, or been on a similar journey to you, is a much more powerful way of encouraging other young people to think of entrepreneurship, whether it is social, private or otherwise, because of the nature of where they are on their journeys. So, I would completely encourage you to expand upon peer-to-peer work as an area of interest and look at how you incentivise or encourage that and the mechanisms that you have, like you quite rightly said, to facilitate and enable young people to be able to share and learn skills et cetera through each other in a peer-to-peer way.

[134] **Mr Butler:** I would support that point about the peer-to-peer aspect. In terms of mentoring, there may be some specifics. The role model network that has been established is a really amazing resource. I do not know whether you have had a chance to meet many of them, but it is worth doing. Also, it has got to a stage where it can develop further. When I was working with role models, they were keen to be more involved, so there is scope in the role model network. You could speak to some of those who are more closely involved with it, and I am sure that they would say the same thing.

[135] On the point about how peer-to-peer activity can be important, there are some schemes in Wales and elsewhere making good use of alumni, whether it is of schools, youth projects or whatever, coming back and being able to support young people. Again, that would be an area that would be worth looking into and developing. Ultimately, mentoring may be

one way of looking at it, but it is important to think about it in terms of encouraging people to expand and broaden their social networks, because a mentor can be helpful, but for them to be a good mentor, you have to be able to get along with them. In any mentoring scheme, you will always have that issue of whether they get along with them or not.

[136] It has to be about helping young people to access those environments. If you go to a public school environment, for example, it is essentially teaching you how to navigate your way through certain situations and those people can use those skills later in life when they are in those environments. They understand how to move into those environments, and that will help them to be successful. We should have similar aspirations for all young people, to help them to access all those environments—you know, the business networks, the civic networks, and things like that.

[137] **Mr Belizaire:** Sorry; just another quick one about what we provide through what was previously known as Connect. We provide one-to-one mentoring, group mentoring, cohorts—which are a sort of additionality—and peer-to-peer development, but what has been really useful, as was highlighted in the video evidence earlier, is the pro bono support. It is that bit of specialist advice, skills and support, be it financial, legal or whatever, as accessing that can be really expensive for any of us, never mind a young person. So, if you have a wealth of mentoring, then, equally, as organisations, we need to give back, to give time in a professional capacity to help them to work on particular aspects of the business or venture. That could be an incredibly useful asset.

[138] **Mick Antoniw:** I have just a very quick question. Is there too much of an imbalance on the creative and service side, rather than on the manufacturing side? It seems to me that a lot of development is to do with ideas, IT, services, and so on. Very little seems to be on the production side. Is that just an imbalance in what we are seeing, that there is actually more going on on the ground, or is it an issue of concern?

[139] **Nick Ramsay:** Please feel free to be succinct in your answer.

[140] **Mr Belizaire:** It is a sign of the times for future industries, in some respects. Absolutely, we want to revitalise manufacturing across the country. However, I think of the reality of the knowledge economy and the creative industries, and advancements in IT, and how we have essentially lost a generation of unemployed young people—but then, we have thousands of businesses that are lacking the digital skills to engage out there. There is a huge opportunity to connect the two. There is still a need for people to make stuff, absolutely, but there is equally recognition of the change in industries, and the fact that we live in a global climate.

[141] **Ms Everson:** We need to link more to the STEM sector, in order to try to bridge those links.

[142] **Nick Ramsay:** Great. Keith Davies is next.

[143] **Keith Davies:** Gwnaf innau ofyn yn **Keith Davies:** I, too, will ask in Welsh. Gymraeg hefyd.

[144] Rwy'n credu i Amanda ateb y cwestiwn cyntaf yr oeddwn am ei ofyn, achos fe soniodd hi am y fagloriaeth Gymreig, cyfraniad cymunedol a gweithgarwch menter. Mae bron pob plentyn nawr yn ein hysgolion uwchradd, o 14 oed ymlaen, yn gorfod gwneud rhyw weithgarwch menter. Mae I think that Amanda answered the first question I wanted to ask, because she talked about the Welsh baccalaureate, community contribution and enterprise activities. Nearly every child in our secondary schools, post 14, now has to do some kind of enterprise activity. More attention is being paid to this

mwy o sylw ar hynny nawr nag erioed o'r blaen. A ydych chi'n cytuno â hynny? than ever before. Do you agree with that?

[145] **Ms Everson:** Yes. I appreciate that the Welsh baccalaureate is now going to be Wales-wide, as it currently is not, and that it does cross secondary education into further education. UnLtd is working across all sectors, and it has relationships with organisations. We are able to create a real qualification that is transferable to the real world. It offers a learning-by-doing module, which is about different learning styles. Also, from a coaching perspective, it tries to build those bridges from the support networks and mentors, using a style of coaching that crosses the education, social, community and business aspects. I think that the Welsh baccalaureate is a good route to start that at that stage.

[146] **Keith Davies:** Ond, wrth gwrs, nid yw'n dechrau nes bod rhywun yn 14. Oni ddylem fod yn dechrau rhoi addysg entrepreneuriaeth yn gynharach i blant? **Keith Davies:** However, of course, it does not start until you are 14 years old. Should we not be starting to educate children about entrepreneurship earlier?

[147] **Ms Everson:** I definitely agree. I went to the recent Big Ideas Wales re-launch, and I know that the programme starts from the age of five. There is a lot of entrepreneurial activity that happens in schools because they are a lot more open and they seem a lot more interested—no barriers; that sort of behaviour. There is a sense of can-do and confidence, to make those links at an earlier age and to develop those communications networks. I think that it is definitely important to embed them at an early stage, and then that sense of belief can be followed through. I am trying to remember what I wanted to do when I was first in school. It is about starting to develop a belief and then learning about what else is out there. It is about what their influences are and having to build those bridges inside school.

[148] **Keith Davies:** Yn yr ysgolion, a oes parch at entrepreneuriaeth, o gymharu â chysiau academaidd? **Keith Davies:** In schools, is there esteem for entrepreneurship, compared to academic courses?

[149] **Ms Everson:** There is starting to be. There are definitely activities that happen. I am not sure if it is classed as a 'core' scenario. I do not know if they are bridges across the core subjects. There is an opportunity to bridge them across core subjects.

[150] **Mr Belizaire:** Interestingly, from some of the learning of our work in further and higher education, some of the conversations that we have been having at the moment have been about embedding a culture of social entrepreneurship within the institutions, within the staff and the students. That is partly led by the appetite and interest of young people who increasingly want to get more involved with this stuff, but equally there is a challenge there to educate and bring the staff up to speed to be able to support the young people in the process as well. Some of those conversations about how we sustainably embed a culture within institutions are looking towards curriculum development, the student experience and student employability, which seem to be the two most important elements of the educational experience. It is also about how we can try to incept, at a younger age if possible, the right attitude towards entrepreneurship, which can broaden their skill development and employability position for later in life. So, I completely agree that the younger, the better, and trying to align it to some of the core aspects of the institution's output means that it stands a better chance of being embedded within their institutions.

[151] **Keith Davies:** Mae'n rhyfedd eich bod yn dweud hynny, achos wythnos diwethaf bu rhai ohonom yn trafod gyda chwech neu saith o bobl ifanc beth roeddent eisiau ei wneud. Roeddent yn bobl ifanc a **Keith Davies:** It is odd that you say that, because last week some of us were discussing with six or seven young people as to what they wanted to do. They were young people who had set up their own businesses. One of

oedd wedi sefydlu eu busnesau eu hunain. Un o'r rhesymau a roddwyd gan ddau neu dri ohonynt oedd eu bod wedi mynd i goleg a ddim wedi mwynhau, neu wedi cael gradd a ffaelau cael swydd, ac oherwydd bod diddordeb ganddynt mewn creu eu busnesau eu hunain, maen nhw nawr yn dechrau llwyddo a chreu busnesau. Roeddwn yn meddwl bod hynny'n dda iawn, ond roeddech chi'n dweud bod rhaid dechrau'n gynnar, felly erbyn eu bod yn gadael yr ysgol neu goleg byddent yn gwybod bod cyfleoedd ganddynt. Nhw fyddai'n penderfynu wedyn beth fyddent eisiau ei wneud.

the reasons given by two or three of them was that they had been to college and had not enjoyed it, or had a degree but had failed to get a job, and because they had an interest in establishing their own businesses, they are starting to succeed and creating their own businesses. I thought that that was excellent, but you were saying that you have to start that process early so that by the time they leave school or college, they know that they have opportunities, and they would then decide what they wanted to do.

[152] **Mr Belizaire:** Sorry, but that was not exactly what I was referring to. I was just mentioning the fact that if we encourage more young people at a younger age, we are likely to get more encouragement at a later stage of interest around entrepreneurship. That is not the only way that it happens, obviously. You are absolutely right—as far as the failings of not enjoying the traditional education system of someone like me who left at a reasonably early age and revisiting later in life, there is a circumstance based upon the needs of the individual at a variety of stages within their journey.

[153] **Nick Ramsay:** I think that you have explained that pretty well, and the committee understands what you were saying. Dafydd Elis-Thomas, did you have a supplementary question?

[154] **Yr Arglwydd Elis-Thomas:** Mae gennyf gwestiwn byr. Yn y gyfundrefn ddwyieithog, drwy'r Coleg Cymraeg Cenedlaethol, mae ffordd o allu creu swyddi a chyllid ar eu cyfer. Onid oes angen rhyw fecanwaith tebyg i hynny i orfodi mentergarwch ym mhob lefel o'r gyfundrefn addysg, o'r ysgolion i'r colegau addysg bellach, lle efallai bod mwy ohono i'w gael, ac yn sicr ar lefel y prifysgolion, lle nad yw mentergarwch yn ymddangos yn aml iawn fel rhan o ganlyniad cwrs academaidd confensiynol?

Lord Elis-Thomas: I have a brief question. In the bilingual regime, through the Coleg Cymraeg Cenedlaethol, there is a means of creating employment and funding for those employment opportunities. Does there need to be a similar mechanism to compel enterprise at every level of the education system, from the schools to the further education colleges, where there may be more of it available, and certainly at the level of the universities, where enterprise does not appear very often as part of the conclusions of a conventional academic course?

[155] **Mr Belizaire:** In brief, yes; absolutely.

[156] **Lord Elis-Thomas:** How do we do it then?

[157] **Mr Belizaire:** How do we do it? We work with 56 universities in England to embed a culture of social entrepreneurship. We did a pilot scheme with seven colleges, which rounds it up to 30, of which seven will be based in south-east Wales for our pilot programme. It is initially seen as an extra-curricular activity, but the thing about social entrepreneurship is the learning-by-doing aspect. We have mentioned that there are various benefits of doing that, but at the moment it is still seen as an additional rather than essential aspect. My university, the University of the West of England, as of last year has incorporated enterprise modules that can be opted into, irrespective of the curriculum. Having set up the enterprise society in my university, to try to encourage student participation, I quickly understood that the people we were looking to engage with were not in the business school. They get their education all day

long, and actually it is the students from all the rest of the faculties who are the ones who are coming up with innovative ideas for developing projects and ventures. So, there is a need to convey this, particularly in the creative sector. If you are going to create, you will end up being a freelancer working for yourself anyway, yet as part of the course they do not teach you the core skills to run your own venture, so I think that it is important to embed that learning.

11.15 a.m.

[158] **Lord Elis-Thomas:** The application of environmental learning to green jobs.

[159] **Mr Belizaire:** Absolutely. Equally, that creates an opportunity then for further collaboration between sectors and academia. There is an increasing, not expectation, but role for private business, and the public and social sectors, to step up and collaborate with our education institutions to be able to co-deliver and co-design programmes that are effective for all.

[160] **Nick Ramsay:** Okay. We are into the last few minutes now, so if Members would be succinct, please feel free to be succinct with your answers as well, so that we can get through the final few points. I call David Rees.

[161] **David Rees:** Let us go back to the school side of things for a second, and attracting and encouraging younger people to take on those skills, knowledge and understanding of entrepreneurship and enterprise. What I wanted to know is: in your opinion, are the schools focusing on the profit side of businesses and not the social enterprise aspect? Both your papers focus on social enterprise. Is there not enough use of social enterprise concepts in schools for developing those skills?

[162] **Ms Everson:** As I have said, from my own observations and experiences working in the sector, and across the business sector and the voluntary sector, they are separate, so volunteering for an organisation is one element and enterprise in the private sector is the other. There is the social element of how they can address those social needs, by leading their own ideas and learning enterprising skills that may develop into a real business that could have environmental as well as social impact, and potentially even utilise the language skills that we have in this country. There is no wider viewpoint in that sense. There clearly still is a gap that is not being filled. A lot of the role models within the Big Ideas Wales programme are social role models, but that is not the focus or the remit of their intervention. It is more about how that is brought in as wider general knowledge of what is out there and what people are doing, but not instigating something from a social venture focus.

[163] **Eluned Parrott:** I wonder whether we can just turn to the results. Could you just give me a quick idea of your views on the way that the Welsh Government measures its progress against its youth entrepreneurship strategy and action plan?

[164] **Mr Butler:** In terms of measuring outcomes, I think sometimes it can be a slightly redundant exercise. In terms of measuring success, sometimes, what you are actually doing is encouraging people to say, 'This many people came in, this many people came out and, therefore, what has happened is down to what we have done', when, actually, a lot of the time it really is not, it is down to a lot of other factors. The Welsh Government has made efforts to try to encourage a common language in terms of soft skills, through initiatives such as Demonstrating Success. I think the results have been mixed. Ultimately, we should be looking at these programmes in civic, democratic terms. What we should be looking at is measuring success in terms of how many young people are involved in the design and delivery and what is the customer satisfaction coming out. I think if we are always trying to measure how many successful businesses we get out at the other side, what you are doing is creating an incentive

for organisations to try to work with those young people who have the most successful business ideas. I do not think that that is what we should be promoting; we should be encouraging more young people to think in this way and to be involved in this programme. In terms of measuring success, I would like to think that we would be looking at programmes that very much involve young people in their design and delivery. If the Welsh Government is funding others to deliver these programmes, that should be a really strict requirement of delivery. How many young people are coming through, and the engagement of the young people as customers and the engagement of the businesspeople who are sustaining them are the things that we should be looking to promote, not necessarily schemes that are seen to produce good businesses, because I do not think that—

[165] **Eluned Parrott:** Surely, that is not an argument for not measuring; it is an argument for measuring different things and in different ways, so moving away from an output-based model of measurement to an outcome model of measurement. I notice that, in your paper, you have identified some of the social outcomes that you might like to see included. Can you explain how you would be able to rigorously measure that, because, obviously, we have got to account for the public money that we are spending, and demonstrate that there has been a value, whether that value is social or economic?

[166] **Mr Belizaire:** It is triple-bottom-line stuff. It is not just about the output of how many jobs have been created and how many start-ups have been created et cetera, but the social and environmental outcomes of the project. As I say, we measure this very much in light of the individual, then the project and the impact of that project. As you mentioned, there is nothing to suggest that you stop measuring many of the things that you do. Traditionally, we measured at the mid-point and at the end of our programmes. Our programmes of funding, typically, have been 12 months, and obviously, there is an application process at the beginning. So, we have a baseline at the start, we have a mid-point six months into the project, and there is an exit questionnaire almost at the end. So, the variety of contact points throughout the life cycle of a project and the timing is relevant for us. However, in addition to some of the outcomes to which you referred, yes, the soft and hard skills of the individual and their employability is stuff that is clearly relevant for justification of public spend, and, equally, the impact that they have on their civic and wider community must surely be particularly relevant to public spend as well.

[167] **Eluned Parrott:** What specific things would you like to see us measuring that would be transferrable across the range of social enterprises, so that we could benchmark one against another in terms of success?

[168] **Nick Ramsay:** Feel free to be very specific in a few seconds. [*Laughter.*]

[169] **Mr Belizaire:** Okay. I would say, to measure the impact of the programme, it would be the number of beneficiaries, depending on whether it is product or service orientated. So, I guess it is the number of people engaged and the number of beneficiaries of the project, although that might be quite tenuous depending on whether it is a product or a service. The impact that programme has through the connectivity thing that Dan mentioned is, I think, something really important that is perhaps not measured currently, insofar as how many young people the project involves and how many young people are impacted upon through the nature of the delivery of the project. If we are looking specifically at a youth-related agenda, then it is important to include the impact on other young people through the delivery of the project.

[170] **Ms Everson:** I would be looking at things depending on the type of activity that they were doing and the purpose of that activity, because it is socially driven, whether that is about a reduction in crime, an increase in skills, or an opportunity to link up with more volunteering opportunities. So, it is things that are a result of the activity that has been the social driver of

the project, which might specifically relate to young people in society, whether to do with crime or whatever—those sorts of things that are associated with young people that these activities would be looking to address.

[171] **Nick Ramsay:** Julie James, I think your area of questioning has been covered, but would you like to close the session with the last point?

[172] **Julie James:** I was going to ask something completely different actually; I will go ahead and do that, shall I?

[173] **Nick Ramsay:** Have the last word, yes.

[174] **Julie James:** I was really interested in what you were saying about social exclusion and how you got some of the young people who were traditionally in poverty, or other socially excluded areas, involved in thinking entrepreneurially. Can you expand on that?

[175] **Mr Butler:** As I was saying, my experience of working in these communities is that they are incredibly vibrant and entrepreneurial places. That might not always be in terms of business; if you are living in a small town in the Valleys and you want to start a commercially successful business, you would probably go and start it elsewhere. I am sure that there are a lot of people who do that and then people say, ‘Well, there are no businesses started here’, when, to be honest, there probably are, it just that the people have chosen not to start it there. In terms of the cultural sphere, sporting activity and things such as that, there is a huge amount of enterprise going on in this area, and we are not necessarily picking up on it yet. I have been really impressed with the stuff going on in schools, but there are a lot of people who have not got along very well in the school environment, and we need to ensure that there are opportunities out in the community, both for those that are in school and for those who are out of school, to be engaged in enterprise.

[176] The issue around space is key, and, for me, the issue around space is bigger than the issue around finance. Once you take away the poverty aspect of the finance aspect, space is much more important. If you want to encourage enterprise in all communities, then we should be looking at spaces whereby people can go and test-trade, people can run their office or whatever, but, much more importantly, where people can meet and mix.

[177] **Ms Everson:** Let us create the Mary Portas effect in our towns.

[178] **Mr Belizaire:** Just as a final word, from a social entrepreneur perspective, our starting point is the areas of greatest social need. Therefore, in those areas of greatest deprivation you have, perhaps, a greater selection of challenges to address in order to stimulate young people’s minds. From our perspective at UnLtd, over 40% of all projects that we support tackle isolation and 55% help community cohesion. So, the social need and the problems challenging the community are often the starting points, whether that is from personal experience or from the environmental experiences that many of the people that we support are starting off with. So, although, as Dan said, there are an awful lot of enterprising individuals in such areas, from a social perspective, our responsibility to try to encourage more activity in these areas is huge and paramount.

[179] **Julie James:** Just to follow that up, and in terms of what we might be encouraging the Welsh Government to do, what I think you are suggesting is that we encourage a model of business that includes a socially constructive aspect of your own community, as opposed to making a profit and reinvesting it into your own community, which are subtly different things. Is that what you are saying?

[180] **Mr Belizaire:** Yes. It goes back to what I wanted to mention about clarity on what a

social venture is, for everybody's purpose. Yes, reinvesting back into the community is one of the things involved, but for me the primary aspect is that it is a business that has a primary purpose to address a social need, ultimately, that can then create a sustainable income. For me, that is what it is about.

[181] **Mr Butler:** There is a very powerful message about what entrepreneurship is and who is an entrepreneur, and I think that the Welsh Government has a role in putting forward a different message, saying that entrepreneurship is not all *Dragons' Den* and *The Apprentice*, and there are lots of different forms of being involved, and, importantly, that there are not any areas where there is a lack of enterprise. There may be an area with fewer business start-ups, but that does not mean there is less enterprise in that area. Campaign Valleys is a really good example of people taking others to task when they say that their area is 'like this' and it is not. That can be just as important for encouraging enterprise.

[182] **Nick Ramsay:** There certainly is no lack of enthusiasm from the witnesses in areas that we have questioned on entrepreneurship. I am going to bring this session to a close now. I would like to apologise for the noise that was echoing around the room during the last few questions; I think that the building is trying to contribute as well. Thank you Dan Butler, Karl Belizaire and Amanda Everson. That has been extremely helpful. We will be feeding your comments into our inquiry and will let you know our deliberations in due course.

*Gohiriwyd y cyfarfod rhwng 11.27 a.m. a 11.34 a.m.
The meeting adjourned between 11.27 a.m. and 11.34 a.m.*

Ymchwiliad i Entrepreneuriaeth Ymysg Pobl Ifanc—Sesiwn Dystiolaeth Inquiry into Youth Entrepreneurship—Evidence Session

[183] **Nick Ramsay:** Welcome back. We are continuing with our inquiry into youth entrepreneurship. I welcome our witness to the committee meeting. Thank you for being with us today. Would you like to give your name and position for the record of proceedings?

[184] **Mr Williams:** I am Dale Williams. I am director and owner of Yolk Recruitment in Cardiff.

[185] **Nick Ramsay:** Great. Thank you for being with us. There is no written paper for this session, but Dale will be familiar to many of you from his recent performance as a finalist in the BBC's *MasterChef*. Very well done there. I suggest that we move straight to questions, because we have a large number of questions in order to try to glean some more information on entrepreneurship and where we can make improvements on that in Wales. The first question is from Byron Davies.

[186] **Byron Davies:** Good morning, Dale.

[187] **Mr Williams:** Good morning.

[188] **Byron Davies:** You come very highly recommended. You are shown as being one of the Welsh Government's dynamo role models. Can you perhaps tell us what motivated you to become an entrepreneur?

[189] **Mr Williams:** I am motivated by change, mainly. I cannot stand still, so it is something that is innate. I am an ideas man, so, if I get an idea, I think of everything around it in terms of whether it is viable for me to do something with it commercially. I funnel many ideas into a few distinct groups and look to pursue those. That is how I set up Yolk Recruitment originally; it was something that I pursued when I was in a sales-related career. I

was utilising a recruitment agency as a supplier, effectively, and it looked like an industry where there were some strong margins, and there was a niche in south Wales for a sales-specific agency. I took that opportunity and fulfilled my personal ambition to be my own boss—I was not someone who could always be managed easily, shall we say, so I wanted to work for myself.

[190] **Byron Davies:** Why did you make the specific choice that you did? What caused that to happen?

[191] **Mr Williams:** Family dynamics came into it. My father mentioned to me probably on a daily basis as a youngster that the way to get what you wanted in life financially was to win the lottery or to work for yourself, so I took the latter option.

[192] **Byron Davies:** Are you saying that you would not have done it yourself if the family had not influenced you?

[193] **Mr Williams:** There was definitely an influence there. You are born with certain elements of entrepreneurialism, and others are taught.

[194] **Byron Davies:** When did this occur to you—at what stage in your life?

[195] **Mr Williams:** I am not afraid of hard work. In education, I was always the person that the teachers were frustrated by, because I had all the ability to apply myself, and the general intelligence and common sense, and I saw things that other people would miss, but I felt that school and education was quite restrictive. I did not go on to have a strong educational background. I left at 16 and started working. Even at the age of 13 or 14, I had three paper rounds. I was up at 6 a.m. riding my bike up and down Rumney hill, if anybody knows it; it is a hard slog at 6 a.m. when it is snowing. I would do three paper rounds and get £14 at the end of the week, and to me that was a lot of money at 13 or 14 years of age. On Saturday and Sunday, I would play football and come back to do my paper round. On Sunday morning, I would not be lying in bed, but I would be up and doing my paper round. I do not know whether that is something that somebody chooses to do, or whether there is an influence there. It is probably a bit of both in my case.

[196] **Byron Davies:** Could you tell me what being a Dynamo role model means?

[197] **Mr Williams:** The reason I wanted to take part in Dynamo was that I am passionate about youth entrepreneurship in the sense that I think that there is an age window in which somebody will or will not establish a business. Everybody in their life has an idea to set up a business at some point, but only a select number of people actually pursue that, and part of the reason is because of commitments that arise the older we get, as we pass certain ages and career milestones. If we are in a career, we start earning a certain salary, we live to our means, and we become less able to leave our position because we are earning a certain amount of money, or we have children or get married, and then the impact of us leaving a job to set up a business impacts another. There is a window between the age that you are in education and maybe your early 20s where the risk factor is that much lower, but if you capture those ideas and are able to apply those ideas, then the chance of success is higher because you have more time available to you. For me, Dynamo is a way of engaging with people who perhaps are in the situation I was in when I was 16 or 17, and I was made to feel inferior because I chose to not go to university. When I was in education, it was, ‘Oh, you don’t want to go to university? Whatever will you do with your life if you don’t go to university?’, whereas I had it in my head that I wanted to set up my own business, and I left to get experience—it happened to be in sales—and, five years later, I was setting up a business. There are peers who were in university at the same time as me—and I am not for one minute saying that there is no benefit to university, because I absolutely believe there is—but that was my choice.

- [198] **Byron Davies:** You made a point about ageism. How has that affected you?
- [199] **Mr Williams:** Do you mean in terms of how people look at young entrepreneurs?
- [200] **Byron Davies:** Yes, because I think ageism works both ways. I can assure you that it does.
- [201] **Mr Williams:** I was walking into the boardrooms of directors when I was just 20 and 21 and pitching for big business on a national basis. When I was employed in a fairly senior role, which I had progressed to, in a large manufacturing company, I knew, every time that I stepped into that boardroom, that some people would think that this person was too young to apply themselves, or to really understand what their needs were that day or what they were looking for. However, generally speaking, I have always found that, despite my baby-faced appearance, once I start to speak, I will have the knowledge that is required for that situation. So, I will put myself in situations where I am comfortable.
- [202] **Eluned Parrott:** You talked a little about some of the perceptual barriers that you have faced in starting up your own business. Can you talk us through any of the practical challenges and obstacles that you have found?
- [203] **Mr Williams:** The main practical obstacle that everybody finds in setting up a business is funding. Most ideas need some form of capital, whether it is seed capital or large capital, depending on the scale of the idea, how big the business wants to be from the outset and where it wants to go. That is the main hurdle. I strongly believe that that is a hurdle that can be overcome. It is more of a tangible hurdle; where do I get the money from? If something is a strong enough idea, somebody somewhere along the line will finance it. If you work hard enough to find the person, convince them to believe in you and believe in your idea, people invest in people a lot more than in business ideas. So, as long as you are strong enough in your delivery and in your belief of the product and the concept, you can find the funding.
- [204] Where I believe there is a bigger shortage is in connecting people who have the ideas with people who perhaps have the skill sets that they themselves are lacking. I said that everybody has a business idea at some point in their career. Somebody might have a business idea, but they could be strong purely in a financial sense, a design sense, a creative sense or whatever that may be. I do not think that there is a vehicle that is established enough, easy enough or simple enough to allow people to communicate with like-minded individuals who are at the same point in their career, of wanting to pursue a self-employment route. This would give people someone to partner with, or group with, other people interested in business to make an idea become a reality. A lot of businesses are set up through chance, where people work together in an environment and find somebody they feel they can work with in a true business sense. That is where lots of businesses get born—by current employees who work together in a business and feel they can do something for themselves, or as university spinouts, where students together feel as though they have an idea or a project that they want to pursue.
- [205] **Eluned Parrott:** You came from a sales background, so that gave you a real competitive advantage in terms of finding a market for your product when you developed it and also in understanding the marketplace. Where there specific areas of expertise where you felt that you were really struggling?
- [206] **Mr Williams:** There were. A story I can give you is something to do with the way in which I have expanded the business recently. For the last 18 months, we were always known as a sales recruitment agency specifically. We recruited sales people and business

development professionals on behalf of other companies across the UK. A big sector in terms of growth in recruitment is IT—infrastructure and technology. It is a huge market, and not one of which I have any understanding or experience. There are two options: be afraid of it and do not venture into it, or find somebody who has the expertise. That is what I think is important. I look at the business as a ship that needs a captain, but if there is no-one putting fuel in the engine, it is not going to go anywhere. It was the same for me with IT; I needed to identify somebody who was in that market, who had contacts, who had experience and offer them something, within their career, that was more than what they were on, and also offer them something at the end of it, whether it be a three-year, five-year or 10-year plan in terms of where they wanted to get to. Eighteen months down the line, IT and technology is our biggest division of recruitment, and it is not something that I had experience in until 18 months ago. So, it is all about the people.

[207] **Eluned Parrott:** So, your company has been established now for four years.

[208] **Mr Williams:** Four and a half years, yes.

[209] **Eluned Parrott:** Do you think that the challenges that you experienced have been tackled or addressed in any way during that time?

[210] **Mr Williams:** It is difficult for me to say. When I established the business, I felt that there was a real lack of funding available for what I would call service-based businesses. When I and my business partner at the time looked into possible funding options for the business, funding was available only for—again, in my opinion—technology or creative businesses or training. They were the two groups for which there seemed to be a lot of money available, such as if you were in training, or involved with something completely innovative and you were creating the next Google. I am very well connected and know a lot of businesspeople and businesses that have had thousands and thousands of pounds of investment, but over the years I have found that they have been run by people who did not understand how to manage the money, drive the business and actually sell the product. I have seen a lot of money disappear. There is one particular company that had £70,000-worth of investment, and, 18 months down the line, it is gone; it is in Dubai now. It is frustrating.

11.45 a.m.

[211] Our service-based business, as you call it, provides professional services and people to other businesses. One thing that was said to me a long time ago was, ‘You work for that company at the moment, and if you leave that company and set up another recruitment agency, you are not actually benefiting the Welsh economy because you are just setting up another business to do something that they are doing over there’. What they failed to realise was that that business was still going to sustain itself and grow even further, and it would still turn over the money that it was receiving. I was starting a new business with a new niche. We employ 20-odd people. We have brought millions of pounds to the economy, but, because we were not very sexy or exciting as a business because it was something that was already being done, there was little interest, help or support. That was difficult at the time. I cannot comment on the situation now, because it may have changed over the last four and a half years. I have not gone in for any funding or anything similar for that type of business since then. The recession was just starting to bite; we opened our doors in January 2009, which was a month before the recession was officially announced. The situation may have changed since then.

[212] **Eluned Parrott:** You had good timing there, then.

[213] You are a Dynamo role model, and that role is obviously very important to you. Who did you look up to when you were starting your business? Who did you go to for advice if you

were stuck?

[214] **Mr Williams:** I did not go to one particular person for advice. In the very early stages of the business, I said to myself, 'I need to know as many people who own businesses as I can, and for those to be big businesses'. I want to be involved, I am extremely ambitious and I want to run a big business. So, I identified people in the south Wales community who I thought would be good people to know. I worked from the top down, and went to find directors and people with whom I could, perhaps, sit down. One of the best conversations I had was with Bill Mayne at MSS Group. I phoned him and said, 'Look, I just want to come and meet you because I want to have a conversation with you. You are somebody who has done X, Y and Z in business. I am starting out, and I want to come and have a chat with you'. It was very casual and informal. We had a coffee, and we were still talking two hours later. He is now a good friend of mine and someone to whom I can turn for advice or whatever it may be. I do not think that any one person can give me everything I ever need, so I try to make connections with people who understand things that I do not yet understand.

[215] **Nick Ramsay:** Was the way of networking that you have just explained something that you did naturally? Did you plan it or were you told by someone, 'This is the best way to go around building these networks'?

[216] **Mr Williams:** It was something that I forced myself to do. I felt that it was needed. There is a well-known saying that it is not what you know but who you know; I believe in that quite strongly. Making connections with people in different places creates opportunities. I will never not take a phone call to my office. If you try to ring me to sell anything, you will speak to me. I speak to everybody, because I never know what the opportunity will be. I do not understand people who block lines of communication, because you never know where the caller might be in future. You do not want to sever ties with people, because everybody is trying to progress in their careers; they could be an influential decision maker in future, and suddenly you have your tail between your legs when you are pitching for their business a few years later because you were rude to them on the phone. I think that you should treat everybody equally, network and meet as many people as you can. If you do those things every day, things will happen.

[217] **Byron Davies:** Just to develop that point slightly, I am really interested in that networking thing and at what stage you realised that you needed to network. I have a 30-year-old son and, when he was 17 years of age, he did something that I never did, which was begin to build a portfolio of people who could help him in one way or another. It seemed like a natural thing that occurred to him. Do you feel that that is a fair comment?

[218] **Mr Williams:** In my case, it was definitely a natural thing to do, as far I could and as young as I could. I have a weird fear of failure, whereby I want to go as far as I can as quickly as I can so that I can enjoy it. It is something that comes from within, but that does not mean that you cannot be educated in it. If people understand the value of networking and meeting people, and the message is delivered in the right way with regard to what they can get out of it, there is no reason why people cannot then use it as a trained skill. You do not have to be the most confident person to network. I would not say that, five years ago, I would walk into a room and be the first person to embrace everybody there; I am not that gregarious and outgoing that I will go into a room and steal the limelight. It takes time, because you have to put yourself in uncomfortable situations and then force yourself to improve. That is perhaps the difficult area—taking people who have less confidence and showing them how to maybe benefit from that type of scenario.

[219] **Joyce Watson:** Hi Dale, I enjoyed watching you on *MasterChef*, I have to say, so I knew who you were. [*Laughter.*] That said, I want to ask whether you believe that the attitudes of young people have changed and that more young people are now interested and

engaged in entrepreneurship in Wales than before. You are very young, so your ‘before’ will be a very short time ago.

[220] **Mr Williams:** I have spoken in schools and seen how people are enthusiastic about business these days. When I was aged 16, 17, 18—10 years ago—there was not as much emphasis on entrepreneurialism. I did business studies in school and I look back and almost cringe at the topics I was taught. I still remember some things and think, ‘How did that happen? How did that get through the curriculum? How was that being taught?’ However, there has been a change, partly down to things like television. *Dragon’s Den* makes setting up a business look sexy and cool, so people are interested in it in school now. There are lots of programmes these days that were not available when I was in school. As I said, every minute of every day was about university. I can remember specific conversations, sitting down with form tutors, being so educationally biased. They were almost scared of business, because business was always seen as a risk, and is still seen as a risk. However, there is no better time to take the risk than when you are at that tender age and you have a lot less to lose. You are probably still living at home so you have no costs and outgoings. It is difficult to be 16 or 17 going to businesses to try to win business from businesspeople. I am not saying that that is easy, but it is the best time to start.

[221] **Joyce Watson:** You obviously come from a background that has influenced some of your sayings, because they precede your age group. So, to what extent do you think that personal background and socioeconomic issues have an influence, or do you think that they do not?

[222] **Mr Williams:** I do not think that they do. I can only try to evidence that by applying it to my family. In my family, there are four children and my parents have been married for 30 years. I have three sisters. Each one of us was born and raised in the same place in the same way and we are completely different in every sense. So, looking at that evidence, I would have to say that there is no influence in that regard. I cannot put my finger on it being particularly down to upbringing and social dynamics, because if that were the case, we would all be the same and we are just not.

[223] **Nick Ramsay:** You are saying that your siblings are not as entrepreneurial as you.

[224] **Mr Williams:** We have different ambitions and different desires in life. One sister is off travelling to Australia—she wants to do the travelling thing and experience the world. I have parked that for a bit and do it later. Another sister has three kids and is a stay-at-home mum and the other sister is in education, studying social care in university. If you look at the diversity between us four—and we have the same mum and dad, as far as I know [*Laughter.*]—with that evidence in front of me, I would have to say ‘no’ to that question.

[225] **Joyce Watson:** That brings me nicely to previous information that we have had on whether entrepreneurship is viewed in a particular way. In your case, I suggest that it would be about being in business and being actively engaged in making money. However, perhaps we should look at social dynamics, such as your sister is going around the world on her own, which is pretty entrepreneurial in my book. Do you share the view that being an entrepreneur is about making money and setting up a business, or do you believe that you can be enterprising in different ways?

[226] **Mr Williams:** I think that you can be enterprising in different ways, but, personally, I would say that the pinnacle of entrepreneurship is financial. Being a financially driven entrepreneur and setting up businesses that, at the very top end, create a lot of money, you will create employment and add to the economy, in whatever part of the city, region or world that your businesses are in. So, if the economy is constantly growing via entrepreneurs who are driven by the financial bottom line, social enterprises will benefit anyway, because people

have more money available to them and can devote more of their time and financial benefits to charitable situations. However, when we are in a recession and everyone is on their knees scratching around for money, people do not have the money to offer to the social enterprises. So, while my motivators are not purely financial—I am motivated by change and seeing something go from concept to delivery—I am, ultimately, always looking at the numbers, because I know that those things will come from me driving the numbers. So, yes, finance is a key aspect.

[227] **Joyce Watson:** Finally from me, do you believe that there is a discrepancy between young people's interests in setting up their own businesses and the likelihood of that becoming a reality?

[228] **Nick Ramsay:** I had to explain this question the last time, so I am quite willing to do it again.

[229] **Joyce Watson:** There is statistical indication that Wales has a comparatively high level of entrepreneurial intent, but it is not matched, because it has a lower business start-up rate in relation to the rest of the UK.

[230] **Mr Williams:** I do not know whether there is an answer to that. I would love to go on a one-man crusade to solve that problem and make everyone successful entrepreneurs, but so much of it comes from within. If you are not prepared to work 24 hours a day, seven days a week to back the concept, a product or an idea that you believe in, and if nobody is prepared to give you the funding, and you have to find it yourself, which is what I had to do, then no matter what level of support is or is not available, it will not happen. Again, I do not know the answer, but where we can directly influence or make a change is by trying to find a way to connect people who have an idea about a product or service, but lack the skills to make that a tangible business—it is a big ask.

[231] **Nick Ramsay:** Dale, do you think that it would be a mistake to try to make everyone, or a large number of people, feel that they can be entrepreneurs when, actually, they do not have it in them? Going back to Joyce's question, is it a good thing to have a much larger pool of people who have the potential to be entrepreneurs, even if those businesses do not actually happen?

[232] **Mr Williams:** That is a valid point and I think that there is a danger in looking at entrepreneurialism as being the pinnacle of someone's career and pushing everyone down that route. There is a fine balance, because it is not right for everybody—absolutely not. Education is right for some people, but some might just need to be employed and drive their careers through employment. There is nothing embarrassing about working your way through a company. You can gain just as much financial benefit from doing that as you can in setting up your own business, and probably keep some more hair. [*Laughter.*]

[233] There is no reason why someone should not be an entrepreneur, or in education. However, perhaps what is missing is that, not everyone at 16 or 17 years old understands what they really want to do. So, people will find their own paths. I think that all you can do is offer guidance and support. It is like a filtering process for me: ideas are filtered to understand what certain people have available. So, unfortunately, you then have to sift through them and back the good, strong ideas. That is the process of funding. People will regularly approach the Welsh Government for funding for different businesses and they will have to meet criteria and their applications will go through x number of people until, eventually, funding is released or not released. Perhaps those criteria need to be looked at, and for those cases that have been through the process and have not got the funding to be assessed, so that the Government can look back at case studies and say, 'This business did not get funding x number of years ago, but it now turns over this much money and employs this many people;

why did we miss that?’ If I was less inclined to do what I wanted to do four and a half years ago, perhaps my business would not exist and I would not be sat here now.

[234] **Nick Ramsay:** Good. Have you finished, Joyce?

[235] **Joyce Watson:** Yes.

[236] **Nick Ramsay:** David Rees has the next question.

[237] **David Rees:** I want to go back to your role as a dynamo role model. My first question is this: given your role to help and advise others, what percentage of your time is allocated to that role?

12.00 p.m.

[238] **Mr Williams:** In truth, it is quite minimal. There are no more than one or two requests a month, so it is a few times a year. I would apply more time to it if there was more opportunity, but, at the same time, it is not something that any role model does for financial gain. It is purely a personally motivated thing in terms of receiving a bit of gratitude, wanting to do it and enjoying doing it.

[239] **David Rees:** Is that a failing of the programme, do you think, that you are not used sufficiently enough?

[240] **Mr Williams:** There is a train of thought to suggest that if you had fewer, stronger role models who were more strongly remunerated, they would be put in front of more people and perhaps people would get more from it. I do not know whether you know, but there are an awful lot of role models from an awful lot of diverse backgrounds. I do not know whether that is a good or bad thing, but it comes down to criteria in terms of why someone is a role model or why they are identified as a role model. As someone whose time is precious—I am an extremely busy person—there is likelihood that I would perhaps be less available for eight dynamo role model presentations per month for free as opposed to eight presentations if they were, in some way, remunerated. As selfish as that may sound—and I am not a selfish person—I am talking practically about how I use my time.

[241] **David Rees:** Have you, as a role model, been given sufficient support by the programme?

[242] **Mr Williams:** Yes. It is a good programme and there is good training. There was good training initially in terms of saying, ‘Look, this is what we’re looking to try to do. This is what we’re looking to try to deliver’. I do not see any particular deficiencies in the programme in the way that people are trained and the way that it is rolled out and delivered.

[243] **David Rees:** I have another question on the programme. One of its roles is to support and to provide mentoring abilities to individuals aspiring to be in the same position as you. You have already mentioned this morning that your idea of doing that was to go out to create your own networks and to develop contacts with the individuals who you believed would be able to give you that mentoring or advice. What is your view on mentoring? Is it appropriate and is it the right way to do it? Should you do it your own way, or is there an important role for a structured mentoring process?

[244] **Mr Williams:** I think that mentoring is extremely valuable, and it is very difficult to come by. The strongest mentors who could be available for you in your business at the beginning are perhaps the busiest. So, there is a gap in how you allow those people to come together. Many businesses look for investment. You have to tread carefully with investment,

in my opinion, because you could be invested in by the wrong person just because they have the money and they could take a slice of equity from your business and spend very little time talking to you. However, you could do that because you believe that they will be a mentor. However, that mentor may only be able to afford you half a day per month to talk about a few issues that arise in your business. There is an awful lot to be said for mentoring, if it done by someone who genuinely has the time to spend with you in a strong capacity and go through your business with a fine tooth comb, as a high-level consultant might do. It is difficult for one person to dedicate more time to a specific project in a mentoring capacity. That is why I link back to what I did, which was to meet as many people as I could and then, over the course of time, each of those would afford me a small amount of time per month. So, cumulatively, over a period of time, there was a huge benefit to that.

[245] **Nick Ramsay:** Mick Antoniwi has the next question.

[246] **Mick Antoniwi:** You have actually answered on the points that I was going to raise in respect of funding or finance, and looking at current arrangements and so on. However, in terms of your experience over the past couple of years—and you may not be able to answer this—if there was one thing that you were to identify that the Welsh Government is doing wrong or doing right, or if you had a choice of one thing that you thought would make a difference to what we are endeavouring to do, what would it be?

[247] **Mr Williams:** It would be to simplify things. I think that there are many lines of communication and perhaps many confusing routes. If you are a person who wants to start a business, it is a matter of knowing where to start and to be told 'This is where you go'. I know that there are efforts being made and there are quite a few windows and quite a few voices and places to go. First impressions count. If you have an idea and you approach somebody with that idea, if you find it difficult at the outset and you are made to jump a few fences, you may just think that it is easier not to bother.

[248] **Keith Davies:** Byddaf yn gofyn fy nghwestiynau yn Gymraeg.

Keith Davies: I will ask my questions in Welsh.

[249] O'r hyn rydych wedi ei ddweud wrthym yn barod, pan oeddech chi yn yr ysgol roeddech wedi gwneud astudiaethau busnes, ond roedd llawer o bwysau arnoch i fynd i brifysgol. A yw pethau wedi newid yn awr mewn ysgolion, hyd y gwyddoch chi? Rydych wedi sôn am rôl y cynllun Dynamo ac yn y blaen. A oes mwy o bwyslais yn cael ei roi ar entrepreneuriaeth ymysg pobl ifanc yn yr ysgolion yn awr na phan oeddech chi yn yr ysgol?

From what you have told us already, when you were in school you did business studies, but there was a lot of pressure on you to go to university. Have things changed in schools now, as far as you know? You have mentioned the role of the Dynamo scheme and so forth. Is more emphasis placed on entrepreneurship among young people now in schools than when you were in school?

[250] **Mr Williams:** From what I have seen when I have spent time in education over the last few years, there has definitely been a change in focus since I was in education. That would be fair to say. I did business studies, but the business studies lectures that I have been part of in the last few years have, by far, outdone the business studies or economics classes that I was involved in 10 years ago. So, yes, I think that there has been a positive switch.

[251] **Keith Davies:** Roeddech yn dweud, rwy'n credu, bod gennych dair rownd bapur pan oeddech yn ifanc. A ddylem fod yn dechrau yn iau nag a wneir ar hyn o bryd? Roeddech yn dweud bod newid wedi bod,

Keith Davies: You said, I think, that you had three paper rounds when you were young. Should we be starting at a younger age than is currently done? You said that there had been a change, but should we be thinking,

ond a ddylem fod yn meddwl, efallai, am perhaps, of promoting this in primary
hybu hyn mewn ysgolion cynradd? schools?

[252] **Mr Williams:** There is a danger of starting too early, too soon, in primary schools, if I am really honest. You still need to enjoy your childhood and find your own way, to some extent, because not everybody wants to be a businessperson. Some people want to be artists. So, if you take away finger-painting in primary school and replace it with cashflow forecasts, it might not be the way ahead. *[Laughter.]* You start making your own decisions in life maybe as early as 14, 15 or 16 years of age. It affects different people at different ages. That is the point at which it is relevant, because people should, at that point, have more of an understanding of what they want to do and have a stronger mind and their own opinions. At a younger age you are more impressionable.

[253] **Nick Ramsay:** The previous evidence that we took suggested that you could start with children aged as young as 4, 5 and 6. Would you think of that as being too young?

[254] **Mr Williams:** Yes. Let the children have their childhood. I am not saying that business is not fun, because it is. You can put people in an environment where you teach them team-building skills. You can include that in any form of children's activity. If there was an issue with entrepreneurship, and I am not saying that there is, it would not be with 5 and 6-year olds. I think that it would be in that window between the ages of 14 and 18, when you decide whether to go to university, to go into the working world or to set up a business. That is where you should concentrate on topics such as these.

[255] **Nick Ramsay:** How old were you when you were doing your paper rounds?

[256] **Mr Williams:** I was 13 or 14 years old—maybe as young as 12 at some point.

[257] **Mick Antoniw:** It is illegal under the age of 14, Chair. *[Laughter.]*

[258] **Nick Ramsay:** Moving swiftly on then, Keith, have you finished with your questions?

[259] **Keith Davies:** Yes, thank you.

[260] **Alun Ffred Jones:** Byddaf i yn **Alun Ffred Jones:** I will be asking my
gofyn fy nghwestiynau yn Gymraeg hefyd. questions in Welsh as well.

[261] I entrepreneur ifanc, beth yw'r peth For a young entrepreneur, what is most
pwysicaf: cefnogaeth ariannol neu important: financial support or personal
gefnogaeth bersonol a chyngor? support and advice?

[262] **Mr Williams:** I think that they are as important as each other. The business, perhaps, will not start without some form of funding, in most cases. So, raising the capital is important. However, as I said earlier, that is easier to come by if you believe in your product, your concept and your idea enough. Personal support is the more difficult of the two to secure. I work to the ethos that two minds are better than one. People love to throw this statistic in the air: that something between, depending on what you read, seven and nine out of 10 businesses fail in the first three years. If you strip that back further, some 70% or 80% of those failed businesses are set up in a sole trading capacity. They are businesses set up by individuals. If you are in business by yourself, there is not the same balance of skill sets available, there is not the same amount of ability for one person to motivate another if something goes wrong and there is a higher likelihood of somebody thinking that it will not work because they have had a bad day. There is personal support in the sense that you can go to somebody like a peer, a Government body, a mentor or a family member for advice, but they will only be able to

support you in a few words over a short period of time. Identifying somebody who you believe has a different skill set to you to add to a business model and identifying whether or not you can work with them in the long term—two, three or four people going into that business with you with the same ambition and motivation at the outset—means that the business will have a stronger chance of survival.

[263] **Nick Ramsay:** Keith Davies, do you have any further questions? I see that you do not. Julie James—

[264] **Keith Davies:** Sorry, I did. You did say that you are working in this area. Do you think that there are regional variations, and that setting up your own business in rural west Wales would be more difficult?

[265] **Mr Williams:** I would be making an uneducated guess on that. It is difficult, because I have not set up a business in those areas. I work in those areas—my business operates nationally; we have customers as far west, north, south and east as you can go—but that is in one particular industry. I have no indication of how easy it is to set up a business in west Wales compared with south Wales.

[266] **Keith Davies:** Do you think that it is easier because you are based in Cardiff?

[267] **Mr Williams:** I do not think that it is easier because I am based in Cardiff, no. I do not think that location— What is interesting about the question is that one of the things that I was taught in my business studies lessons, and the one thing that I always remember, because it got repeated so many times, is that the most important thing in business is location. It is like the television programme *Location, Location, Location*. My business studies tutor invented that 10 years ago, saying in every lesson ‘Location, location, location’. It amazed me, because as young as 16, I thought ‘What if I want to set up an internet-based business to take over the world?’ It seemed odd to me. I do not think that location comes into it. If you are in west Wales by the coast and you want to set up an ice cream parlour by the sea and the sun is out, location will be imperative. Do not set up an ice cream parlour in a place that will not have as much sun, sea and sand. However, it is not the be-all and end-all of business. If you have a business idea, you need to identify where you are and whether or not it will work and then pick your location, based on whether or not you need to move or the business needs to be situated elsewhere. I do not think that it is easier or more difficult; you just need to go where you need to go to enable the business to flourish.

[268] **Julie James:** I was interested in something that you said in passing earlier about it being more difficult to start up a business in an area that already existed or was less sexy. Was that an attitude that you were getting from Government officials? Where did you get that from?

[269] **Mr Williams:** It was not that it was more difficult; it was that funding would be less readily available. Say that, for argument’s sake, a lawyer worked for a law practice and decided ‘I’m going to break away and set up a new law practice’. The opinion that I was receiving was that it was less likely that there would be funding available in such a case, because it would be replicating a business that already existed in south Wales, without looking deeper and identifying the additional revenue streams, the extra employment and the fact that that business was—

[270] **Julie James:** Did you think that the assumption was that you were just setting up a competitive business and splitting a small market between the two of you?

[271] **Mr Williams:** Yes, which amazes me.

[272] **Julie James:** That is interesting. Do you think that that is replicated across all areas, so that all employee buy-outs are seen as breakaway businesses or whatever?

12.15 p.m.

[273] **Mr Williams:** Quite possibly, if one business breaks away from another. It has been around for centuries: businesses break away and new businesses are formed. In some of the biggest businesses in the world, which compete with each other, the top employee or director of one used to work for the other, but they are both creating markets, because one person likes that brand, and one person likes the other. It does not mean that there is less revenue and, therefore, less ability for that business to thrive, flourish and grow. So, it was something that amazed me. I thought that something was being missed at the time.

[274] **Julie James:** Thank you; that is really interesting.

[275] **Joyce Watson:** Moving on further, that could be the difference between a small business and a medium business. Somebody might be perfectly happy where they are, and the only way that you would replicate that business is by starting a similar business, or even an identical business, but with the will to grow it. That one might be quite happy because it might serve its niche market, which is just making enough money to live. Somebody more ambitious, like you, might be looking at making money to employ more people and widen the market. Is there a problem in thinking, or is that part of the problem in thinking?

[276] **Mr Williams:** It is definitely part of the problem in thinking. It is a valid point, because that exact scenario is what I have been through. My business generates revenue from all parts of the United Kingdom. The employer that I used to work for was situated in south Wales and restricted its revenues to that south Wales market; its niche was that it recruited within south Wales, and did not do anything outside of that. We have customers right across the UK who are spending thousands of pounds—millions of pounds—but that is coming into the Welsh economy because we are here. They are pumping it into our city, and our country. Somewhere along the line, that was completely overlooked.

[277] **Joyce Watson:** If you were going to recommend something, or help us make a recommendation, to recognise that shortcoming in recognition, what would it be?

[278] **Mr Williams:** It comes down to the criteria for lending. Without having seen those, I do not know. They may have changed in the last few years, so I do not want to speak out of turn, but it is the criteria. That is: we have money available to support businesses, or people who want to be entrepreneurs, and these are the criteria, and this is how we allocate it. Generally speaking, if it is very innovative and very new, then it gets interest, ears perk up, and it gets a little bit further along the line. However, what they are perhaps missing is: will it sell? Will it work? It might be exciting, and it might be new, but is it a tangible, commercially viable business model that will sustain and bring money into the economy?

[279] **Nick Ramsay:** In your opinion, is the balance right at the moment in terms of the Welsh Government supporting exactly what you just said—businesses that do not necessarily exist yet, a new area, something that might fail or might be great? Is there too much of a focus on that rather than businesses that are more established? Would there be potential for the Welsh Government to support those businesses to compete with each other? Would that be more productive in the long term than focusing on sectors that do not exist? Sorry, that is a very long-winded way of putting the question.

[280] **Mr Williams:** There is a balance in both. If the founder of Amazon created a new concept back in the day, you would not want to miss the innovative ideas, the good ideas, so it does come down to the finer detail. I suppose that it is who is looking at the finer detail, and

what the criteria are. Is there somebody looking at the criteria for the next person who wants to set up a service-based business who has done that and, therefore, understand whether that model works? Is there a technology entrepreneur looking at the technology applications? Where is the expertise coming from to decide whether that is something that will work? To apply it to my situation, which may have been isolated or may have been regular, who matched the criteria four and half years ago? I do not know, but there may be an argument to say that something, somewhere along the line, is missing in terms of expertise.

[281] **Nick Ramsay:** Are there any further questions for Dale? I see not. Thank you very much for the evidence that you have given to us today. That has been really helpful. We will be forming our recommendations and putting your evidence into our inquiry in due course. Thank you for satisfying all the questions, and good luck.

12.20 p.m.

Papurau i'w Nodi Papers to Note

[282] **Nick Ramsay:** We now come to item 5, which is papers to note.

[283] **Alun Ffred Jones:** Are you referring to the letters?

[284] **Nick Ramsay:** Yes, the letters to and from the Chairs of the sub-committees on the Smoke-free Premises Etc. (Wales) (Amendment) Regulations 2012.

[285] **Alun Ffred Jones:** I must admit that I am slightly peeved. We spent a lot of time listening to evidence, which I thought was very finely balanced. We then had a letter saying that,

[286] 'we have concluded that the Government will not proceed'.

[287] It is a very peculiar word, 'conclude', to have there. I presume that the Government decided not to proceed. However, it is not on the balance of the evidence being overwhelming in one way or the other. I am slightly bemused by this decision, because this letter does not actually say why they have decided not to proceed; it merely says that they have looked at it and have 'concluded'. They have decided, really, not to go forward with it.

[288] **Nick Ramsay:** And that is their conclusion; their decision. The original decision was to set up the committees—

[289] **Alun Ffred Jones:** Well, I would like to have heard something a bit more definite as to why they decided not to go ahead. They can do what they like; they can bring forward legislation, or not, as they like. However, having started the process that took a lot of time and effort on the part of the people who came here, they have just packed up halfway through, really.

[290] **Nick Ramsay:** It is not a pattern that we wish to see repeated at every inquiry.

[291] **Alun Ffred Jones:** Absolutely not, and I would have liked to have seen more reasons presented to us as to why they decided not to go ahead. I must admit, I am not happy with the letter or the response, which says, 'Well, that is fine then; let us waste more time doing something else'. It is not the way that I would have expected the Government to proceed.

[292] **Mick Antoniw:** I agree entirely. Clearly, there were two sides to the argument, both of which were entitled to know the rationale behind the decision. Part of the initiation of this

was the argument that there was a particular business interest. Now, that has been overridden, maybe perfectly justifiably so, but it seems to me that it is perfectly proper and appropriate that the way in which the conclusions were reached relates in some way to the evidence. Otherwise, the bodies that are looking in at this process will say, 'Quite frankly, this has all been a bit of a charade, et cetera, to get to a foregone conclusion'. So, I think it is perfectly right for us to say that we would like the rationale behind this and to have a bit more substance to it.

[293] **Nick Ramsay:** Yes. Joyce Watson is next.

[294] **Joyce Watson:** It is just that I had not realised from reading this that you had not actually finished. I thought that this opinion had been reached after you had finished.

[295] **Nick Ramsay:** No.

[296] **Joyce Watson:** I now realise that that was not the case. Now that I realise that, I have to share the opinion that has been expressed. It is not normal practice, and it would be useful to know why that has changed.

[297] **Alun Ffred Jones:** So, what are we going to do? You have sent the letter saying that it is okay, but, in fact, my view, which I think is shared by three other people, is that they should provide something—a better explanation, or at least a fuller explanation—as to why—

[298] **Nick Ramsay:** If that is the will of the committee, we can do that. We will contact the Government and ask for a more detailed explanation of the rationale for why the process was stopped.

[299] **Eluned Parrott:** Could we please also ask that the decision-making process be outlined in terms of the evidence received, given that people have taken time and trouble, and that the Assembly has expended resources on analysing and assessing this issue? The work of the clerks and so on in preparing for this was not inconsiderable.

[300] **Nick Ramsay:** Agreed. With that, I bring the public session of the meeting to a close.

*Daeth y cyfarfod i ben am 12.24 p.m.
The meeting ended at 12.24 p.m.*