London 2012

e-Procurement and SME suppliers – Opportunity or threat?

Newham KickStart Project
Final Report

April 2006

"With the 2012 Olympic Games, businesses in London - and East London in particular - have been handed a great opportunity, but competition will be fierce. It is important that the council ensures that its small local businesses benefit from this opportunity. The success of the KickStart project has confirmed that it needs to be made an integral part of how the borough achieves this."

Martin Scarfe, Financial Adviser, London Borough of Newham
1. Introduction

This report is the final position on the KickStart Project following the two year funding under NRF. The report shows the successes and failures of the Project itself, plus raises a number of strategic issues that need to be addressed.

A summary of this report was presented at the local e-gov EXPO national event on 5th and 6th April 2006.
2. Executive Summary

The move to e-Procurement by local authorities has already had an impact on smaller local companies. A further move to shared services procurement and e-procurement will add momentum to this, bringing more spend into regional or national contracts with major suppliers.

Analysis confirms that in the London Borough of Newham the number of SMEs trading with the borough has dropped by 9% in the past year and that over 1,800 Newham-based jobs are potentially at risk, confirming the fragility of the local economy and the level of vulnerability of SMEs in Newham.

The Newham KickStart project was set up to enable the council to maintain a sustainable level of local suppliers, while still meeting procurement improvement targets. It uses the leverage of Government as customer, rather than just as adviser, to get SME owner/managers along to workshops where they can create their own fully functional e-commerce websites. The project has been very successful:

The Newham KickStart project was set up to enable the council to maintain a sustainable level of local suppliers, while still meeting procurement improvement targets. It was very successful:

• 2,150 companies have been contacted and informed about the need to adopt the new ways of working.

• 152 have attended a KickStart workshop and have been helped to create an e-commerce website that enables them to trade online. 46% of these are BME-owned and many are start-ups, generating growth where the borough needs to do so. Some of the companies have used the project as a starting point to transform the way they do business.

• Contact with this group of SMEs confirmed that use of web and broadband by Newham-based companies appears to be very low, but the project has had the effect of raising this by more than 7% over 18 months, from 16% to 23%.

• KickStart’s joined-up approach is cost-effective and has been shown to work. By aligning the objectives of public and private sector partners, the project was able to utilise facilities and skills that would have been outside its reach and unaffordable with the funding available.

• The project has achieved a high profile in the national press and among local authorities. Local companies are also enthusiastic about the project – one volunteered to join the KickStart Steering Group to get the message across to other local companies.

• The project’s success was hindered by a failure by one of the local partners to provide the promised level of business support. This reduced the project’s effectiveness and numbers of SMEs assisted.

• The project was also affected by Newham Council buyers not being able to trade online with e-enabled SME suppliers, due to internal system delays and the interface with its e-Marketplace service. This has meant that local companies have been fully equipped to offer a streamlined cost-reduced supplier relationship with the council for over a year, but little trading has taken place.

With the 2012 Olympic Games, businesses in London - and East London in particular - have been handed a great opportunity, but competition will be fierce. It is important that the council ensures that its small local businesses benefit from this opportunity. The success of the KickStart project has confirmed that it needs to be made an integral part of how the borough achieves this.

It has been calculated that a scheme costing under £120k pa would provide support for a further 200 local SMEs every year. It has also been confirmed that such a scheme could not realistically be self-funded.
3. Background – Why KickStart?

3.1 e-Procurement

Local authorities have traditionally operated a devolved approach to procurement which managed service delivery and risk very well, but was not cost or price efficient. Recent introduction of electronic procurement systems has meant that authorities are able to aggregate their purchasing of low-value high-volume goods and services, streamline their processes and use their buying power more effectively, with no loss of local decision-making. Authorities are being asked to deliver £1.1 billion savings by modernising and improving their procurement of goods and services as part of the government’s efficiency improvement programme. (source: NePP, The Benefits of e-Procurement)

3.2 Impact on local suppliers

The move to e-Procurement by local authorities has already meant that some smaller local companies have been dropped or relegated to playing a sub-contractor role as contracts are aggregated and larger suppliers get more public sector business. A further move to shared services procurement and e-procurement will add momentum to this, bringing more spend into regional or national contracts with major suppliers.

Government has recognised the damaging affect this could have on local SME businesses that supply the authorities. Particularly if the procurement manager does not know which of his suppliers are local companies, dependent on the council for business and therefore at risk if the council changes its buying behaviour. Two documents issued by ODPM (The National Procurement Strategy for Local Government – October 2003 and The Priority Services Outcomes targets – May 2004) set out requirements for authorities to take a balanced approach.

So local authorities have a duty to ensure that these modern procurement processes embrace local companies, especially SMEs, rather than exclude them, for the good of the local authority, the local business and the local community. Authorities have been targeted to build local business inclusion into their procurement and e-Procurement plans.

This does not mean that local businesses should be given preferential treatment. However ensuring that local businesses are included in relevant tender opportunities makes good sense. As an example, Thurrock Council has a stated aim that council buyers should include a minimum of two local companies in any procurement exercise undertaken.

3.3 SME suppliers may need help

Suppliers need to be able to provide their goods and services, take orders and requests for quotes and issue invoices electronically. Smaller companies often do not have the skills and capacity to change their systems to cope with these requirements, but it is important that they do in order to be able to compete for business. Even so, it is inevitable that some will lose public sector business, so it is also important that local authorities work with local business training and support organisations to provide all the help these companies need to find other markets or adapt their businesses to the new trading conditions.

3.4 Newham takes the lead

The London Borough of Newham was an early adopter of e-Procurement and was one of the first to recognise the potential problem of SME exclusion. In 2002 it commissioned a report on the issue and in 2003, the borough took the initiative to identify its vulnerable local SME suppliers, working with an external analytics service – an approach that has since become accepted as best practice across the local authority sector. Using this data, it set up the Newham KickStart project to enable it to maintain a sustainable level of local suppliers, while still meeting procurement improvement targets.

3.5 The data – this is why we need to act

Enough authorities have now undertaken the supplier analysis (93 nationally and 19 in London) to allow Newham to see its relative position across London boroughs and nationally. In addition, Newham has carried out a supplier analysis every year for the past 3 years and the data from the last two years’ analyses are available to compare.
The data confirms that 59% of the borough's trade suppliers are SMEs, a quarter of which are based in Newham. This has already dropped by 9% in a year and the number of SME suppliers ‘at risk’ has also dropped (from 15% to 10%) in the same period, suggesting that some of the companies no longer on the borough’s supplier list were heavily dependent on the council for their survival. The current (2005) level of local SMEs at risk (27%) demonstrates the obvious fragility of the local economy and the level of vulnerability of SMEs in Newham.

Take a specific example: nearly £11m of Newham’s spend is with suppliers based in its Stratford Ward alone. Changes to procurement practices could withdraw this business from these companies in favour of larger suppliers. However Stratford is among London’s most deprived Wards, has a very low skills base and almost no larger suppliers, so there is little chance that the business will remain in the Ward, let alone in the borough. Economic theory suggests that with the local multiplier effect, the loss of £11m from the local economy could mean up to £50m ultimately drained from the local economy.

Taken together, Newham, Tower Hamlets and Waltham Forest buy £42m of goods and services from Newham-based suppliers, around 20% of which are significantly at risk as the rationalisation continues. Just in Newham, 1,806 jobs are potentially ‘at risk’ as local authorities shift to using larger suppliers.

In practice, the borough will not stop trading with all these companies; some will find alternative markets and others may become sub-contractors to larger suppliers. However there is no denying the impact that public sector procurement modernisation may have on Newham’s local economy and the importance of projects such as KickStart to support local companies. A failure to act today may mean that many local SMEs will not be around to take advantage of the 2012 opportunity.

4. The KickStart Project

4.1 Aims

The Kick Start project arose from a recognition by Newham Council’s ICT in the Community group that local SMEs would be disadvantaged by the public sector’ move to e-procurement. The scope of the project as described in the Neighbourhood Renewal Fund (NRF) Workstream proposal 2004-6 included the following key objectives:

- To increase the number of local businesses using modern e-trading methods – with the Council, other public sector and their trading partners and increase the number and percentage of Council suppliers using e-procurement. (NB No targets were set)
- To increase the number and percentage of Newham-based suppliers trading with Newham-based public sector agencies
- To promote the use of modern e-trading methods by Newham-based businesses to make other local businesses aware of the existence and benefits of the types of e-trading available to them and their customers

It also included two secondary objectives:

- To develop a sustainable enterprise philosophy in relation to the advice and support agency
- To enhance local employment opportunities by recruitment of a local team to be trained in modern e-trading

Since the publication of the NRF proposal, need has also been identified for the project to impact on the number and percentage of Black and Minority-owned enterprises (BMEs) supplying the council and other public sector organisations in Newham. Encouraging minority-owned businesses was felt to be particularly important in a borough where over 50% of the population is of an ethnic origin but where this is not represented in the council’s supplier base.
4.2 Collaborative project launched

The Newham KickStart was launched in 2004. It began active operation with the recruitment of a Project Manager and KickStart Liaison Manager in November. The first SME workshop was held in December 2004.

The project has succeeded in bringing together the resources of Newham College and Chamber of Commerce, as well as a number of other key partners in a joined-up approach to tackling SME e-enablement. Working with @UK PLC, an e-commerce service provider, KickStart has provided local SMEs with training and support to set up their own low-cost, easy-to-use e-commerce websites and connect to these via Broadband.

NRF funding means that online training from learndirect could be offered free to local companies and they were even able to take advantage of other incentives such as subsidised Broadband and the loan of a PC.

Note that the scope of the project meant that companies targeted by the KickStart project in Newham were not confined to the council’s suppliers - any SME in Newham was eligible to join the scheme. The emphasis in the scheme was on very small companies, including start-ups, but there were some with up to 20 employees.

4.3 The KickStart Model

The KickStart model was developed by Bristol City Council, @UK PLC and Imaginist in 2003 and was refined and applied in Newham. It has since become a recognised approach and is being adopted by a number of other councils. The approach works better than other similar schemes because of a number of elements that were recognised as essential to success:

- A good locally based KickStart team. This comprises a KickStart Project Manager and a Liaison Manager.

  - Graham Pilkington was the KickStart Project Manager, responsible for pulling together the partners, aligning their objectives and ensuring they are all working smoothly together – if this doesn’t happen, the SME client companies suffer. He was also responsible for working closely with the council buyers in order to identify key suppliers and influence the buyers to use the suppliers’ e-commerce capability when it is in place. The project benefited from his connections and recognition in the community (he had already been honoured with an MBE for services to the community) and his ability to work with and influence council managers as well as local SMEs.

  - Atakan Dyanch was the KickStart Liaison Manager, responsible for contacting the companies and persuading them to participate. He held their hands through the process and was the first port of call for the companies if things go wrong. It was important that he was perceived to be working for the council (not a 3rd party adviser or consultant) so that companies saw him as the ‘customer’ and responded accordingly. The project benefitted greatly from his endless enthusiasm and perseverance - vital to attract the participation of small company owners, who always have too much to do.

- Good partners - the business support partner was Newham College CIPS. Despite some internal resource problems, this partnership provided the project with the facilities and support to enable regular workshops to be held. The technical partner was @UK PLC, who provided excellent support and the e-commerce solution used in the project.

- A suitable e-commerce package for small companies – SMEs need a fully featured e-commerce solution that is cheap and easy-to-use. The @UK PLC solution costs from £48 pa. This was subsidised by the project so it was free to KickStart participants for the first year. If a company did not have a website already, this was also provided (at £5 cost to the project). A company using this system is automatically on the @UK PLC web-based supplier directory which enables suppliers to be found by anyone searching on the web (using Google, Yahoo etc). Where Newham has a contract with a supplier, those prices are seen by council buyers.

- A proven and successful SME recruitment process – the KickStart process had been proven in Bristol and was refined to accommodate local circumstances in Newham. Local company owner/managers were contacted by telephone and invited to attend a workshop in groups of 8-10. By the end of the 2-hour workshop they would have set up their own e-commerce websites and populated them with the basic information they need to begin trading online. They were then able to go away and finish the job back at the office or at home. Ongoing support was available to them at the end of a phone and where businesses needed to make significant process changes, hands-on support was available.
5. Outputs

Table 2 shows the final Key Indicators used to track the project over the 18 months, taken as at 1st March 2006.

Table 2: Key Indicators – final status

<table>
<thead>
<tr>
<th>Business successfully contacted</th>
<th>2150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies that already have website and broadband</td>
<td>352 = 16.4%</td>
</tr>
<tr>
<td>Other businesses not interested in KickStart</td>
<td>66</td>
</tr>
<tr>
<td>Priority follow-up opportunities for KickStart after initial calls</td>
<td>903</td>
</tr>
<tr>
<td>Companies that have attended a KickStart workshop</td>
<td>152</td>
</tr>
<tr>
<td>Workshop attendees with existing web sites and domain names</td>
<td>4</td>
</tr>
<tr>
<td>New domain names and e-commerce websites set up via @UK PLC</td>
<td>153</td>
</tr>
<tr>
<td>Web sites under construction</td>
<td>13</td>
</tr>
<tr>
<td>Companies closing eg on retirement of owner</td>
<td>2</td>
</tr>
<tr>
<td>Total newly e-commerce enabled SMEs</td>
<td>152 + 7.1%</td>
</tr>
<tr>
<td>By 31/3/06</td>
<td></td>
</tr>
<tr>
<td>% of participating companies that are BME-owned</td>
<td>46%</td>
</tr>
</tbody>
</table>

* ie this % represents the picture before the impact of the KickStart project

The main achievements are:

- **2,150** companies have been contacted and informed about the need to adopt the new ways of working.

- **152** have attended a KickStart workshop and have been helped to create an e-commerce website that enables them to trade online. 46% of these are BME-owned and many are start-ups, generating growth where the borough needs to do so. Some of the companies have used the project as a starting point to transform the way they do business.

- Contact with this group of SMEs confirmed that use of web and broadband by Newham-based companies appears to be very low, but the project has had the effect of raising this by more than 7% over 18 months, from 16% to 23%. This is a significant achievement, as the number of companies contacted that already have web and broadband (16.4%) is well below the national average. e-Enablement is recognised by government to play an important part in a business’s ability to survive, become more competitive and grow – vital in a borough that is short of skills and jobs and even more important if the local business community is to take advantage of the build-up to 2012.

- As part of the technical support for the project, an East London Online trading portal was established by @UK PLC. This gave access to the companies’ websites and, because it was part of a national electronic directory and marketplace, these companies are visible and able to trade online with any customer using the Internet. The portal is at: [http://www.eastlondononline.co.uk/](http://www.eastlondononline.co.uk/)

- Many of the companies have used the project to undertake major transformation of the way they do business. Three of these have been profiled in case studies, available online as follows:
  - Frank R Pratt, Timber Merchants - "If we hadn’t made the move to electronic trading we would have lost business with the public sector"
    [http://212.22.96.179/documents/13SeptPrattCaseStudy.pdf](http://212.22.96.179/documents/13SeptPrattCaseStudy.pdf)
  - RECO Engineering - "I have only 5 staff but now I have an integrated back office, just like the big companies"
    [http://212.22.96.179/documents/13SeptRecoCaseStudy.pdf](http://212.22.96.179/documents/13SeptRecoCaseStudy.pdf)
  - Roop Asian Bridal Hire - "Set up and trading online in less than 3 months"
    [http://212.22.96.179/documents/13SeptRoopCaseStudy.pdf](http://212.22.96.179/documents/13SeptRoopCaseStudy.pdf)

A full list of participating companies is provided at Appendix A.
6. Successes and Failures

6.1 What went right

- E-commerce is now on the agenda of over 2,000 companies in Newham and their understanding of the benefits of using e-technology to change the way they do business has been significantly raised. The project has been particularly successful in its ability to contact and talk to SME owner/managers about their businesses, what is happening in their markets and how e-technology can be of benefit to them.

- A significant number of Newham-based SMEs will have been helped to adopt e-commerce in 18 months, a major improvement in e-enablement in the local business community. Nearly half of these are BME-owned companies and many are start-ups, helping to generate growth where the borough really needs to do so.

- Some of these companies have used the project as a starting point to transform the way they do business. These are the real wins.

- Partnership and collaboration – KickStart’s joined-up approach has been shown to work. By aligning the objectives of all the partners, the project was able to utilise facilities and skills that would have been outside its reach and unaffordable with the funding available.
  - The partnership with @UK PLC was particularly successful. With no funding other than the direct website and portal costs, @UK PLC provided a technical adviser at each workshop and had registered domain names for all the companies that needed one in advance of the workshops, so they could get online and create their websites.
  - The facilities provided by Newham College CIPS, at East Ham Learning Line and particularly at the Learning Goal at West Ham Football Club were excellent.
  - All partners have expressed their interest in continuing with the project if funding is made available.

- The council’s knowledge of the ICT capability of its business community is now much improved, with a database available for future use.

- Local companies are enthusiastic about the project – one was so enthusiastic he agreed to join the KickStart Steering Group which managed the scheme. He said: “It is vital that we get the message across to other local companies how easy and painless it has been for us and how important it is that they use the new technology to add value to their business.”

- External recognition – the KickStart project has been recognised as an excellent project by government – with other councils seeking to adopt the model – and in the national press (eg The Times business pages Sept05)

- The KickStart team has also become aware of a growing awareness among local company owner/managers as a result of the project that the council wants to help them. Word-of-mouth recommendations are now regular occurrences.

6.2 Partial successes

- The KickStart Project Manager has been successful in generating interest and willingness to cooperate among buyers in Newham Council. They recognise that local suppliers are important to the borough and have been keen to start trading online with participating SMEs when the opportunity was presented to them. However, their lack of electronic access to suppliers has hindered much of this – see below.

- The level of business support provided to SMEs by the project was not sufficient – see below – so it has been encouraging that despite this, many companies maintained their interest and managed to take advantage of the opportunities the project created, in many cases starting to transform the way they worked.

6.3 What failed

- The level of business support originally promised by Newham College CIPS never really materialised, despite considerable effort to overcome the obstacles. Internal resourcing and management problems bedevilled every initiative to put things back on a proper footing. This had a number of consequences:
• A lack of continuity in the support that the project team could provide to companies that had
gone through the initial process and were building their websites, which has certainly reduced the
number of companies who have worked through to a fully operational e-commerce presence on
the web.

• Cancellation of scheduled workshops when facilities were withdrawn at the last minute. This was
disruptive and unprofessional and meant that the KickStart team were having to contact
companies and reschedule their workshop places. They are aware of only a very small drop-out
as a result, largely due to their good relationship with their clients, but this has been very time-
consuming.

• As well as the time and effort that was wasted working to try to resolve these problems, the lack
of hands-on support from CIPS meant that the KickStart team had to extend their role to provide
business support to the companies, reducing the time available for recruitment and impacting on
the total number of companies that have participated in the project’s by at least 40-50.

• In an attempt to overcome this problem, funds had to be allocated to employing a local training
company, Sunflowers Resources, to provide support to a group of 30-40 companies.

• Promised broadband subsidies and loans of PCs also failed to be implemented by CIPS, despite
continual efforts by the KickStart team to get things moving (they even located PCs for
refurbishment, but this opportunity was not picked up by CIPS). This meant that some SMEs
were unable to proceed to implementation stage, despite their interest in doing so.

• The council had committed to enabling selected buyers to trade online with KickStart suppliers,
either via an in-house electronic finance system or via the Oracle e-marketplace platform used by
the borough for larger suppliers. During the 18 months of the project, neither of these was
achieved. This was partly due to internal delays in rolling out a works order finance system and
partly as a result not being able to get from Oracle the technical interface changes needed to enable
data transfer with the @UK PLC platform. This failure has meant that a number of local companies
that are key to Newham’s service delivery performance have been fully equipped to offer a
streamlined cost-reduced supplier relationship with the council for over a year, but virtually no
e-trading has taken place.

• Use of government’s learndirect training courses was an important part of the joined-up approach
that the KickStart project committed to when it was scoped. However, soon after the project
started, a policy change by DTI/SBS meant that SMEs were no longer priority targets for
learndirect. That meant that CIPS, who were delivering learndirect courses, could no longer justify
the use of their facilities for KickStart. Although this problem was overcome, the courses were not
promoted and the level of take-up of online training by participating businesses was very low – in
contrast to the original expectation.

• The lack of business support and the council’s inability to take up online trading with the
participating SMEs meant that the project has not been in a position to stimulate and track online
trading activity by the SMEs once they had the e-commerce capability. Although the team is aware
of some companies that have developed their businesses as a result of the project, there has not been
the resource nor the opportunity to generate evidence of the economic impact of the project at the
end of the 2 years.

7. Lessons Learned

• The Council cannot work on Procurement and e-Procurement in isolation – there are ramifications
for the Council’s Community Plans, plus Economic Development (Regeneration) issues. A joined-
up approach is vital to the economic sustainability of Newham’s SME community.

• The various agencies responsible for ‘business issues’ need to liaise and co-ordinate their efforts
better on a formal level and at a working level to support SMEs facing the changes being brought
about by e-procurement. The KickStart project showed how this can work and Newham needs
more of the same.

• The CIPS’s inability to provide sufficient business support demonstrated the risk when
Government-funded business support is not well resourced. Unless this is addressed, schemes like
KickStart may not be capable of providing the help that companies need to transform their
businesses and become sufficiently competitive to survive and grow.

• Newham Council has to recognise that its slow progress towards being able to trade online
impacts on its suppliers as well as its own performance.
8. The Future – build-up to 2012 and beyond

With the 2012 Olympic Games, businesses in London - and East London in particular - have been handed a great opportunity. The London Organising Committee for the Olympic Games (LOCOG) has identified business-related opportunities across a range of sectors, but competition will be fierce and the local boroughs and other London-based public sector organisations need to join up their procurement plans with their community strategies and ensure that our small local businesses benefit from this opportunity.

The supplier analysis has shown the size of the problem facing SMEs and Newham in particular, and has provided the participating authorities with the detailed information they need to manage the problem.

The KickStart project has now also demonstrated that a significant number of SMEs can be helped to change the way they trade with the council and with all their customers, protecting jobs and generating growth where it is most needed.

Now the scheme needs to be made an integral part of how the borough deals with its SMEs. It won’t be a matter of maintaining trade with every one of these companies, but they should all be offered help to cope with the changes and be given the advice and support they need.

A costing exercise has been undertaken to find a way of maintaining KickStart as a low-cost part of the borough’s support for its business community. This has established that a scheme costing under £120k pa would provide the ongoing support for another 200 local SMEs each year. The costing exercise is included at Appendix B.

It was originally thought that there may be a possibility of KickStart becoming self-funded. Some consideration has been given to this, but it clear that it is not feasible:

- SMEs would have to pay for their e-commerce sites – this would create a barrier for some companies and make marketing the scheme more difficult and expensive but, in itself, this is not a key element of the project’s cost (under £10k) and in any case the companies pick up the costs after year one, so eliminating this would not make a significant contribution.
- SMEs would have to pay for business support – this is more problematic. Most small companies are reluctant to pay for assistance and this barrier would mean a significant selling effort is needed, for probably very low returns. It is only after a company has attended the workshop and has woken up to the relative ease and low investment required and the business benefits it can realise, that one could realistically seek to charge for support – and then only at a relatively low charge-out rate. If that dictated the level of payment to an adviser, the quality and experience of that adviser would not be of a level to make a success of the scheme.

And neither of these would be sufficient to cover the cost of the KickStart team – the key to the project’s success.

On the other hand, if the council looks at the potential gains from an ongoing KickStart scheme, it should be able to see sufficient cost benefits to justify the project:

- Assuming the council’s internal e-procurement systems are finally rolled out, local companies could play an important part in Newham’s more cost-effective procurement activity and find work with the East London group of councils as shared contracts become the norm.
- The negative impact of losing jobs and skills in Newham would be at least partially offset. The cost of re-introducing these into the local economy is known to be many times the cost of supporting existing companies.
- An ongoing KickStart scheme can play an even more important role in the build-up to the 2012 Olympics, helping to ensure local business involvement.
- KickStart represents a unique collaboration amongst key strategic partners that enables local businesses to find information, training, support and access to cheap and easy-to-use e-commerce, all in one joined-up scheme. Reproducing this in other ways would be far more expensive.

Martin Scarfe  Peter Duschinsky
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London Borough of Newham  The Imaginist Company
**Appendix A: Participating Companies**

The companies registered online via KickStart as at 1st March 2006

<table>
<thead>
<tr>
<th>3 Ducks Design</th>
<th>Carol Ann Sings &amp; Entertainments</th>
<th>January Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>A and B Building Crafts Ltd</td>
<td>Cartwrights Chemists</td>
<td>Jill Jesus Is Lord</td>
</tr>
<tr>
<td>A M Autos</td>
<td>Cater Trailer with Cater Bake</td>
<td>JR Auto Paint</td>
</tr>
<tr>
<td>A W Page Upholsterers Ltd</td>
<td>Caz Engine &amp; Service Centre</td>
<td>K K Bedi Accountants</td>
</tr>
<tr>
<td>A W Phillips Ltd</td>
<td>Central Property Services</td>
<td>Kingdom Life Chapel</td>
</tr>
<tr>
<td>A1 Gift Store</td>
<td>Ceylon Cottage Nurseries</td>
<td>international</td>
</tr>
<tr>
<td>A1 Services</td>
<td>Charles Barber</td>
<td>Kitsons Insulation Products</td>
</tr>
<tr>
<td>AAC Services</td>
<td>Chase Park 2002 Ltd</td>
<td>Ltd</td>
</tr>
<tr>
<td>Able Tree Services Ltd</td>
<td>Choice Centre Ltd</td>
<td>Knighton Trading</td>
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<tr>
<td>Abubakar</td>
<td>City Construction and</td>
<td>Liberty Property</td>
</tr>
<tr>
<td>Activate Security Ltd</td>
<td>Development</td>
<td>M&amp;T Kelleher</td>
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<td>Active Plus</td>
<td>City Wide London Ltd</td>
<td>Metalwork Designs</td>
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<tr>
<td>Agridutt (International) Ltd</td>
<td>CJB International</td>
<td>Metropolitan Property Services</td>
</tr>
<tr>
<td>Agrolon Ltd</td>
<td>Claremore Mechanical Services</td>
<td>Mimiferrari</td>
</tr>
<tr>
<td>Air &amp; Sea Express Ltd</td>
<td>Clarks Archive Storage Ltd</td>
<td>MPCS</td>
</tr>
<tr>
<td>Ali &amp; Sons Halal Meat Co</td>
<td>Clean 'N' Stitch</td>
<td>Muzda Bakery</td>
</tr>
<tr>
<td>Allen Cramp Co Ltd</td>
<td>CleverClogs Day Nurserie</td>
<td>Nation Cars</td>
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<td>Omega Community Living</td>
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<td>Patrick Daley</td>
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<td>D B Properties</td>
<td>Points Of View</td>
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<td>D Goodhew &amp; Son</td>
<td>Precious Cosmetics</td>
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<td>D&amp;G Computer Services</td>
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<td>Dons Enterprises</td>
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<td>Dorothy Matilda Foundation</td>
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<td>SKS London</td>
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<td>Eastside Car &amp; Van Rental</td>
<td>Smarty Pants Day Nursery</td>
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<td>Finest Party Organiser</td>
<td>Srinivansans</td>
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<td>Frank R Pratt Timber</td>
<td>Step by Step Children Centre</td>
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<td>Merchant</td>
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<td>Global fish</td>
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<td>Groovy Web Design</td>
<td>Sum Insurance Services</td>
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<td>Bits and Bobs</td>
<td>Gyenynae</td>
<td>Super Pleating</td>
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<td>The Actual Removal Company</td>
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<td>Bold and Beautiful</td>
<td>Heidi’s Beauty Parlour</td>
<td>Tidjara</td>
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<td>Bondor Bazar</td>
<td>Hilary Sleiman</td>
<td>Tops School Of Motoring</td>
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<td>BTS Skip Hire</td>
<td>Inside Out Health and Well Being</td>
<td>Tornado Express</td>
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<td>JB Jessop Building Materials</td>
<td>Unitec</td>
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<td>J Reeder Locksmiths</td>
<td>Walk &amp; Talk Mobile</td>
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<td>Café Mondo</td>
<td>J Reeder Locksmiths</td>
<td>Wood Fx</td>
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<td>Carlos Hairdressing</td>
<td>January Sales</td>
<td>Yellow Glasses</td>
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</tbody>
</table>

*Note: The list includes a variety of businesses including retailers, service providers, and community organizations.*
Appendix B: KickStart 2006/7 - Costing Exercise

Objective
To establish outcomes and costs for a 2006/7 KickStart scheme

Target Outcomes
• A co-ordinated and integrated approach to e-commerce for SMEs, raising awareness to SMEs across the borough
• Targets:
  • 200 SMEs equipped with e-commerce websites
  • 20 workshops to be held over the year
• Business Needs Analyses carried out as required (up to 200) to provide a co-ordinated and independent approach to develop those SMEs during the radical change that the move to e-commerce makes
• Using this independent business assessment, selection of support from any individual partner or several to allow the business to develop
• Strengthened knowledge of local business community’s ICT capability; application of this and use of database by other schemes and projects as appropriate
• Strong relationships with SMEs now trading with Newham; facilitation of e-commerce trading when council is ready.

Costs
The breakdown in Table 1 shows a total cost of £119,600.
This does not include the use of the business support partner facilities which it is assumed is covered by their own funding, nor hot-desk accommodation and PCs for the KickStart team, which it is assumed would be continue to be provided by Newham. All other expenses are included.

Table 1: Cost breakdown

<table>
<thead>
<tr>
<th>Activity Breakdown</th>
<th>Costs ($)</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make contact with SME: Make contact with and understand basic position of approx 400 SMEs re: e-commerce; detail advantages of e-commerce to SME; invite to workshop</td>
<td>40,000</td>
<td>Resource: 250 days @ £160</td>
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<tr>
<td></td>
<td>6,000</td>
<td>Promotion/Marketing</td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td>Other external costs</td>
</tr>
<tr>
<td>Workshops: Sites facilitated at workshops provided using Learndirect centres (at nil cost to project); discuss e-commerce individually; individual help with design of web site; initial contact re: business development</td>
<td>Included in above</td>
<td></td>
</tr>
<tr>
<td>e-Commerce web site provision: Provide working e-commerce web sites and domain names to 200 Newham SMEs</td>
<td>10,600</td>
<td>200 sites @ £53/site incl domain names</td>
</tr>
<tr>
<td>Business Needs Analysis: 1:1 Business Needs Analysis to enable the transition to e-commerce as integral to the SME’s development</td>
<td>45,000</td>
<td>Up to 200 SMEs @ £225 each</td>
</tr>
<tr>
<td>SME’s individual detailed development proposal: Business development/training proposal across all support partner/providers using provision as fits the SME; Web site development help at SME premises</td>
<td>Included above</td>
<td></td>
</tr>
<tr>
<td>SME sign up to development proposals: Individual business support providers providing customised support/ business</td>
<td>Included above</td>
<td></td>
</tr>
<tr>
<td>SME development follow up: Track progression to e-commerce use</td>
<td>Included above</td>
<td></td>
</tr>
<tr>
<td>Change in IT competence: Analysis of impact of project, through contact with SMEs</td>
<td>Included above</td>
<td></td>
</tr>
<tr>
<td>Management of project: Liaison with partners, development of partner relationships, alignment of their objectives and funding with KickStart; External representation of KickStart at meetings and events: Awareness-raising of the scheme, locally and nationally, especially related to its role in context of 2012.</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td>119,600</td>
<td></td>
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</table>