

Question and Answers

What is LaunchME?

LaunchME is a new microenterprise pilot program providing South Australians on low incomes with the opportunity to start small businesses through access to finance and individual support.

Who is eligible?

To be eligible, applicants must:

- Have a Healthcare or Pension Card; or
- Earn under \$45,000 per year (after tax); and
- Be a South Australian resident with stable housing; and
- Most importantly, applicants must have a viable microenterprise idea that we believe we can support.

How does LaunchME help people start a small business?

Good Shepherd Microfinance has established six key support elements that participants have available to them through LaunchME:

- Coaching – Our Microenterprise Coach works directly with participants to identify and meet their business needs.
- Mentoring – A network of local business mentors is being established to provide participants with one-on-one support and guidance for the development of their idea.
- Business Planning – Every participant receives help with the development of a business plan, prepared as necessary with the support of our partners.
- Networks – An extensive supportive network has been created for participants made up of their mentor, coach, other participants, suppliers, customers and stakeholders.
- Skills Development – The skills development needs of participants are identified, and local providers will be engaged to deliver targeted training.
- Finance – Participants may have access to a no-interest loan up to \$5,000 to be put towards the development of their business.

How long is support provided?

Support provided through LaunchME is tailored to the individual needs of each participant. We anticipate that participants will be involved for three to 12 months – However, we understand that some people will need more intense support than others. Importantly, we're not about just helping to launch business ideas – we're here to provide support in those very critical first few months too.

How do I express my interest in becoming a participant?

This program is a small pilot and participant numbers are limited. If you are interested in being a participant, visit www.goodshepherdmicrofinance.org.au/LaunchME-signup and fill out the form to enquire about the microenterprise program.

How do I express my interest in becoming a mentor?

Please contact:

Nick Limberis
Microenterprise Coach
08 8406 8807

Why is Good Shepherd Microfinance launching this program?

The small business sector is extremely important for the Australian economy. It creates employment and provides income to households, building stronger communities. Small businesses are the engine room of the South Australian economy, accounting for 98 per cent of businesses, employing almost 250,000 people and contributing \$34 billion to the economy.

In communities that are challenged with high unemployment levels, such as the northern suburbs of Adelaide, LaunchME will be important in creating employment and other opportunities in the community.

Many people on low incomes are locked-out of starting businesses because they can't access capital for start-up and other support services. LaunchME exists to help participants overcome these barriers to success.

What kinds of businesses does the program support?

A LaunchME microenterprise may be a sole trader business or an owner-operated operation with fewer than five employees. It may also be a home-based business. No two small businesses look the same, but some examples might include a handyman, hairdresser, craftsman, tailor or gardener.

What types of businesses are being set-up?

The businesses are extremely varied. We have a Southern Australia trekking and touring company, a business creating 3D models for gamers, a scented candle business, a concierge service for the elderly and disabled, as well as various consulting businesses.

When can we expect to see the businesses involved in the program up and running?

Some of the small business ideas from our first cohort of participants are up and running already.

One of our participants, Rashidatu Kamara, who had the wonderful idea of creating the first African cuisine catering company in SA, catered for our launch event. She hopes to one day be Australia's first celebrity chef specialising in African cuisine. Many other participants took part in a business showcase to promote their business products and services, these included: Bernadette Golja – self-help journals for children, Daniel Cross – holistic garden and tree management services, Adam Dunncliff – trekking tours of the best spots across Southern Australia, and Kate Donohue – autism developmental consulting services.

If you're interested in using the services of one of the businesses in the program, please contact:

Nick Limberis
Microenterprise Coach
08 8406 8807

Do the businesses being set-up through the program have a legitimate chance of success, or are they being set-up just because the assistance is there?

One of the criteria for selecting participants is for the proposed business idea to be strong enough that we can support it. In all cases, we feel these businesses have a legitimate chance of succeeding.

What sort of impact will LaunchME have for South Australia?

LaunchME will enable South Australians on low incomes, with a viable small business idea, to bring that business idea to life.

We're starting reasonably small to begin with; about 20 businesses will be involved initially, but we'd expect that to grow over time.

Initially, the program is likely to create employment for 20 – 40 South Australians, but as it grows its impact could be to employ hundreds or thousands of South Australians. We expect the program will also have strong social benefits, with the flow-on impact being that clients will realise their own economic wellbeing, which results in them feeling more valued, accepted, included and in control of their lives. And who knows? -One of these businesses might be the next great business idea and build into something that generates significant employment for the region.

What are some of the barriers people experience when starting a small business?

According to the Australian Bureau of Statistics more than 60 per cent of small businesses cease operating within the first three years of starting. It's well recognised that the main reasons small businesses never get off the ground or fail soon after inception are economic, and a lack of appropriate support and guidance. This includes not being able to access start-up finance, or poor financial management once the business is up and running.

For aspiring business owners on low incomes, these issues are often exacerbated making the task of starting or running a small business almost impossible. LaunchME directly addresses these barriers by providing participants with access to ongoing coaching, mentoring, training and no-interest loans.

If people are on low incomes, do they have the knowledge or financial skills to run a small business?

What we've found over the many decades we've been supporting clients is that people find themselves needing assistance for many different reasons. However, it isn't necessarily a reflection on them or their abilities and in the case of this program, their ability to start and run a business.

Many people on low incomes are excluded from getting loans from mainstream lenders, so may not have previously had the ability to access finance to start a business. LaunchME will provide ongoing coaching, mentoring and support networks for participants.

Are there other microenterprise programs operating in Australia?

There are other microenterprise programs in Australia, however, they each have different criteria. LaunchME is an Australian first for Good Shepherd Microfinance – we've invested a lot in its success and we hope it's something we can replicate in other states.

What's unique about this program?

LaunchME puts the participants at the centre of its design and has a customised program of support to meet individual participant needs and increase the likelihood of business success. We have taken time to deeply understand participant needs and then worked with them to identify solutions to meet those needs. It's a human-centred, living lab approach that allows us to be innovative and creative in the design of the program.

Why did you choose South Australia for the program?

For us, it was the perfect environment for LaunchME's pilot. South Australia has more than 140,000 small businesses in the state, and the South Australian Government has been a strong supporter of Good Shepherd Microfinance through our other programs like the No Interest Loans Scheme and Good Money stores. LaunchME is an Australian-first for Good Shepherd Microfinance, and over time we hope to see it grow across the nation.

How is the SA Government supporting the program?

The South Australian Government will invest \$900,000 over three years to support the development and pilot of LaunchME. The Department for Communities and Social Inclusion has representatives on our working group which oversees the design and operation of this program.

Why are you providing access to no-interest loans?

Many people on low-incomes are excluded from getting loans from mainstream lenders, so may not have previously had the ability to access finance to start a business. Good Shepherd Microfinance has been offering no-interest, small amount loans for many years through our No Interest Loan Scheme, and we're now extending that concept to potential business owners.

How will you finance the loans for LaunchME?

Good Shepherd Microfinance has a long history in offering safe, affordable and fair loans to people on low incomes. Our NILS program has been running for more than 35 years and has reached 400,000 people. We have access to donor capital that we are using to fund the first microenterprise loans and we are in discussions with a major bank to support a loan capital pool in the future.

What do you expect will be the repayment rates on the loans?

Good Shepherd Microfinance has a solid history of offering no interest loans to people on low incomes. Each year there are around \$23 million in NILS loans, and more than 95 percent of loans are repaid. We hope that by working closely with each individual participant we can achieve very high repayment rates on our microenterprise loans as well.