

< **Entrepreneur house Amsterdam South-East-Netherlands** >

General details

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Details of activity

Background to the case study	<p><i>Aims and objectives</i></p> <p>There has been an increase in immigrant business start-ups in the Netherlands in the late 90's because it was difficult for immigrants to find employment.</p> <p>A major problem facing (potential) migrant entrepreneurs is the <i>difficulty in establishing and maintaining their business</i>.</p> <p>The overall objective of this project is to establish a tailored business/enterprise support centre to develop programs to support and expand minority business. These includes pre start-up advice, counselling and coaching as well as the development of business start-up courses and enterprise training programmes</p> <p><i>Brief rationale</i></p> <p>Entrepreneurship in ethnic/ minority communities can contribute to reducing unemployment, social exclusion and contributing to raising living standards in groups that can be often among the more disadvantaged in society. Moreover, because of a tendency for ethnic minorities to concentrate in particular localities, the development of some local economies, employment and the standard of living within them, may be heavily influenced by the nature and extent of ethnic minority business development.</p> <p><i>Implementing organisation</i></p> <p>The project is being implemented by the Amsterdam Southeast District Council</p> <p><i>Funders</i></p> <p>Financed with Local Government and European Funds:</p> <ul style="list-style-type: none"> • European: Objective 2 Program : 50 %
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	<ul style="list-style-type: none"> • District Council Southeast : 25 % • City Council Amsterdam : 25 % <p>Total Budget (Phase 1) : €1, 7 million Total Budget (Phase 2) : €3, 1 million</p> <p><i>When activity started / end date?</i> <i>Phase 1: Date of beginning:</i> January 2000 <i>Date of conclusion:</i> 31 December 2003</p> <p><i>Phase 2: Date of beginning:</i> January 2003 <i>Date of conclusion:</i> 31 December 2006</p>
Description of activity	<p><i>Outline of programme / activities and approaches used</i></p> <p>“Ondernemershuis Amsterdam Zuidoost” (Entrepreneurs house Amsterdam Southeast) is a business advisory bureau providing free consulting services to all types of small businesses on topics such as business plan development, financing alternatives, and marketing plan assistance.</p> <p>“Ondernemershuis Amsterdam Zuidoost” also acts as a referral source for financial and management assistance programs and assists in the development of educational training programs to support small business enterprise.</p> <p>The “Ondernemershuis Amsterdam Zuidoost” has also initiated projects such as Community Enterprises and affordable premises (incubators) intended to help beginning (and advanced) as well as established entrepreneurs.</p> <p>Ondernemershuis Amsterdam Zuidoost operates on two levels:</p> <p>1) The “Basic Package” which involves general information & advice on taxes, permits, financing, business housing, marketing and employment of personnel. The organisation of special network meetings which serves as a platform for (starting) entrepreneurs. Every meeting is focussed on a particular theme or on a specific aspect of business enterprise, where each time a special guest speaker is invited to give a presentation or a workshop. The networking meetings are especially intended for meeting colleague-entrepreneurs and also to exchange ideas.</p> <p>2) The “Plus Package”. This involves the organisation of regular courses. These are short one-day workshops dealing with practical issues that may be attended separately or as series of complementary workshops. The subjects are up to date and divided into different aspects of business enterprise. So far the following courses/workshops has been organised; Business plan (5 module course), Practical bookkeeping, Insurance, Income taxes, Promotion and Marketing, Import & Export, Doing business across the border, Finding and</p>



keeping customers and VAT. In addition “Ondernemershuis Amsterdam Zuidoost” is in the final phase of establishing Community Enterprise. Together with the local housing corporation they have established affordable premises (incubators) for starters.

Another product of the “Plus- Package” the development of a coaching module to match experienced entrepreneurs to talented ethnic entrepreneurs. The coaching module is in the form of providing special expertise tailored to the person or business in question. The coaches are themselves ethnic or native businessmen who have, or had, their own small or medium-sized businesses and who want to share their expertise.

The approach used is based on the “outreach” method and the “inside–out perspective”. This approach lays emphasis on the qualities and potential of the entrepreneur whilst at the same time upgrading his/her knowledge base on critical issues needed to be a successful businessperson.

Origins – how it came about – bottom up / top down, grew from previous initiative (if so what)

Since 1990, Amsterdam has been experiencing an increasing number of migrant business start ups, but at the same time a high level of migrant business failures was noticed due to internal and external factors such as: rules and regulation, tax system, access to capital, technological and technical assistance as well as management skills, level of education and business size. In addition, the existing business support systems do not address the issues facing migrant entrepreneurs. And more over there are some difficulties regarding access to mainstream business support services due to lack of awareness on both sides.

The idea of the project came from a research that was conducted with respect to migrant business in Amsterdam Southeast district in the Netherlands. This research was done within the Economic Renewal Program dealing with the sudden rise of unemployment rise in the mid 1990’s. The research indicated that potential migrant entrepreneurs were facing problems in the early years after starting to operate. With the increase in unemployment among the ethnic immigrants in the 90’s it was noticed that the number of firms owned by ethnic minorities has increased by 60 percent in 5 years as compared to 17 % increase in other districts in Amsterdam. At the same time ,statistics obtained from the Chamber of Commerce in Amsterdam indicated 51% of businesses went bankrupt within 3-5 years after startup. The in-depth study which followed showed that there was the need to



	<p>establish a new business support system that suits the ethnic minority entrepreneurs. A strategic model was developed resulting in the creation of a support centre for potential migrant entrepreneurs.</p> <p><i>Who was involved in the design, management and delivery of the programme</i></p> <p>The idea was initiated by the Social Economic Renewal department together with the Economic & Employment department of the district council. The basis of the project is the creation of a foundation called “Stichting Ondernemershuis Amsterdam Zuidoost” – Entrepreneurs house Amsterdam Southeast Foundation-. This was set up in the year 2003 (after the pilot phase) to initiate, implement and manage the 2nd phase of the project which has a structural/ permanent character.</p> <p><i>Recognition – has the programme been recognised as good practice? If so, by whom?</i></p> <p>The reaction to the project by stakeholders has been very positive. As a result of the success of the project, the Amsterdam city council has made it her policy to establish Entrepreneurs houses in the remaining 10 district councils. One is already in operation in “Groot Oost” district and plans are ahead to establish central coordination point for minority enterprise support.</p>
<p>Policy context within which the programme operates</p>	<ul style="list-style-type: none"> • <i>Is there an explicit relationship between policy priorities / local activities?</i> <p>One third of the people living in the Netherlands are under 25 years of age. Unemployment, youth and minority policy has been very high on the agenda in the Netherlands for quite some time. Presently most of these policies are largely decentralized to the municipalities and to the provinces. This has resulted in increased attention for the need of the target group to have ‘ownership’ of their own life and environment, and to create real opportunities for participation. This has resulted in a series of development and measures including the encouragement of minorities and the youth to start their own business.</p>
<p>Geographical focus of the case study</p>	<p>At what level does the programme operate?</p> <p>Local in the district of Amsterdam South-East</p>
<p>Impact</p>	<p><i>Describe the impact of the programme:</i></p> <p>Ondernemershuis Amsterdam Zuidoost performance measures focuses on measuring program impact and contribution toward meeting its goals such as reduced number of ethnic business failures, number of people receiving advice and training, number of new job opportunities created and percent of increase in client gross turnover. Another</p>



	<p>important impact is that many of the firms that previously were “illegal” companies, through the registration became official companies with clear rights and obligations. Before the beginning of the project, targets (indicators) were set to evaluate the achievements (see table below).</p> <ul style="list-style-type: none"> • Outputs – scale and scope of people reached through the programme See table below • Outcomes: at local level – what difference at local level and at regional and / or national level – what difference made? Since the start of the project it is noticed that the quality of ethnic business in Amsterdam Southeast has improved. In general there have been less business failures and the turnover per individual business has increased. The number of participants in general information meetings has increased by 100%. Also the number of successful starters since the start of the project has increased to 83. Probably the most important result has been the fact that mainstream banking institutions and building corporations has joined “Ondernemershuis Amsterdam Zuidoost” in partnership to provide micro-credit finance and affordable business spaces to ethnic entrepreneurs.
Partners’ details	<p>Name and briefly describe partner’s contributions to programme</p> <p>The Amsterdam city council, the Amsterdam Southeast district council and the province of North Holland has contributed 50% of the finances needed to implement the project. The Chamber of Commerce provided the facilities to enable local registration of companies.</p>

Theme-Specific Questions

Who was targeted by the programme?	<p>Name target group / groups</p> <p>The targeted group are the citizens of Amsterdam Southeast district with special emphasis on unemployed immigrants who wants to start their own business</p>
Which levels of government were involved, informed or consulted?	<p>On the provincial level (Province of Nort Holland) On the city level (Amsterdam city council) On the district level (Amsterdam Southeast district council) On regional level (Chamber of Commerce”</p>
Successes / lessons learned	<p>What contributed to the programme’s success?</p> <p>The most successful factor can be attributed to the fact that the local political administrators stood firmly behind the project. They provided the necessary financial assistance and have decided to adopt the</p>



concept into the mainstream with structural financial input.

What lessons have been learned

Lessons can be drawn on three levels:

The Local Government

- The local government should take the initial steps to initiate and facilitate low cost business units and improve access to finance. This will encourage the established institutions to join in partnership to provide such amenities.
- Local Government should create a sustainable business environment that acts as a catalyst for business growth through collaboration with local community, for example upgrading the shopping area to make it more attractive for other communities.
- Remove Policy Barriers and 'Red Tape'. Despite commitment and enthusiasm, business support providers remain frustrated that many of their clients are hindered from achieving their business ambitions because of policy barriers and 'red tape'.

Chamber of Commerce

- The national and local chamber of commerce should first understand the unique character of the migrant community in order to attract and involve them in the business community.
- They should provide a comprehensive range of added value business development services to assist the growth of migrant business, for example by providing excellent local networking opportunities or by removing some barriers of business registration.

The role Business Support Services

- Outreach needs to be core part of business support program.
- Business support staff should really understand the communities they work in.
- Building entrepreneurs self-confidence should be central to every element of a business support programme.
- Systems to measure social as well as economic outcomes should be adopted.
- Avoid a 'one size fits all' approach.



- *Outputs – scale and scope of people reached through the programme*

Indicator	Target – (December 2006)	Realisation per 31-12- 2005
Number of participants in general information meetings.	600	1174
Number of potential entrepreneurs receiving counselling and support	-	880
Number of interviews and counselling	1850	2215
Number of entrepreneurs receiving coaching	40	4
Number of companies visited	700	469
Number of starters	80	83

