

## **Self-Employment Services**

If job creation is a central focus of any CEDO, then the efforts of any community resident who seeks to create his/her own job are of keen interest. Such efforts are almost exclusively focussed on starting a business (rather than on persuading some on-going business/organization to create a position to be filled by the persuader). So self-employment is indeed a business development approach that can be a CED focus in a community in which entrepreneurship is a prominent feature. Self-employment, it should be noted, tends to imply microenterprise, not a business that is expected to employ many besides the entrepreneur and perhaps family members. For other attention to microenterprise, see the entry for [Microenterprise Loan Fund](#).

Note that not all communities foster an entrepreneurial posture in their citizenry, for one or another cultural reason. A CEDO will be aware of its cultural context and thus choose judiciously what sorts of business development activities it will concentrate on. Fostering self-employment may not be a high priority technique for CED in some settings.

Under all these circumstances, it would be appropriate to list the tools in this category under the entry topic heading of “Retaining and Creating Jobs (through business development)”. However, it is also true that central to self-employment is the fundamental necessity of training the potential entrepreneur in all the aspects of business creation and management. Thus human resource development is key to the self-employment perspective. For this reason, we have decided to discuss the tools for self-employment under the rubric of “Building Human Resources”.

In this sub-section, two tools are featured. First is the basic training that self-employment implies. And second is the sorting through of the entrepreneur’s own values, needs, and motivations, which ultimately is a self-development technique that a CEDO will want to foster.

## **Self-Employment Training & Support**

### ***Description***

The transition from being a job-holder to creating one’s own job - that is, to starting a business - requires shifting to a whole new mindset. A carefully designed tool to facilitate that change can be a meaningful part of a CED effort both for business development in general and for human resource services to low-income and other marginalized residents. Research seems to indicate that a mixture of group work, individual counselling, peer counselling, and

mentorship may be the best combination for the entrepreneur to achieve success. Perhaps overlooked sometimes, is the need to allow for some participants to learn that business is not for them and to provide them with supports for an exit strategy into other employment.

The tool, then, is made up of a systematic set of procedures to provide the necessary services and training that (a) will encourage the change in self-identification from employee to businessperson, (b) will alleviate the anxieties that go with deep personal change and with potential failure in a new endeavour, and (c) will provide orientation to the new skills needed. All of these re-enforce each other. For example, developing the capacity for persistence in making sales calls despite the inevitable rejections and the inescapable emotional reaction to them is a part of being able both to understand, build, and carry out a marketing strategy and also to visualize one's self as an independent businessperson.

The design of the support and training system will depend upon what the projected clientele will be. A program will be one thing for persons who are coming off welfare with little successful job history; it will be another for people who have been recently laid off after many years at one or more steady jobs. It will also look different if it is to deal with each individual separately rather than with groups of clients together.

In most cases, however, a key element in any design will be facilitating the support of peers who are going through or have been through the same process of change. Thus, even when the program is designed to work with individual potential entrepreneurs, it is probably essential for the participants to have a chance to link up with each other (see also [Entrepreneur Network Facilitation](#)). This group process is so important for support and for self-identification that most programs will probably accomplish more if they are organized for groups of clients to go through the whole set of procedures together.

Examples of different programs dedicated to different clientele will make this point clearer. Lutherwood-CODA of the Cambridge-Waterloo-Guelph region in Ontario has a history of a very successful program working with social assistance recipients (SARs). In the early 1990s it began a four-year effort to make an impact in 17 different neighbourhoods. It used a comprehensive and integrated support and training system, coupled with a temporary lifting of welfare restrictions on asset development to move people into their own businesses, or into new employment. An independent evaluation demonstrated a net return to the province for expenditures on this pilot program, but its unambiguous success has yet to result in changed welfare restrictions. However, Lutherwood-CODA has marketed its curriculum materials to many other programs.

A different clientele (the recently unemployed, eligible for benefits from HRDC) has been served by Westcoast Community Enterprises in Vancouver since 1995. Starting with the CODA

materials but revamping them considerably for the differing clientele and organizing their program as a highly structured 7-8 weeks of training, Westcoast has had a very high success record compared to the half-dozen other self-employment programs in the Vancouver area. It is a group process, emphasizing the principle of breaking all tasks and goals down to smaller, very manageable short-term pieces that can fit together over the long haul. They make sure their graduates are involved in “success teams” (small groups of peers, meeting regularly for mutual support and information exchange) after they have finished the program and have their businesses underway.

A still different clientele is served by Women and Rural Economic Development (WRED), which of course focusses on the needs of women entrepreneurs. In contrast to the other two cases, WRED not only provides training and various support services, it also runs a loan guarantee program that offers credit to the people who complete the training and have launched or are launching their ventures. (See [Loan Guarantee Program](#).) In fact, WRED’s approach probably is most powerful of all because it includes a credit source. (See also [Microenterprise Loan Fund](#).) The WRED experience suggests that all self-employment programs would operate more successfully if they entailed services designed for every stage in the business development and management process.

### ***Benefits***

As suggested, the main positive outcome of this tool is the creation of new businesses in the community. Such businesses will tend to make available a wider range of goods and services in the community as well as generate a multiplier effect. And of course they provide incomes for the new businessperson and any employees, which is particularly important when the self-employment programs are geared to those who do not already have jobs. However, it has been a finding for all programs that a critical benefit is the person’s own discovery (including outside ratification) of the person’s talents and capacities - which had not been recognized adequately before. Thus, even for those who participate in a program but never go on to create a business, the human resources outcome can be significant.

### ***Major challenges***

Setting up a self-employment program may not seem very difficult, especially if the sponsor (like a community college or an employment training program) is already experienced in the training field. However, whether the program ultimately produces the major pay-off - successful businesses - is the basic challenge; and among the programs throughout Canada there are wide variations in the rate of successful businesses. Some of that variation will be due to the variations in clientele, but much of it is probably merely a reflection of the capacities of the programs themselves.

While the curricula and techniques of support are difficult enough to devise (and will inevitably need to be continually refined), perhaps more difficult is to recruit the right sort of mentoring staff. The staff person must combine the practical understanding and experience of starting and managing a business with the ability to explain and teach what it is like and what the client needs to know if s/he is to have a reasonable chance of success. Further, the staff person also has to be good at relating one on one (always necessary for each client), as well as relating in a group setting if groups are being trained together. And since there will always be the business failures of clients with whom much effort has been expended, the staff person also has to be able to survive the unhappy failures of his/her efforts. All in all, then, recruiting a staff capable in all these respects can be a tough job.

Finally, each CEDO must ascertain whether self-employment is a sufficiently strong cultural pattern in its community that resources should be devoted to promoting it rather than to some other means of employment creation or facilitation. Perhaps the entrepreneurial ethic is not strong enough locally, and it would be a mistake to try to base an expensive program upon it.

***Some practical steps***

1. It is worth stressing again that a successful program begins with clarity about who the clientele will be, because that must shape what the program will be like.
2. Thereafter it becomes the task to actually construct (and eventually test) the set of procedures and training curricula that are going to be used. It is during this stage that staff should be recruited, so that their skills and commitment can be involved in the program design.
3. After the substantive issues have been dealt with, there will remain fairly intimate and homely details of policies and procedures to be thought through—e.g., little things like whether the clients will be able to use the program's photocopier without cost or with what charges.
4. Finally comes implementation, but implementing the program is only the beginning of a process of repeated refinements and revisions, as the staff learn their own jobs along the way.

***Resource organizations & contacts***

The main resource organizations are going to be those who have successfully fielded their programs. Among these are the ones previously cited (e.g., contact Valerie Lockyer at Westcoast, 604-685-5058), as well as another Vancouver program based at a local college: Douglas College Self-Employment Program (Graham Hill at 604-527-5847). WRED, of course, is a prime contact for programs that focus on women (519-273-5017).

***Publications***

- **\*Case Study:** “Microenterprise Best Practice.” Good practice is fine; better practice needs numbers. A principal in Opportunities 2000 has two pieces of research to recommend for the evaluation of microenterprise programs.
- While the CODA materials may well have to be adjusted for your programs, they are a good place to start (telephone: 519-623-9380).
- A large compendium of materials has been prepared by Diane Meyerhoff, “Starting a Micro-Business Program: Background Materials and Planning Kit” (1998-99). Published by the Center for Community Futures, P.O. Box 5309, Berkeley, CA 94705. Or order from their website ([cencomfut.com](http://cencomfut.com)). Their program assessment materials are particularly good.